ARKEM

2024 SUSTAINABILITY REPORT

TABLE OF CONTENTS

Introduction

Approach to Sustainability

Environment

Social

Governance

Appendix

ARKEM

INTRODUCTION

ABOUT THIS REPORT

This Sustainability Report presents a comprehensive overview of Arkem Companies' environmental, social, and governance (ESG) performance for the period from January 1 to December 31, 2024. The report covers Arkem Kimya and its subsidiaries, excluding Altıntel Port and Terminal Enterprises and Gökbil Logistics. As the inaugural edition of our sustainability disclosures, it outlines the strategic direction we have defined and the key initiatives undertaken to integrate sustainability into our operations. The report has been prepared in accordance with the GRI Standards, following the GRI 1: Foundation 2021, and reflects our contributions to the United Nations Sustainable Development Goals (SDGs), while reaffirming our commitment to the Ten Principles of the United Nations Global Compact, to which we are a proud signatory.

We are proud to present our very first Sustainability Report —an exciting and meaningful milestone in our corporate journey. As this is our inaugural edition, it reflects both our enthusiasm and our firm commitment to embedding sustainability at the heart of our business practices.

This report has been prepared with the intent to provide transparent, accurate, and reliable information to all our stakeholders. It marks the beginning of an ongoing process to improve our sustainability performance and reporting capabilities in line with global standards.

Going forward, enhancing the depth, scope, and impact of our sustainability reporting will remain one of our key priorities. Through this report, we aim to foster trust, demonstrate accountability, and build a solid foundation for continuous improvement.

LEVEND KOKULUDAĞ
Chief Executive Officer

MESSAGE FROM OUR CEO

Embarking on Our Sustainability Journey with Strong and Resilient Steps

Established in Bussum, Netherlands, our company has grown from a regional distributor into a global player with over 35 years of experience in the chemical industry. While we are proud of our strong operational roots in Türkiye, our presence today spans Germany, the Netherlands, Romania, Bulgaria, China, and the United States, supported by an extensive infrastructure that includes our own port facilities, storage hubs, and integrated logistics systems.

As we expand our global footprint, we remain acutely aware of our responsibility to address environmental and social challenges at scale. Reducing our carbon footprint is a core pillar of our sustainability roadmap. In this context, we have thoroughly assessed our climate impact across Scope 1, 2, and 3 emissions. At the same time, we have made decisive strategic investments in renewable energy and optimized our distribution systems to enhance efficiency and reduce environmental impact.

We have also defined short, medium, and long-term strategic targets aligned with global standards, and we are committed to reducing both direct and indirect impacts across our value chain—particularly within our supplier networks and logistics operations. These efforts are informed by science-based approaches and guided by transparency and accountability.

Beyond emissions reduction, we are actively positioning ourselves in the sustainable products market, offering safer and more environmentally responsible alternatives. By supporting the growth of this market, we contribute to a more circular, low-carbon economy and respond to our stakeholders' increasing demand for responsible sourcing and green innovation.

We hold ourselves to the highest standards of transparency, ethical business conduct, and corporate governance. These values are embedded in our culture and reflected in how we operate, source, and collaborate—with full alignment to CSRD, GRI, EcoVadis, and the UN Global Compact.

We also take great pride in our positive contributions to society, with initiatives focused on employee well-being, diversity and inclusion, occupational safety, and the empowerment of women in our supply chain. Sustainability for us is not a destination, but a continuous journey—rooted in shared responsibility, innovation, and long-term value creation.

Above all, we recognize that our most valuable asset is our people. It is through the dedication, expertise, and shared values of our employees that we are able to grow, innovate, and deliver impact. We are committed to fostering a safe, inclusive, and empowering work environment— one that enables every team member to thrive and contribute meaningfully to our collective success. Their passion and commitment fuel our journey toward a more responsible and sustainable future.

As we continue to grow, we do so with integrity, purpose, and a clear vision: to lead the chemical distribution sector toward a more resilient, ethical, and sustainable future.

We have embarked on our sustainability journey with strong and resilient steps.

This report marks a foundational milestone, and we are committed to advancing with determination, transparency, and collaboration as we build a more responsible future.

WHO WE ARE

Arkem is a leading global distributor of high-quality specialty chemicals across various categories. In addition to delivering premium products from well-known global brands, we place great emphasis on the quality of our logistics and value-added services to ensure a consistently high level of customer satisfaction.

With our solution-oriented approach, we accelerate our transition into digital and innovation-driven areas by adapting swiftly to evolving industry trends and regulatory frameworks. Our commitment to sustainability, compliance, and technological advancement shapes the way we operate and create long-term value across our supply chain.

+200
Products in Our Enhanced Portfolio

+1000
Customers

+30
Countries Served

+20
Ports and Warehouses

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

GLOBAL PRESENCE

EMEA

Arkem Türkiye

REVENUE
K USD

237,000

Arkem International Chemicals B.V.

REVENUE
K USD

80,735

Arkem Bulgaria & Romania

REVENUE
K USD

262,1

Arkem Germany

REVENUE
K USD

14,346

AMERICA

Arkem USA

REVENUE
K USD

131,6

ASIA-PASIFIC

Arkem China

REVENUE
K USD

2,100

WORLDWIDE

REVENUE
K USD

334,500

Head
Quarters ———— 1

Offices ———— 6

OUR HISTORY

Arkem Chemicals

1991

Arkem B.V. is established in Bussum, Netherlands, by Levent Kokuludağ, Mark van Stokkum, and Ipek Hanligil. The first cargo containing VAN, K65, Butyl Acetate, NBA, and Ethyl Glycol was dispatched from the US Gulf to Polipet Terminal in Türkiye.

1992

Arkem B.V. Istanbul Office opens. Chemical raw materials sales to Türkiye and surrounding countries begin, and trade expands from Istanbul.

2017

ARKEM CHEMICALS GERMANY
With offices in Europe, Arkem expands its international presence with a foreign office in Moers.

2011

ARKEM CHEMICALS CHINA & USA
Arkem Kimya opens a strategic foreign office in China, with locations in Shanghai and Houston.

2018

Arkem Kimya establishes a state-of-the-art application and laboratory center, expanding its R&D activities and product portfolio.

2020

ARKEM CHEMICALS INT. B.V.
Arkem Kimya establishes a subsidiary in the Netherlands, managing all global commercial transactions and offices under this entity.

2022

Arkem Kimya takes the first step into digitalization by launching an e-commerce platform for raw materials.

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

1995

ARKEM KİMYA SAN. VE TİC. A.Ş.
Arkem Kimya is officially established and starts operations under this name.

1996

GÖKBİL LOGISTICS
Gökbil is established to carry out chemical logistics activities efficiently and provide commercial advantage at the "first Turkish" ISO tank terminal. It operates in domestic and international markets with ISO tanks and manages increasing business volumes while maintaining customer satisfaction.

2008

ALTINTEL LİMAN VE TERMİNAL (Acquisition)
Originally founded in 1973, Arkem Kimya co-acquires the Altintel Port and Fuel Terminal. With this acquisition, Arkem Kimya strengthens its logistics network by handling storage activities at its own port.

2006

ARKEM CHEMICALS BULGARIA
Arkem Kimya establishes its first foreign office in Bulgaria. Activities across Europe expand.

2023

ARKEM CHEMICALS ROMANIA
A new office in Romania is established. Arkem Kimya continues expanding in Bulgaria, China, and other regions.

2024

Arkem Kimya commits to the United Nations Global Compact principles and sustainability measures. Joins EcoVadis, demonstrating sustainability efforts. Demonstrates commitment to climate action with initiatives in Impact Carbon Disclosure Project. Arkem Kimya joins FECC.
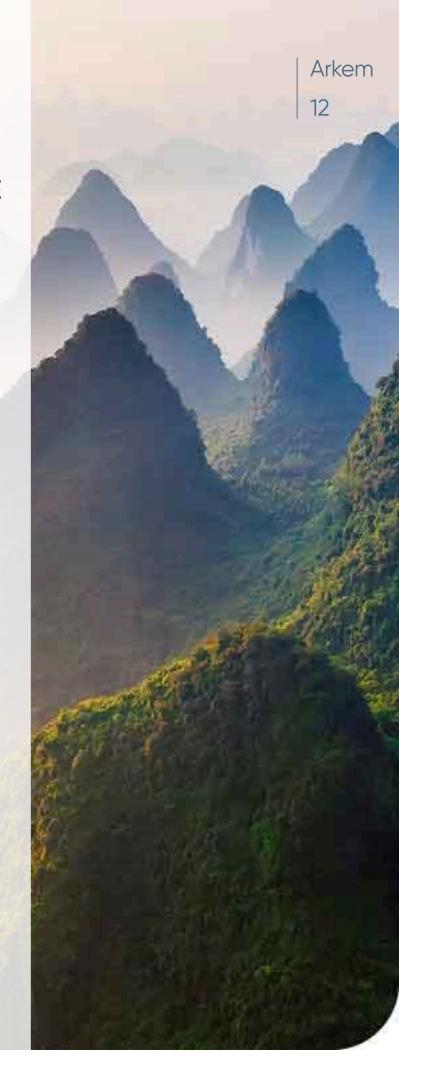
THE WAY WE CREATE VALUE

GENERAL INFORMATION FOR ARKEM COMPANIES

Arkem Chemicals is a fully integrated and innovative distribution company specializing in basic and specialty chemicals. With offices and warehouses in different strategic locations, it offers comprehensive and effective solutions to its customers at every stage of the chemical supply chain. The company operates in 4 different geographical regions and 6 countries, serving as a reliable bridge between suppliers and customers.

Arkem Chemicals, known for its high service quality and wide product range, delivers the products of international petrochemicals, special chemicals, plastics, pharmaceuticals and cosmetic ingredient suppliers to customers in different countries with great care. The main services offered by the company include distribution, international marketing, warehousing and logistics, project development and product development.

Operating in three main sectors, Arkem Chemicals stands out in its sector thanks to its commitment to ethical values, expert staff and solution-oriented approach. The company has adopted as a principle the creation of value at the highest quality standards for its customers, suppliers, employees, society and the environment. Thanks to the individual touch brought by its family business identity, it has achieved a strong position as a reliable business partner.

Within the framework of its sustainability approach, it aims to be the leader in chemical distribution and logistics services with the strategic investments it makes in its main areas of activity. Arkem Chemicals strives to add value to its stakeholders and achieve long-term success with its innovative and reliable solutions.

TURKIYE

> **Employment Impact:** Arkem Chemicals employs 100 people in total in Türkiye offices including Izmır and Ankara. 52% of employees are female. Age and gender distributions are given in Annex I on page 129-130.

> **Invesments and Growth:** Arkem Chemicals contributes to the expansion of economic activities and acceleration of growth in Türkiye with the investments it makes in addition to its existing activities.

> **Contribution to Export:** Arkem Chemicals contributes to the economy with its exports from Türkiye and supports reducing the current account deficit.

> **Social Responsibility Impact:** As Darüşşafaka's Cornerstone Donor, Arkem supports many non-governmental organizations. Aware of the importance of quality education, Arkem guides students in their career journey by organizing both internship programs and workshops for academic institutions. See details on page 98.

> **Sustainability:** Arkem Chemical proves the importance it attaches to sustainability activities and its enthusiasm for continuous improvement by receiving a bronze medal from Ecovadis, the most well-known sustainability rating platform. In addition, through its cooperation with the Turkish Chemical Manufacturers Association, Arkem Chemicals Türkiye has strengthened its commitment to employee health, technical safety, environmental protection, energy efficiency, resource use, and sustainability.

To further reinforce this commitment, particularly regarding the sustainable sourcing of raw materials containing palm oil derivatives, Arkem Kimya initiated the RSPO membership process, which was finalized as of February 14, 2025. Our company has been accepted as a member under the "Associate" category within the "Supply Chain Associate" sector.

> **Environmental Impact:** Arkem Chemicals carries out studies to determine the impact of climate change and reduce carbon emissions throughout the value chain in which it operates. Supporting this, Arkem Chemicals has completed CDP full-questionnaire in October'24. In addition to this, short, medium and long-term goals have been determined. See page 47-55 for details.

> **External Recognition:** Arkem Chemicals continues to be among the best companies in its category in the regularly conducted Great Place to Work survey.

> **Impact on Local Economy:** Ranks 291st among Fortune 500 Türkiye companies. Arkem Chemical makes significant contributions to the local economy with its growing commercial activities.

> **ESG Future Actions Impact:** To further develop ESG actions in the region, Arkem Chemicals has identified priority issues with an expert third party. The materiality matrix was realized through a detailed analysis of the chemicals industry and stakeholder input, and ESG priorities were identified for the coming years.

THE WAY WE CREATE VALUE

NETHERLANDS

> Employment Impact: Arkem Chemicals International B.V. operates through a virtual office structure and does not have direct physical employees. The total number of 13 employees represents the combined workforce of its affiliated companies from different countries. Age and gender distributions are provided in Annex I on pages 129-130. Employment is expected to increase in the coming years in line with the growth targets and the goal of becoming a leader in the market.

> Invesments and Growth: Arkem Chemicals International B.V. contributes to the expansion of economic activities and acceleration of growth in Netherlands with the investments it makes in addition to its existing activities.

> Contribution to Export: Arkem Chemicals International B.V. contributes to the economy with its exports from Netherlands and supports reducing the current account deficit.

> Social Responsibility Impact: Short, medium and long-term targets have been determined within the scope of social responsibility impact in the countries where Arkem Chemicals operates. See page 47-55 for details.

> Sustainability: Arkem Chemicals demonstrates its commitment to sustainability by aiming to win the Gold Medal in Ecovadis. This target is planned to be achieved in the short term (1-5 years).

The preparation of the Sustainability Report within the scope of CSRD and the preliminary implementation of its requirements are targeted for 2026.

> Environmental Impact: Arkem Chemicals carries out studies to determine the impact of climate change and reduce carbon emissions throughout the value chain in which it operates. In this context, short, medium and long-term goals have been determined. See page 47-55 for details.

> ESG Future Actions Impact: To further develop ESG actions in the region, Arkem Chemicals has identified priority issues with an expert third party. The materiality matrix was realized through a detailed analysis of the chemicals industry and stakeholder input, and ESG priorities were identified for the coming years.

> External Recognition: Short, medium and long-term goals have been determined to ensure that the Great Place to Work evaluation is carried out in all offices. See page 47-55 for details. It has also increased its recognition in commercial associations and organizations in the chemical industry in Europe.

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

GERMANY

> **Employment Impact:** Arkem Chemicals GmbH employs 6 people in Germany office. Of the 6 employees employed, 4 are female and 2 are male. Age and gender distributions are given in Annex I on page 129-130. Employment is expected to increase in the coming years in line with the growth targets and becoming a leader in the

> **Contribution to Export:** Arkem Chemicals GmbH contributes to the economy with its exports from Germany and supports reducing the current account deficit.

> **Social Responsibility Impact:** Short, medium and long-term targets have been determined within the scope of social responsibility impact in the countries where Arkem Chemicals operates. See page 47-55 for details.

> **Sustainability:** Arkem Chemicals demonstrates its commitment to sustainability by aiming to win the Gold Medal in Ecovadis. This target is planned to be achieved in the short term (1-5 years).
The preparation of the Sustainability Report within the scope of CSRD and the preliminary implementation of its requirements are targeted for 2026.

> **Environmental Impact:** Arkem Chemicals carries out studies to determine the impact of climate change and reduce carbon emissions throughout the value chain in which it operates and also supports circular economy. In this context, short, medium and long-term goals have been determined. . See page 47-55 for details

> **ESG Future Actions Impact:** To further develop ESG actions in the region, Arkem Chemicals has identified priority issues with an expert third party. The materiality matrix was realized through a detailed analysis of the chemicals industry and stakeholder input, and ESG priorities were identified for the coming years.

THE WAY WE CREATE VALUE

CHINA

> **Employment Impact:** Arkem Chemicals China employs 4 people in China office. Of the 4 employees employed, 3 are female and 1 is male which means the 75% of the positions is filled by female. Age and gender distributions are given in Annex I on page 129-130. Employment is expected to increase in the coming years in line with the growth targets and becoming a leader in the market.

> **Contribution to Export:** Arkem Chemicals China contributes to the economy with its exports from China and supports reducing the current account deficit.

> **Social Responsibility Impact:** Short, medium and long-term targets have been determined within the scope of social responsibility impact in the countries where Arkem Chemicals operates. See page 47-55 for details.

> **Sustainability:** Arkem Chemicals demonstrates its commitment to sustainability by aiming to win the Gold Medal in Ecovadis. This target is planned to be achieved in the short term (1-5 years).

The preparation of the Sustainability Report within the scope of CSRD and the preliminary implementation of its requirements are targeted for 2026.

> **Environmental Impact:** Arkem Chemicals carries out studies to determine the impact of climate change and reduce carbon emissions throughout the value chain in which it operates. In this context, short, medium and long-term goals have been determined. See page 47-55 for details.

> **ESG Future Actions Impact:** To further develop ESG actions in the region, Arkem Chemicals has identified priority issues with an expert third party. The materiality matrix was realized through a detailed analysis of the chemicals industry and stakeholder input, and ESG priorities were identified for the coming years.

> **External Recognition:** Short, medium and long-term goals have been determined to ensure that the Great Place to Work evaluation is carried out in all offices. See page 47-55 for details. It has also increased its recognition in commercial associations and organizations in the chemical industry in China.

Introduction

Approach To
Sustainability

Environment

Social

Governance

Appendix

BULGARIA

> **Employment Impact:** Arkem Chemicals Bulgaria employs 2 people in the office in Sofia. Of the 2 employees employed, 1 are female and 1 is male which means the 75% of the positions is filled by women. Age and gender distributions are given in Annex I on page 129-130. Employment is expected to increase in the coming years in line with the growth targets and becoming a leader in the market.

> **Contribution to Export:** Arkem Chemicals Bulgaria contributes to the economy with its exports from China and supports reducing the current account deficit.

> **Social Responsibility Impact:** Short, medium and long-term targets have been determined within the scope of social responsibility impact in the countries where Arkem Chemicals operates. See page 47-55 for details.

> **Sustainability:** Arkem Chemicals demonstrates its commitment to sustainability by aiming to win the Gold Medal in Ecovadis. This target is planned to be achieved in the short term (1-5 years).
The preparation of the Sustainability Report within the scope of CSRD and the preliminary implementation of its requirements are targeted for 2026.

> **Environmental Impact:** Arkem Chemicals carries out studies to determine the impact of climate change and reduce carbon emissions throughout the value chain in which it operates. In this context, short, medium and long-term goals have been determined. See page 47-55 for details.

> **ESG Future Actions Impact:** To further develop ESG actions in the region, Arkem Chemicals has identified priority issues with an expert third party. The materiality matrix was realized through a detailed analysis of the chemicals industry and stakeholder input, and ESG priorities were identified for the coming years.

> **External Recognition:** Short, medium and long-term goals have been determined to ensure that the Great Place to Work evaluation is carried out in all offices. See page 47-55 for details. It has also increased its recognition in commercial associations and organizations in the chemical industry in Europe.

THE WAY WE CREATE VALUE

ROMANIA

> **Employment Impact:** Arkem Chemicals Romania employs 1 people in the office in Bucharest. Employment is expected to increase in the coming years in line with the growth targets and becoming a leader in the market.

> **Contribution to Export:** Arkem Chemicals Romania contributes to the economy with its exports from Romania and supports reducing the current account deficit.

> **Social Responsibility Impact:** Short, medium and long-term targets have been determined within the scope of social responsibility impact in the countries where Arkem Chemicals operates. See page 47-55 for details.

> **Sustainability:** Arkem Chemicals demonstrates its commitment to sustainability by aiming to win the Gold Medal in Ecovadis. This target is planned to be achieved in the short term (1-5 years).
The preparation of the Sustainability Report within the scope of CSRD and the preliminary implementation of its requirements are targeted for 2026.

> **Environmental Impact:** Arkem Chemicals carries out studies to determine the impact of climate change and reduce carbon emissions throughout the value chain in which it operates. In this context, short, medium and long-term goals have been determined. See page 47-55 for details.

> **ESG Future Actions Impact:** To further develop ESG actions in the region, Arkem Chemicals has identified priority issues with an expert third party. The materiality matrix was realized through a detailed analysis of the chemicals industry and stakeholder input, and ESG priorities were identified for the coming years.

> **External Recognition:** Short, medium and long-term goals have been determined to ensure that the Great Place to Work evaluation is carried out in all offices. See page 47-55 for details. It has also increased its recognition in commercial associations and organizations in the chemical industry in Europe.
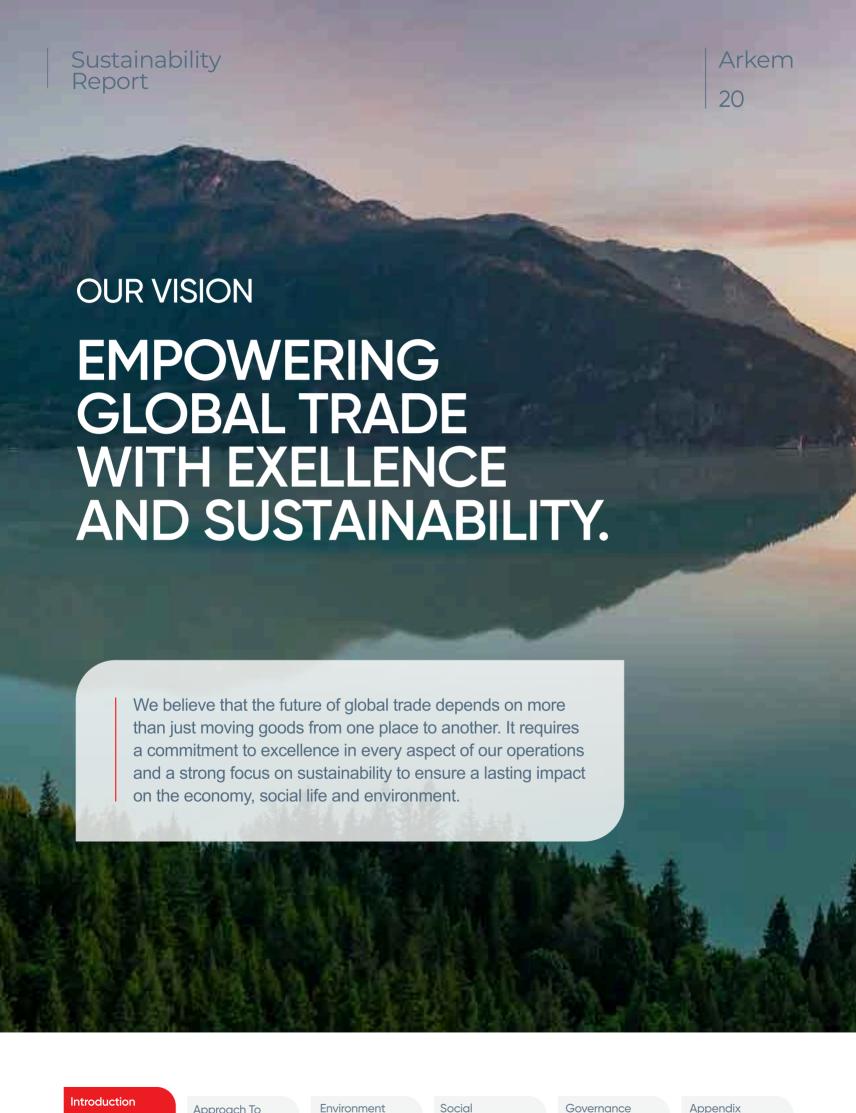
Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

USA

> Employment Impact: Arkem Chemicals Inc. had no employment in 2024 as its operations managed by Arkem Chemicals Türkiye. Depending on commercial strategies, the issue of personnel employment in the coming years is open to evaluation.

> Contribution to Export: Arkem Chemicals USA contributes to the economy with its exports from USA and supports reducing the current account deficit.

> Social Responsibility Impact: Short, medium and long-term targets have been determined within the scope of social responsibility impact in the countries where Arkem Chemicals operates. See page 47-55 for details.

> Sustainability: Arkem Chemicals demonstrates its commitment to sustainability by aiming to win the Gold Medal in Ecovadis. This target is planned to be achieved in the short term (1-5 years).
The preparation of the Sustainability Report within the scope of CSRD and the preliminary implementation of its requirements are targeted for 2026.

> Environmental Impact: Arkem Chemicals carries out studies to determine the impact of climate change and reduce carbon emissions throughout the value chain in which it operates. In this context, short, medium and long-term goals have been determined. See page 47-55 for details.

> ESG Future Actions Impact: To further develop ESG actions in the region, Arkem Chemicals has identified priority issues with an expert third party. The materiality matrix was realized through a detailed analysis of the chemicals industry and stakeholder input, and ESG priorities were identified for the coming years.

OUR VISION

EMPOWERING GLOBAL TRADE WITH EXELLENCE AND SUSTAINABILITY.

We believe that the future of global trade depends on more than just moving goods from one place to another. It requires a commitment to excellence in every aspect of our operations and a strong focus on sustainability to ensure a lasting impact on the economy, social life and environment.

Introduction

Approach To
Sustainability

Environment

Social

Governance

Appendix

OUR CORE VALUES

AGILITY

Adapting quickly to change and uncertainty.

INTEGRITY

Doing the right thing even when no one is watching.

COMPLIANCE

Adhering strictly to laws, regulations, and ethical business conduct.

DEPENDABILITY

Being reliable and consistent in quality and delivery.

BOLDNESS

Taking risks and pushing boundaries.

ABOUT OUR BUSINESS SEGMENTS

Essential Chemicals

Essential Chemicals form the foundation for a wide range of industrial and everyday materials. Our products are in high demand in the following areas:

Plastics and Polymers: Key raw materials for polyester, polyurethane, and other types of polymers.
Coatings: Provide durability, corrosion resistance, and aesthetic finishes for various surfaces.
Adhesives: Enhance bonding strength and flexibility for industrial and consumer applications.
Packaging: Support the production of sustainable, lightweight, and durable materials for food, consumer goods, and industrial packaging.

Surfactants

We hold a significant position in the international trade of chemical products. Our company in the import and export of surfactant group products, which are indispensable components in both industrial and everyday applications.

Personal Care and Cosmetics: Essential ingredients in shampoos, soaps, liquid hand soaps, body cleansers, and other personal care products.
Household Cleaning: Key components in laundry detergents, dishwashing liquids, and surface cleaners.
Industrial Applications: Used in oil and gas industries as demulsifiers, in the textile industry for dyeing processes, and in the paper industry to facilitate operations.
Agriculture and Food: Employed as additives in pesticide formulations and food processing.

Food Additives

Our food additives support the development of safer, more sustainable, and high-quality food products. Applications include:

Preservatives: Extend shelf life and maintain product safety.
Stabilizers and Emulsifiers: Improve texture, consistency, and product stability.
Flavor Enhancers: Enhance taste profiles to meet consumer preferences.

Cosmetic Products

In our Application Laboratory, we develop a wide range of cosmetic product formulations using the raw materials we supply. While introducing these raw materials to our customers, we aim to offer a more tangible experience by evaluating the sensory and visual properties they impart to finished products.

To support and accelerate our customers' R&D processes, we also create analogous formulation prototypes by analyzing the physical, chemical, and textural properties of benchmark products, comparative formulations, or customized products developed in line with project-specific requirements.
Furthermore, our laboratory provides technical support by responding to customer inquiries and requests regarding the functional and technical applications of the raw materials in our portfolio.
Aligned with our sustainability commitment, we prioritize the use of environmentally responsible and ethically sourced raw materials in our formulation studies. We also promote clean beauty trends by supporting the development of formulations that reduce environmental impact, minimize resource use, and meet global standards for sustainable product design.

Performance Chemicals

Performance chemicals are high-value-added products designed to meet specific industrial needs. Key application areas include:

Water Treatment: Solutions for cleaner and more sustainable water resources.
Concrete and Construction: Improve durability and contribute to energy efficiency through concrete additives.
Coatings and Paints: Provide surface durability, gloss, and protection through specialized chemicals.

Pharma

We provide high-quality pharmaceutical raw materials that contribute to advancements in healthcare and medical solutions:

Active Pharmaceutical Ingredients (APIs): Critical components for various medications.
Excipients: Facilitate drug formulation, stability, and delivery.
Nutraceuticals: Support the growing demand for health supplements and functional foods.
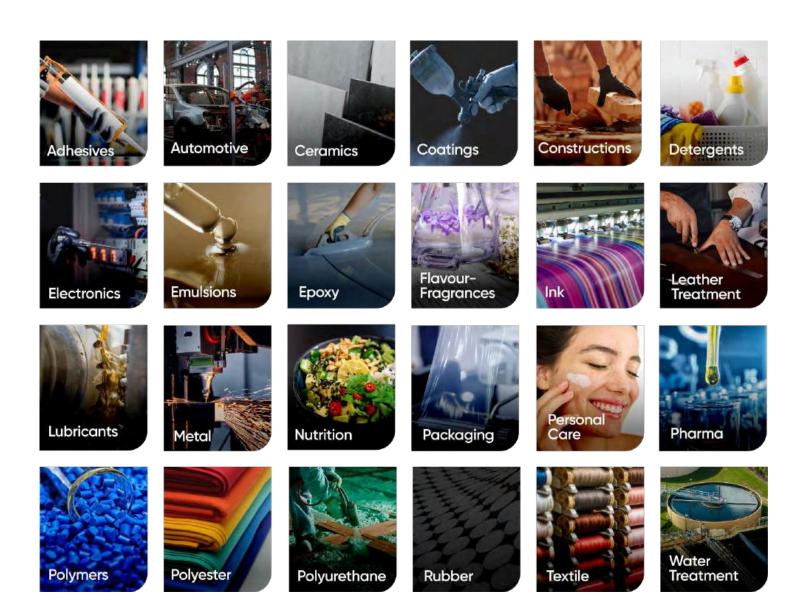
SECTORS WE SERVE

We proudly supply high-quality chemical raw materials to global markets, guided by our commitment to sustainability and environmental responsibility.

Our diverse product portfolio supports a wide range of industries and is integrated into countless manufacturing processes worldwide. We prioritize not only customer satisfaction but also the health of people and the planet by aligning our operations with environmental, social, and governance (ESG) principles.

We conduct our activities in alignment with international sustainability frameworks.

In doing so, we promote transparency in our supply chain and continuously improve our environmental and social impact by fostering responsible sourcing, product stewardship, and stakeholder collaboration.

Adhesives	Automotive	Ceramics	Coatings	Constructions	Detergents
Electronics	Emulsions	Epoxy	Flavour-Fragrances	Ink	Leather Treatment
Lubricants	Metal	Nutrition	Packaging	Personal Care	Pharma
Polymers	Polyester	Polyurethane	Rubber	Textile	Water Treatment

OUR EXCLUSIVE NETWORK

Our exclusive network of international suppliers represents a core strength of our business model. Through carefully established and long-standing distribution agreements, we serve as the trusted channel for bringing high-quality, innovative products to our markets. These partnerships not only distinguish us from competitors but also reflect our commitment to building responsible, long-term business relationships based on transparency, reliability, and shared values. By maintaining exclusivity, we ensure better supply chain oversight, consistency in product standards, and a stronger alignment with sustainability goals.

GROWTH DOMAINS

Green Energy

Supporting and utilizing renewable energy sources is a core priority, as it is crucial for promoting environmental sustainability and reducing carbon footprint. By investing in renewable energy, not only contribute to a cleaner and healthier planet but also enhance the long-term sustainability of operations.

Circular Economy

Minimize waste, maximize the reuse of materials, and promote recycling. Reduce environmental impact, conserve resources, and create a more sustainable future for both businesses and communities by closing the loop.

New Products

Continuously innovating and expanding our product portfolio to strengthen our position in the market. Offering a diverse and competitive range of solutions by actively seeking new products and staying attuned to market trends and customer needs.

Introduction

Approach To
Sustainability

Environment

Social

Governance

Appendix

Personal Care

A wide range of cosmetic product formulations for the raw materials being developed in the Application Laboratory. Aim to provide a more concrete experience by testing raw material properties which will bring to the finished product along with these product formulations.

Food and Drug Supplements

Dedicated to expanding product portfolio and enhancing expertise in the food and drug supplement sectors. By continuously exploring new opportunities and incorporating cutting-edge knowledge, offering a wider range of high-quality supplements that meet the diverse needs of customers.

Digital Transformation

Integrating digital tools into processes is essential for enhancing efficiency and ensuring data accuracy. That allows to optimize operations, improve overall productivity, and provide more reliable insights, ultimately supporting the goal of continuous improvement and better service for customers

INNOVATION & CUSTOMER FOCUSED DEVELOPMENT

Our Application Laboratory, an integral part of our sustainability strategy, offers innovative solutions that consider both environmental and social impact by basing customer-focused product development processes on scientific foundations.

Formulation development studies are carried out in different product categories, especially for the cosmetics sector, within the laboratory. With these studies, the sensory, visual and functional properties of the raw materials in our product portfolio are integrated into the final product and presented to customers in an experiential manner.

In addition, technically applicable, innovative and competitive formulations are created thanks to benchmark analyses (physical, chemical and sensory tests) conducted specifically for customer projects. Scientific-based technical support is also provided in line with requests regarding technical application, stability, compatibility and functionality.

38 🧪

New Cosmetic Product Formulations Developed Between Jan–Oct 2024

SUSTAINABLE PRODUCT DEVELOPMENT PROJECTS

By integrating our innovative approach with the goals of reducing environmental impacts and efficient use of resources, the following sustainable formulation projects have been carried out:

Water-Free Formulations (GRI 302-5: Energy And Resource Efficiency)

- Solid Perfume
- Solid Shampoo
- Powder Shampoo
- Solid Make-up Remover

These products reduce water consumption during production and use, reducing the blue water footprint and contributing to operational sustainability in water-stressed regions.

Microplastic-Free Formulations

• Wax beads obtained from natural gas, supplied by Cirebelle, have been used in products such as shower gel, shampoo and liquid soap that have a peeling effect.

• Microplastic-free solutions have been developed in products formulated with Sensient's Covacryl MV60 thickener.

These products contribute to the reduction of microplastic pollution in ocean and freshwater ecosystems.

Biodegradable Product Formulations

Developed using Kuraray's MMB solver:
• Bamboo stick air freshener
• Kitchen and bathroom surface cleaner
• Acetone-free nail polish remover
• Stain remover products

These formulations facilitate waste management and reduce the risk of environmental residues due to their biodegradability after use.

EVALUATION AND FUTURE PERSPECTIVE

Our innovation processes support not only technological development but also the reduction of climate impact, the optimization of natural resource use and the transition to a circular economy. In the coming period, we aim to expand our sustainable product portfolio and increase investments in formulations that reduce the carbon footprint.

STRATEGIC ADVANTAGES

STRATEGIC LOCATIONS

Ports and warehouses located in strategic locations provide a competitive advantage in logistics activities.

UNIQUE KNOW-HOW

Enable our company to be one step ahead in the sector with expert staff who have more than 20 years of experience in the market.

COOPERATIONS

Achieving excellence in service by collaborating with multinational companies.

LABORATORY PRACTICES

Supporting customers' product development activities and our sales thanks to the well-equipped laboratory.

PRODUCT PORTFOLIO

Our broad product range across key industries ensures business continuity, strengthens customer relationships, and supports our commitment to a sustainable future.

SOLUTION ORIENTED

We build long-term partnerships by creating tailored solutions and striving for 100% customer satisfaction, every step of the way.

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

OUR STRUCTURE

Arkem Chemicals
Türkiye/Istanbul
HQ

Arkem Chemicals
Izmır Sales Office

Arkem Chemicals
Ankara Branch

Altıntel Port and
Terminal Enterprises

Gokbil
Logistic

Arkem Chemicals
International B.V.

Arkem Chemicals
USA

Arkem Chemicals
China

Arkem Chemicals
Germany

Arkem Chemicals
Bulgaria

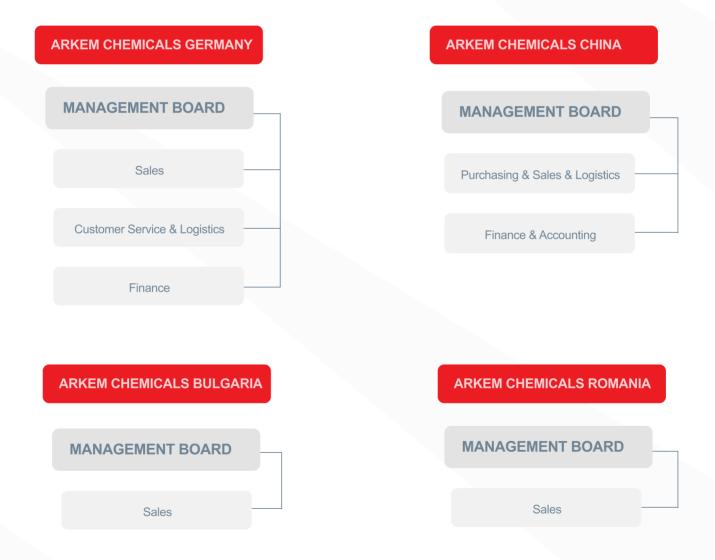Arkem Chemicals
**Romania
(Liasion Office)**

ORGANIZATION CHART

ARKEM CHEMICALS TÜRKIYE

ETHICS COMMITTEE

MANAGEMENT BOARD

LEVEND KOKULUDAĞ
Executive Chairman of
the Board, CEO

Essential Chemicals
Purchasing & Sales
Customs Operations and Logistics

Bulk Chemicals Operations

HSE-Q and Sustainability

Finance

Accounting

Ankara Office
Sales & Logistics

Performance Chemicals
Purchasing & Sales
Logistics

Human Resources & Corporate
Communication

Financial Control and Reporting

Information Technologies

Legal

İzmir Office
Sales & Logistics

Introduction

Approach To
Sustainability

Environment

Social

Governance

Appendix

ARKEM CHEMICALS INTERNATIONAL B.V.

Arkem Chemicals International B.V. has 3 subsidiaries: Arkem Chemicals GmbH, Arkem Chemicals Shanghai and Arkem Chemicals Bulgaria. Also, Arkem Chemicals Bulgaria has a liaison office in Romania. So, there are 4 companies in the structure of Arkem Chemicals International B.V. given below.

ARKEM CHEMICALS GERMANY

MANAGEMENT BOARD

Sales

Customer Service & Logistics

Finance

ARKEM CHEMICALS CHINA

MANAGEMENT BOARD

Purchasing & Sales & Logistics

Finance & Accounting

ARKEM CHEMICALS BULGARIA

MANAGEMENT BOARD

Sales

ARKEM CHEMICALS ROMANIA

MANAGEMENT BOARD

Sales

CORPORATE GOVERNANCE

BOARD MEMBERS

Levend KOKULUDAĞ
Executive Chairman
of the Board

Gökhan KOKULUDAĞ
Vice Chairman of the Board

Gazi ÖZKAN
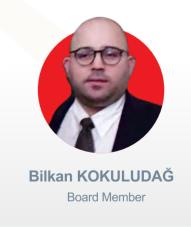Board Member

Erkut ERKEK
Board Member

Bilkan KOKULUDAĞ
Board Member

Our Board of Directors consists of 5 members who are experienced in the chemical trade sector. Being the highest decision-making authority at the center of our corporate governance approach, Our Board of Directors guides the implementation of our strategic goals and the transparent, fair and accountable management of our sustainability strategy.

Introduction

Approach To
Sustainability

Environment

Social

Governance

Appendix

OUR MEMBERSHIPS

INDUSTRY CHARTERS AND VOLUNTARY AGREEMENTS THAT WE ARE PART OF:

United Nations Global Compact (UNGC)

Ecovadis

Carbon Disclosure Project (CDP)

SEDEX

Great Place to Work (GPTW)

THE MAIN INDUSTRY ASSOCIATIONS AND INITIATIVES THAT WE BELONG TO:

EPCA

FECC

ICIS

PLATTS

NATIVE GROUPS THAT WE ARE A MEMBER OF

Flexible Packaging Industrialists Association

Turkish Chemical Manufacturers Association (TKSD)

Association of Cosmetics Manufacturers and Researchers (KUAD)

The Association of Paint Industry (BOSAD)

Mineral Oil and Petroleum Products Industrialists Association (MAPESAD)

WHAT WE OFFER

2024

Resources

Crude oil
Natural gas
Hydrocarbons
Vegetable oils
Synthetic polymers

Business Divisions

Essential chemicals
Performance chemicals
Surfactants
Cosmetics
Pharma and food additives

Expertise

Purchasing & Sales
Analysis & Evaluation
Technical Support
Formulation

Markets

Food & Pharma Additives
Detergents
Plastics & Polymers

Introduction

Approach To
Sustainability

Environment

Social

Governance

Appendix

2024 SUSTAINABILITY HIGHLIGHTS

OUR TARGET

REDUCE GHG EMISSIONS AND INCREASE SUSTAINABILITY ACTIVITIES OF ALL OUR COMPANIES WITHIN OUR STRUCTURE. THE ACTIVITIES TO BE CARRIED OUT IN LINE WITH THIS PURPOSE ARE SPECIFIED IN OUR **"STRATEGIC SUSTAINABILITY GOALS".**

United Nations Global Compact — SUSTAINABILITY REPORTING ALIGNS WITH THE UNGC PRINCIPLES & SDGs

ECOVADIS BRONZE — SUSTAINABILITY RATING*

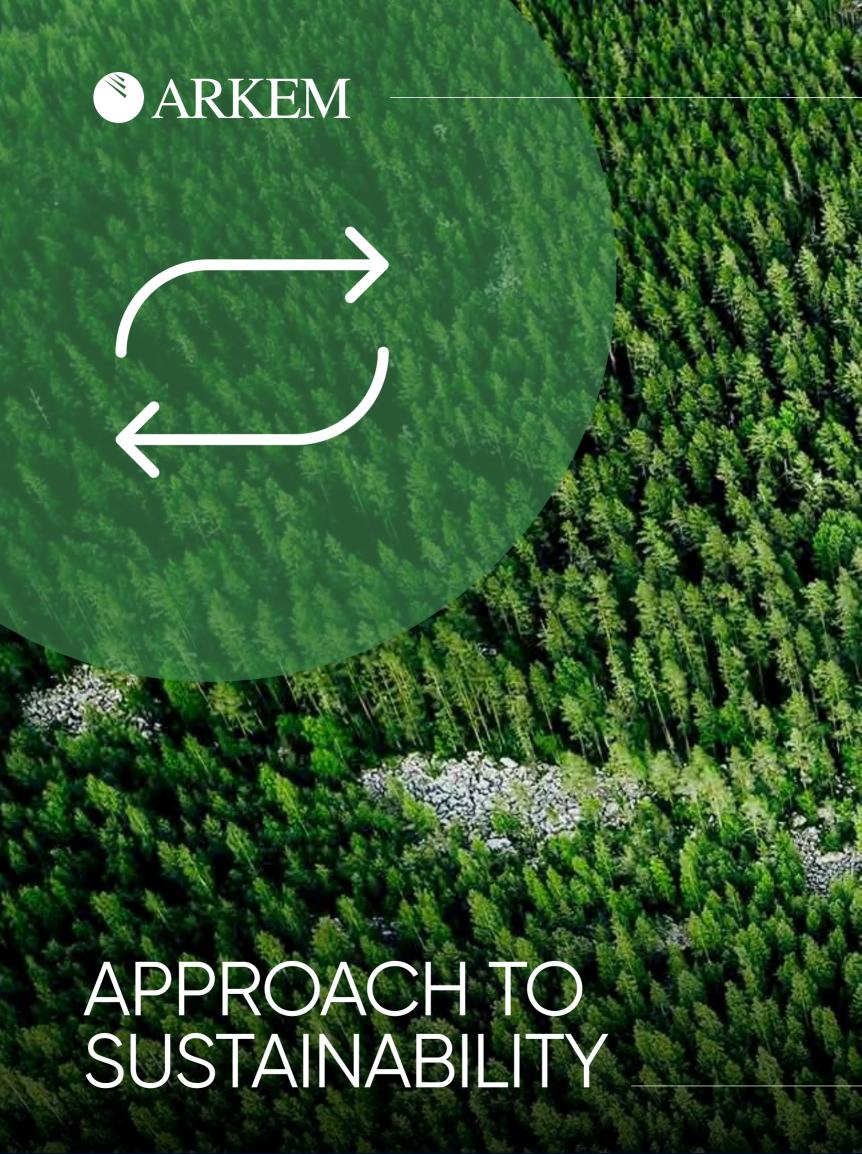**RESPONSIBLE CARE** — CERTIFICATE VALID TILL 2026 DEC*
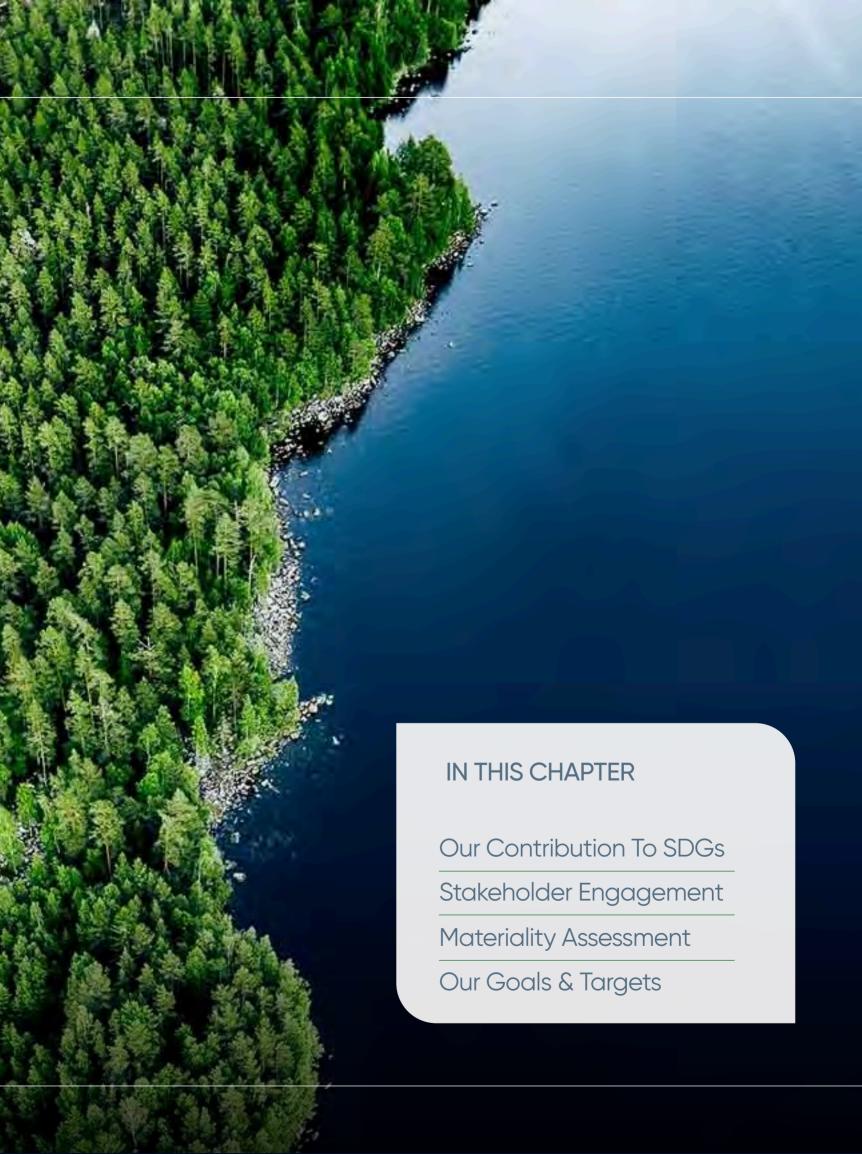
CDP C for CLIMATE — FULL CORPORATE QUESTIONNAIRE*

GREAT PLACE TO WORK — BEST SMALL 50-99

*Covers only Arkem Kimya

ARKEM

APPROACH TO SUSTAINABILITY

OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

In alignment with our sustainability vision, we integrate the United Nations Sustainable Development Goals (SDGs) into our core strategies and operations. Recognizing the critical role of the private sector in advancing these global priorities, we are committed to creating long-term value by managing our environmental, social, and governance (ESG) impacts responsibly.

We focus on the following SDGs, where we believe our business can make the most significant and measurable contribution:

Introduction

Approach To
Sustainability

Environment

Social

Governance

Appendix

SDG 3 – Good Health and Well-being

The health, safety, and overall well-being of our employees and surrounding communities are top priorities. We implement robust occupational health and safety policies and promote programs that support both physical and mental well-being.

SDG 4 – Quality Education

We invest in continuous learning and professional development opportunities for our employees, while also supporting educational programs and partnerships that empower youth and marginalized communities.

SDG 5 – Gender Equality

We are committed to fostering an inclusive corporate culture that promotes gender equality at all levels. We implement supportive policies and initiatives that increase the participation and leadership of women within and beyond our organization.

SDG 8 – Decent Work and Economic Growth

By ensuring fair compensation, protecting labor rights, and maintaining safe working conditions, we contribute to inclusive economic growth and support innovative, sustainable business models aligned with the SDGs.

SDG 10 – Reduced Inequalities

We are dedicated to cultivating a work environment in which all individuals, regardless of background, identity, or ability, have equal access to opportunities and are treated with respect and dignity.

SDG 12 – Responsible Consumption and Production

We optimize resource use, improve energy efficiency, and reduce waste across all operations. Our supply chain practices are guided by sustainability principles, aiming to minimize environmental impact throughout the value chain.

SDG 13 – Climate Action

We are implementing targets and action plans to reduce our carbon footprint, enhance climate resilience, and promote low-carbon operations through emission reductions and resource efficiency.

SDG 17 – Partnerships for the Goals

We recognize that achieving the SDGs requires multi-stakeholder collaboration. We actively engage with industry peers, academic institutions, NGOs, and suppliers to scale collective impact and accelerate progress.

Our commitment to the SDGs is reflected in our focus on transparency, performance measurement, and continuous improvement. We systematically monitor and report our sustainability performance and remain accountable to our stakeholders in building a more inclusive and resilient future.

STAKEHOLDER ENGAGEMENT

Our sustainability approach is built on the principle of establishing open, transparent and continuous communication with our stakeholders. We believe that active and meaningful engagement is essential for identifying key issues, managing expectations, and building lasting, trust-based relationships. Through this approach, we aim to generate shared value and strengthen our impact across all aspects of our operations.

Nine key stakeholder groups play a critical role in the success of our sustainability performance. Our engagement with these groups not only supports responsible decision-making but also ensures that our strategies remain aligned with the expectations of those who are directly or indirectly impacted by our activities.

We maintain open communication with our stakeholders through a range of channels, including direct dialogue, surveys, regular meetings, feedback mechanisms and digital platforms. In addition to conventional methods, we also promote engagement through everyday operational interactions such as supplier audits, compliance follow-ups, and employee feedback processes.

Strategic engagement with stakeholders enables us to prioritize sustainability issues with clarity and focus.

Stakeholder Cluster

Customers

Suppliers (Products & Service)

Employees

Regulations and Governments

Investors, Banks and Insurers

Trade Associations and Unions

Non-Governmental Organizations and Civil Society

Scientific Institutions

Media

STAKEHOLDER CLUSTERS	METHOD	TOPICS
Employees	Team meetings, trainings, performance reviews, events, surveys	Policies (environment, health and safety, sustainable procurement), health and safety performance, working conditions, business ethics
Customers	Safety data sheets, technical data sheets, quality and laboratory analysis reports, procedures, customer events, customer aspects survey, customer satisfaction survey, fairs and exhibitions, meetings	UNGC, Responsible care, product performance, EcoVadis, CDP reports, code of conduct
Suppliers (product & service)	Contracts, Procurement negotiations, CSR assessments, stakeholder surveys, audits, supplier evaluations, meetings	Supplier code of conduct, sustainability performance, ethical business conduct
Regulators and governments	Indirect engagement through associations, consultations, meetings and briefings, digital tools	Policies relating to climate change, business continuity, ethics and other issues affecting the industry, legal requirements monitoring
Investors, banks and insurers	Meetings, financial statements	Business strategy, economic performance, ESG strategy and performance, EcoVadis and CDP reports.
Trade associations and unions	Members' events and communications, webinars, trainings, workshops, fairs	Regulations, labour practices, sectoral sustainability initiatives and policies
Universities and scientific institutions	Conferences, workshops, partnerships, job fairs	Research and innovation, recruitment and partnership opportunities, internship programmes
Non-governmental organisations and civil society	Surveys, working groups, events, webinars	Arkema Chemical's sustainability insights and policy positions, corporate social responsibility projects
Media partners	Press releases, interviews, social media	Arkema Chemical's sustainability activities

MATERIALITY ASSESSMENT

Our sustainability strategy is grounded not only in internal priorities but also in global developments, sectoral dynamics, and stakeholder expectations. In this context, both internal assessments and a comprehensive external landscape analysis were conducted to identify our material sustainability topics.

As part of the external analysis, we reviewed sector-specific trends, global sustainability developments, and practices of recognized national and international benchmark companies. The process was guided primarily by the GRI Standards and supported by tools such as the SASB Materiality Map and various indices and rating frameworks, resulting in the creation of an extensive initial list of potential topics.

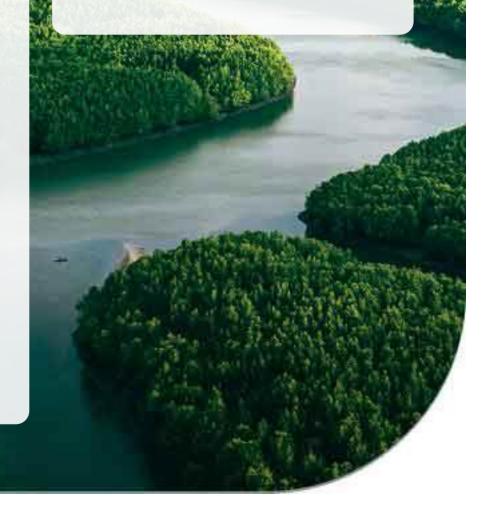As a result, 22 sustainability topics were identified and grouped under four strategic themes that reflect their relevance to our company:

Following the development of the topic list, an online survey was conducted to assess the significance of each topic for our company. The survey was shared with both internal and external stakeholders. Participants were asked to rate each topic on a scale from 0 (not important) to 5 (very high importance). The opinions of 85 stakeholders were gathered through the survey, offering valuable insight into the sustainability topics they consider most significant.

The responses provided valuable insights into which sustainability topics are considered most critical by our stakeholders. These results serve as a key reference for identifying strategic priorities, strengthening risk management processes, and selecting topics to be covered in our sustainability reporting.

In addition, the impact of each topic on the company's operations was evaluated through internal assessment, and a dual-perspective materiality approach was thereby adopted.

Environment

Products & Services

Labor & Human Rights

Governance & Finance

MATERIALITY MATRIX

The materiality matrix presented below reflects the consolidated outcomes of our stakeholder dialogue process. Based on the responses of 85 stakeholders — including Suppliers (Products & Services) (32%), Employees (47%), Customers (6%), NGOs – Civil Society (5%), Scientific Institutes (1%), and Investors – Banks – Insurers (9%) — each topic was assessed for its significance to stakeholders and its impact on our company.
This dual-perspective approach ensures a comprehensive prioritization of sustainability topics, guiding our strategic focus and reporting efforts.

IMPORTANCE FOR STAKEHOLDERS

- Data Privacy and Cybersecurity
- Community Relations and Human Rights
- Diversity, Inclusion & Equal Opportunities
- Diversity, Inclusion & Equal Opportunities
- Business Ethics and Transparency
- Product Responsibility and Consumer Safety
- Customer Relations Management / Customer Satisfaction & Engagement
- Long-Term Value Creation
- Water Use and Scarcity
- Career Management & Training
- Product Safety & Quality
- Sustainable Financing
- Waste Management & Circular Economy
- Sustainable Supply Chain Management & Sourcing
- Energy Efficiency and Transition to Renewable Energy
- Risk Management & Compliance
- Nature Conservation and Biodiversity
- Climate Change and Greenhouse Gases
- Environmental Compliance and Standards
- Stakeholder Engagement and Reporting
- Sustainable Products & Ecodesign Requirements
- Innovation, Digital Transformation and Smart Solutions

IMPORTANCE FOR ARKEM

As a result of the materiality analysis, the 22 sustainability topics were categorized into two levels of importance based on their relevance to stakeholders and the company's strategic priorities.

The topics listed below as High Priority are those that have the greatest impact on our operations and were rated with the highest significance by stakeholders. These topics guide our core sustainability focus and are integrated into our strategic planning and reporting.

The remaining topics were classified as Priority Topics. While they may have relatively lower scores in the materiality matrix, they remain essential and are actively monitored as part of our ongoing sustainability management practices.

Priority Topics

- Climate Change and Greenhouse Gases
- Energy Efficiency and Transition to Renewable Energy
- Waste Management & Circular Economy
- Water Use and Scarcity
- Nature Conservation and Biodiversity
- Environmental Compliance and Standards
- Innovation, Digital Transformation and Smart Solutions
- Sustainable Supply Chain Management & Sourcing
- Stakeholder Engagement and Reporting
- Risk Management & Compliance
- Sustainable Financing

High Priority Topics

- Product Safety & Quality
- Product Responsibility and Consumer Safety
- Customer Relations Management / Customer Satisfaction & Engagement
- Community Relations and Human Rights
- Diversity, Inclusion & Equal Opportunities
- Occupational Health and Safety
- Career Management & Training
- Business Ethics and Transparency
- Data Privacy and Cybersecurity
- Sustainable Financing
- Long-Term Value Creation

OUR GOALS & TARGETS

GOVERNANCE AND REPORTING

Short: 1-5 Year
Medium: 6-10 Year
Long: +10 Year

GOAL	KPI OR TARGET	TIME HORIZON	BASELINE (2024)	SDG ALIGNMENT
Being on prestigious sustainability scoring platforms and constantly improving sustainability performance	Having Gold Medal in Ecovadis for each entities	Short	-Bronze medal for Arkem Istanbul Site -No Ecovadis evaluation for other entities	
	Having B level in CDP for each entities	Medium	-C (climate) for Arkem Istanbul Site -No CDP for other entities	
	Setting SBTi based targets	Medium	Not started	
	Sign the SME Climate Commitment (Climate Change, Energy)	Short	Not started	
Demonstrate that we meet high standards of verified environment and social performance, accountability and transparency	Obtaining B Corp (Benefit Corporation) certification	Medium	Not started	
	To obtain the GEEIS (Gender Equality European & International Standard) certification	Medium	Not started	
	Fair Wage Network certification	Medium	Not started	
	WBENC certification	Medium	Not started	
	To obtain ISO 14001 and ISO 45001 certificates for the subsidiaries Arkem Chemicals International B.V	Short	Not started	
	To obtain ISO/IEC 27001 Information Security Management System (ISMS) certification	Short	Not started	
	Obtain ISO 28000 certification	Medium	Not started	
	Conducting a Sedex audit every two years for Arkem TR	Short	Completed	
	Verification of Sustainability Report by independent third-party assurance provider	Short	Not started	

GOVERNANCE AND REPORTING

GOAL	KPI OR TARGET	TIME HORIZON	BASELINE (2024)	SDG ALIGNMENT
Adopting the European standard reporting format by fulfilling the requirements	Preparation of sustainability reporting in accordance with international standards (GRI, CSRD, IFRS, ESRS, SAAB).	Short	In progress	
	Pre-implementation of CSRD requirements to Sustainability Report	Short	Not started	
Ensure long-term business viability to contributing to the global fight against the important issues all over the world.	Increasing diversity in terms of gender, age, culture and areas of expertise in board and leadership positions.	Medium	Not started	
Improve data quality and have advanced analytical capabilities	Use of digital tools to improve data collection, analysis and reporting processes	Long	Not started	
To support our sustainability goals and reduce environmental impact by building "green financial partnerships "	Use green bonds and sustainability-linked loans	Medium	Not started	

- **Short:** 1-5 Year
- **Medium:** 6-10 Year
- **Long:** +10 Year

SUSTAINABLE PRODUCTS AND SERVICES

GOAL	KPI OR TARGET	TIME HORIZON	BASELINE (2024)	SDG ALIGNMENT
Managing the value chain with suppliers with high sustainability performance	Evaluating 100% of suppliers regarding their CSR performance	Short	%1	
	Having 100% of suppliers' signature for Supplier Code of Conduct	Short	%1	
	Reducing supply chain emissions by 20% by 2030	Medium	Not started	
	Auditing 10% of suppliers through third-party independent audits	Long	%0	
	Increasing the RSPO certified suppliers ratio to 100%.	Short	Not determined	
	At least 50% of our logistic services from the companies which has Green or Sustainable Logistics Certificate	Long	%1	
Raising awareness among our stakeholders while pursuing good practices and new collaboration opportunities	Promotion of best practice and awareness in the value chain by collaborating at least 3 TOP suppliers	Medium	Not started	
	Educating/informing at least 10 customer on environmental sustainability and customer health and safety	Short	0	
	Joining at least 2 industry networks on sustainability to share resources and discuss best practices and collaborative opportunities with other businesses	Short	'-Arkem TR:1 -Other entites: 0	
	Regularly inspect our business partners in our supply chain for compliance with established standards (Customer Health & Safety)	Long	Not started	
	Regularly conduct awareness programs in the form of webinars and seminars to raise customer awareness on health and safety aspects related to our products	Short	'-Arkem TR: 3 programmes completed. -No programmes for other entities.	

SUSTAINABLE PRODUCTS AND SERVICES

GOAL	KPI OR TARGET	TIME HORIZON	BASELINE (2024)	SDG ALIGNMENT
Supporting women's empowerment in all areas, including our stakeholders	Increasing the proportion of women-led entrepreneurs in the supply chain by 20%	Long	1%	
Expanding the portfolio with green product and service suppliers while meeting customer expectations	At least 10% of total purchased products with certified materials (eco friendly, eco-label etc.)	Long	0%	
Improving sustainable procurement performance by increasing the competencies of the purchasing team	Aim to train 100% of employees in the procurement and logistics team on environmental&social issues in the supply chain	Short	Not started	
	Training all relevant department managers and other levels about Sustainable Supply Chain	Short	Not started	

Short: 1-5 Year
Medium: 6-10 Year
Long: +10 Year

Sustainability Report

ENVIRONMENT

GOAL	KPI OR TARGET	TIME HORIZON	BASELINE (2024)	SDG ALIGNMENT
Engage and support ecosystem restoration and long-term protection	At least two voluntary workshops related to conservation projects (including reforestation, afforestation and ecosystem restoration)	Short	0	
	Attending at least three volunteering activities in environmental and biodiversity projects	Short	-Arkem TR: 2 -No activities for other entities.	
Reduce environmental impacts by using sustainable sources	At least 50% of all plastic and metal packaging used will be made from recycled materials.	Medium	0%	
	All packaging materials purchased for storage operations are made from recycled sources and contain 100% recycled content	Long	0%	
	To increase the use of FSC-certified paper and environmentally friendly cleaning products by 75%	Medium	-Arkem TR: 100% FSC paper -Other entities: 0%	
Enhance the resilience of facilities against physical climate risks	Developing a climate transition plan	Medium	Not started	
	To launch at least one climate change adaptation project each year.	Short	0	
Combat climate change by reducing emissions with developed strategies	By 2030, we aim to reduce gross Scope 1 and Scope 2 greenhouse gas emissions by 50% compared to the 2024 baseline.	Medium	387,48 tCO2e (consolidated data)	
	Reduction of gross Scope-1 operational emissions by %20 compared to the 2024 baseline.	Medium	274,3 tCO2e (consolidated data)	
	Provide 100% of electricity consumption by renewable energy sources (I-REC, GOs etc.)	Short	Arkem TR: I-REC No I-REC or GOs for other companies	
	Calculate downstream and upstream transportation and distribution Scope-3 GHG emissions	Short	Not started	

ENVIRONMENT

GOAL	KPI OR TARGET	TIME HORIZON	BASELINE (2024)	SDG ALIGNMENT
Enhanced water and waste management performance to reduce environmental impact of our operations	By 2030, achieve a 25% reduction in total water withdrawn compared to the 2024 baseline.	Short	2485 m3 (consolidated data)	
	To expand the use of digital and technological solutions that consume less water	Medium	Not started	
	Reduce the amount of waste sent to landfill by 30%	Long	27,81 t (consolidated data)	
	Upgrade the current Basic Level Zero Waste Certificate obtained for Arkem Istanbul office operations to Platinum Level by 2030	Medium	Not started	
	Achieve zero destruction of returned products on an annual basis	Short	0	
Strengthen internal knowledge and practices	To increase company-specific training hours provided to employees on the management of toxic and hazardous substances by 20%	Medium	-Arkem TR: 94 hours -No training for other entities	
	At least 2 hours environmental training per employee every year.	Short	-Arkem TR: 1 hour -No training for other entities	

● **Short:** 1-5 Year

● **Medium:** 6-10 Year

● **Long:** +10 Year

SOCIAL

| GOAL	KPI OR TARGET	TIME HORIZON	BASELINE (2024)	SDG ALIGNMENT
Increase and diversity the social responsibility projects we are involved in	Being a partner of at least 2 children's educational institutions to support equal opportunity and qualified education	Short	1 instituion is supported	
	Increasing sink areas by planting 50.000 trees	Medium	113	
Increase the value our employees add to the company and high engagament level	Total training hours at least 30 h per employee by 2030.	Short	-Arkem TR: 18,6 hours per employee -No training for other entities	
	Evaluation of satisfaction level of all employees in Arkem Companies	Short	-Arkem TR completed -No survey for other entities	
	Achieve an employee satisfaction score of 90% by improving workplace culture, engagement, and support	Medium	-Arkem TR: 88% -No survey for other entities	
	Achieve a 30% increase in the proportion of training programs offered to employees to enhance their job-related knowledge and career development skills	Medium	-Arkem TR: 32% - No job related trainings for other entities	
	Conducting regular performance reviews	Short	Not started	
Providing a physically and mentally healthy working environment for our employees	Preserving our valued employee's mental and physical health by giving a stress management training and ergonomy trainings	Short	-Arkem TR:1 hour ergonomy, 8 hour stress management training -No trainings for other entities.	
	At least 1 h OHS training per employee per year	Short	-Arkem TR: 6,61 hours -Arkem Germany: 1 hour -Arkem China: 1 hour -No trainings for other entities	
Enhanced social performance by increasing the awareness, eliminating possible risks about human rights through supply chain	Increase the percentage of employees with disabilities to 3%	Short	-Arkem TR: 2% -No disabled employee for other entities	
	100% of employees participating in awareness trainings about diversity, inclusion, discrimination and harassment	Short	-Arkem TR: 47% -No trainings for other entities	
	10% of suppliers in critical operations audited about human rights impact by external third parties	Medium	0%	

GOVERNANCE
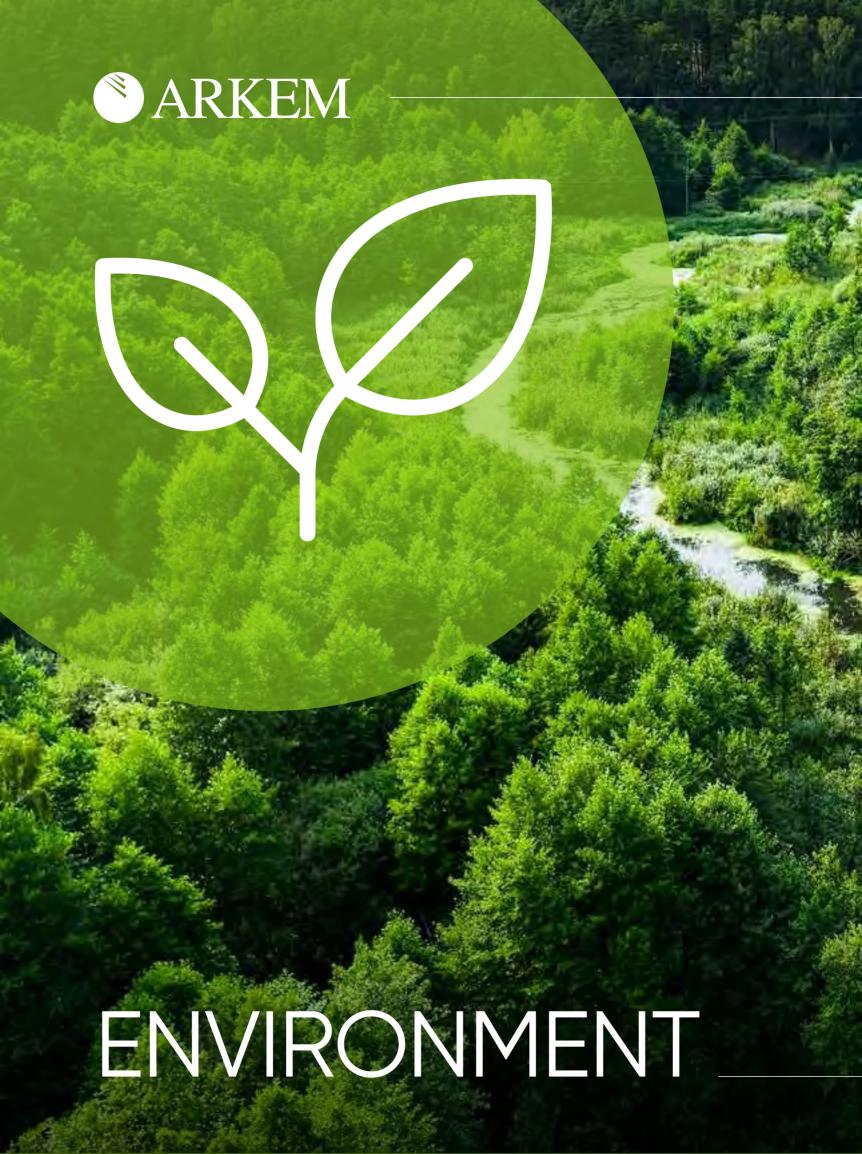
GOAL	KPI OR TARGET	TIME HORIZON	BASELINE (2024)	SDG ALIGNMENT
Supporting women's empowerment in all areas	Increasing the rate of women in Senior Management up to 50%	Medium	0%	
	Being a member of UN Women	Short	Arkem TR: In Progress Not started for other companies	
	Keeping the female member ratio in our board of directors above 25% (Corporate Governance)	Short	0%	
Building a strong sustainability structure to improve our performance day by day	Establishment of a Sustainability Committee and its working principles	Short	Not started	
	Provide at least one ESG training to 100% of the board of directors annually	Short	0	
Ensure long-term business viability to contributing to the global fight against the important issues all over the world.	Being a member of TFS	Short	Not started	
	Having "Responsible Care" certificate	Short	-Arkem TR: Completed -No certificate for other entities	
	Having "Global Responsible Care" certificate	Short	Not started	
	Determining the effects of physical climate related risks on business processes	Short	-Arkem TR: Completed -Not started for other entities	
Build a strong and functional structure to support diversity and ensure an ethical working environment	Increasing diversity in board and leadership positions	Medium	Not started	
	Resolve 90% of reported ethical violations or complaints within 30 business days	Short	No violation report	
	Establish a whistleblower protection program with 100% employee awareness and engagement	Short	Not started	
Increase awareness and involvement by planning training activities from the board of directors to employees at all levels	Participation 100% of board members in ethics and sustainability training	Short	Not started	
	Achieve 100% employee completion of anti-corruption and ethical conduct trainings	Short	-Arkem TR: 60% -No training for other entities	
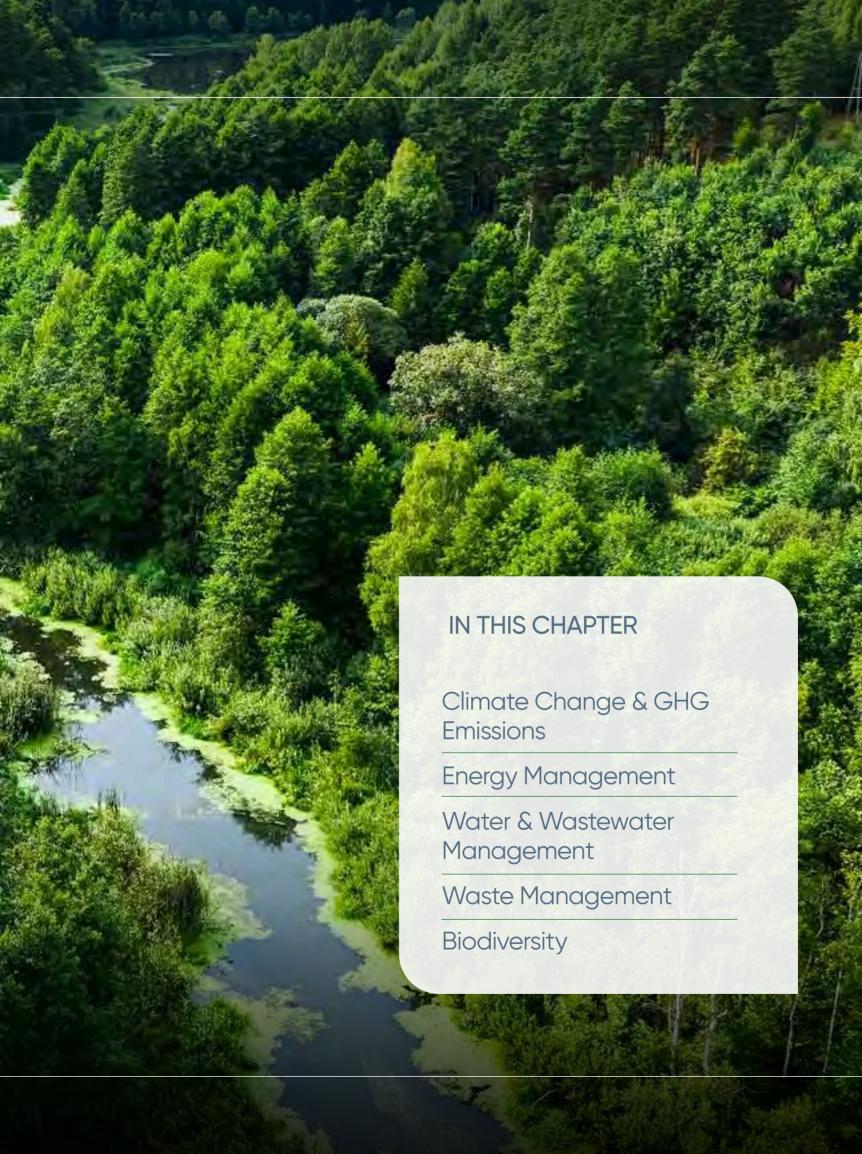
GOAL	KPI OR TARGET	TIME HORIZON	BASELINE (2024)	SDG ALIGNMENT
Strengthening commitment to ethical principles, increasing transparency and accountability in business processes, contributing to the prevention of illegal activities	100% of employees working in the company's high-risk areas receive annual training on combating bribery and corruption, conflict of interest, fraud awareness, anti-money laundering etc.	Short	-Arkem TR: 60% -No training for other entities	
	All employees receive at least one session of Business Ethics and Compliance Training (including recognizing and reporting unethical behavior) per year.	Short	0%	
	Provide senior management with one ethical case study training session per year	Short	Not started	
Fostering a culture of transparency and continuous improvement through our value chain	At least 75% participation rate in stakeholder surveys on ethics and sustainability	Short	-Arkem TR: 2% -No participation for other entities	
	Establishing continuous communication and feedback mechanisms with stakeholders	Medium	Not started	
	Include environmental and social criteria in 100% of contracts	Short	Not started	
Ensuring the resilience and integrity of our operations by strengthening information security and sustainable digital environment.	Provide at least 1 hour training per employee about Information Security Management System	Short	-Arkem TR: 2,2 hours -No training for other entities	
	Conduct IT security risk assessments for 100% of facilities, storage sites, and logistics operations.	Medium	Not started	
	Resolve 95% of IT related customer complaints within 10 business days through effective and lasting solutions to enhance customer satisfaction	Short	No complaints	
	Ensure that 100% of suppliers receive data processing and information security protocols, accompanied by awareness and engagement initiatives to support their implementation.	Short	Not started	
	Conduct at least one cybersecurity penetration test per year	Short	Not started	

NOTE 1: KPI or Targets apply to all entities, unless a specific office is explicitly stated.
NOTE 2: Arkem TR covers the offices located in Istanbul, Ankara, and Izmir.
NOTE 3: Consolidated data covers all offices in the report, with company-level details presented in Annex I ESG Performance Indicators (Refer to page 126-144)

ARKEM

ENVIRONMENT

IN THIS CHAPTER

CLIMATE CHANGE & GHG EMISSIONS

OUR APPROACH

We recognize the far-reaching impact of climate change on our operations, supply chains, markets and society across our value chain.

As we develop our business strategies to include low-carbon products, we will work throughout our value chain to align these products with key megatrends such as renewable energy and circular economy practices. Our suppliers, operating in approximately more than 50 geographical regions, have initiated the transition to low-carbon technologies and are advancing this transformation in line with their sustainability goals. We manage this process with our suppliers through effective communication.

We want to contribute to limiting global warming to 1.5°C. To this end, we are committed to complying with global frameworks such as the Paris Climate Agreement, the European Green Deal, the Border Carbon Adjustment Mechanism (CBAM) and the US SEC Climate Disclosure Rules within the scope of emission control and management.

Our focus is on developing and implementing innovative solutions to reduce the impacts of climate change and promote adaptation.

OUR TARGETS

As Arkem Companies, we have determined our Greenhouse Gas Reduction (climate) Strategy for the short, medium and long term in order to achieve the Paris Agreement targets of limiting the global temperature increase to well below 2 degrees Celsius above pre-industrial levels. As part of this vision, in the regions where we carry out our operations in accordance with the Paris Agreement;

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

- By 2030, we aim to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 50% compared to the 2024 baseline.

- Reduction of own Scope-1 operational emissions by %20 compared to the 2024 baseline.

- Calculate downstream and upstream transportation and distribution Scope-3 GHG emissions by 2030.

- Provide 100% of electricity consumption by renewable energy sources (I-REC, GOs etc.) in the regions where we operate.

In accordance with the Paris Agreement,
Our greenhouse gas reduction strategy focuses on transitioning from fossil fuel-based activities to a low-carbon economy using cleaner, sustainable energy sources. We are taking multiple steps to reduce both Scope 1 and Scope 2 emissions, identifying opportunities and aiming to reduce multiple environmental impacts in addition to reducing greenhouse gas emissions.
Our decarbonization efforts include identifying and developing best practices in our operations in joint ventures with suppliers, focusing on raw material sourcing, and engaging with our customers to deliver innovative solutions and optimal training to ensure the efficient use of our products.

Aware of the critical role played by smes in combating climate change, our arkem companies have aimed to sign the sme climate commitment by participating in the sme climate hub initiative. (short-term strategic goal for 2025) within the scope of our arkem companies' cooperation with sme climate hub, it is aimed to achieve significant gains in areas such as strengthening climate risk management, increasing stakeholder confidence, improving access to sustainability-focused financing, and integration into global sustainability platforms.

As per our commitment, reporting will be done every year through the sme climate hub platform and shared with the public in a transparent manner.

In this context, we will declare that we will adhere to the principles outlined alongside. Our company adopts the Net Zero approach with the aim of achieving net zero greenhouse gas emissions by 2050.

- Implementing Science-Based Emission Reduction Steps,

- Measuring, Reporting And Transparently Sharing Our Emissions Annually,

- Making Our Business Model, Value Chain And Decision-Making Mechanisms Climate Compatible In This Process.

OUR EMISSION REDUCTION ROADMAP (SUMMARY)

Target Area	2030 Target
Scope 1	50% Reduction
Scope 2	100% Provide By Renewable Energy Sources (I-REC, GOs Etc.)
Scope 3 (Downstream And Upstream T&D)	Calculate And Report
Total Emission Intensity TCO_2e/Our Turnover	Net Zero Approach

For our conscious climate protection strategy, we have started using our carbon anagement program in our offices in the geographies we operate in. Our carbon management program sets incentives for our company worldwide to save more CO_2 and offers an innovative approach to move the entire company towards net zero.

FORWARD-LOOKING IN EVERY RESPECT

Calculation of CO_2 emissions per product is welcomed by our customers, the EcoVadis and CDP platforms.

In tender processes launched by our customers, there is an increasing demand for information on the carbon intensity of products as well as service and price components. In line with this, we structure our business strategies to adapt to future sustainability requirements and proactively prepare for the expectations of a low-carbon economy.

SUSTAINABILITY SOLUTIONS

⚒ Developed strategies

- Developing a climate transition plan
- Provide 100% of energy consumption by renewable energy sources (I-REC, GOs etc.)

⌔ Stronger value chain

- Promotion of best practice and awareness by collaborating suppliers
- Joining industry networks on sustainability to share resources

SUSTAINABLE PRODUCTS & SERVICES

✿ Green solutions

- Expanding the portfolio with green product and service suppliers while meeting customer expectations
- Products with certified materials (eco friendly, eco-label etc.)

≋ CO_2 management

- Logistic services from the companies which has Green or Sustainable Logistics Certificate
- Calculate downstream and upstream transportation and distribution Scope-3 GHG emissions

MONITORING

To support conscious decision-making processes, we have established a comprehensive and reliable data management infrastructure. This strengthens the monitoring, analysis and reporting of our environmental, social and governance (ESG) performance, providing a more transparent and accountable structure for our stakeholders. It also enables us to make data-driven strategic decisions to achieve our sustainability goals.

We measure and track the GHG emissions of our operations, regularly collect and report data in the QDMS digital program. - As we make progress in managing greenhouse gas emissions, we include digital tools (QDMS, calculation tools etc.) to effectively implement our decarbonization roadmap.

In line with our GHG reduction and climate strategy, we as Arkem Companies are committed to implementing external emission verification mechanisms within the scope of our short-term targets up to 2030, in order to create a reliable basis and continuously improve the process. This process includes third-party verification and assurance, which we will expand in the coming years to reduce GHG emissions.

Transparency in our greenhouse gas and environmental data reporting is a key priority. Transparency plays a critical role in a sustainable transition, for effective stakeholder engagement and regulatory compliance. We are voluntarily reporting on climate risks and opportunities using the Task Force on Climate-related Financial Disclosures (TCFD) framework and have initiated enhanced reporting processes. Our commitment to transparency is further reinforced through our CDP and EcoVadis reports and made clearly available to our stakeholders.

SCOPE 2
Upstream Activities

purchased electricity, steam, heating and cooling for own use

SCOPE 3
Upstream Activities

purchased goods and services, fuel and energy-related emissions, transportation and distribution – upstream

SCOPE 1
Arkem Companies

company facilities, company vehicles

SCOPE 3
Downstream Activities

transportation and distribution – downstream
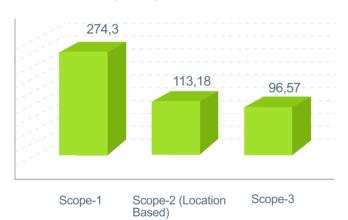
OUR PERFORMANCE

In line with our strategy to reduce climate impacts and GHG emissions, we have established programs to reduce carbon emissions across all our operations. These multiple initiatives and programs required the mobilization of the entire Company – and targeted reduction rates were set for all Scope 1 & 2 greenhouse gas emissions compared to the 2024 baseline.

GHG Emissions (tCO2e)*

274,3	113,18	96,57
Scope-1	Scope-2 (Location Based)	Scope-3

*Consolidated data. Detailed GHG emissions information for each entity is given on page 127 in Annex I.

DECARBONIZATION ROADMAP

We have developed an ambitious decarbonization roadmap to achieve our target of becoming net zero by 2050. As part of this plan, we aim to reduce our absolute Scope 1 and Scope 2 greenhouse gas emissions by 50% by 2030, using 2024 as the baseline year. This includes a targeted 20% reduction in our own Scope 1 operational emissions. Additionally, we plan to calculate Scope 3 greenhouse gas emissions related to downstream and upstream transportation and distribution by 2030. In the regions where we operate, we also aim to supply 100% of our electricity consumption from renewable energy sources such as I-REC and GOs, contributing to our transition to a low-carbon future.

ADDITIONAL GHG REDUCTION MEASURES

Other measures in our Decarbonization Roadmap for future implementation include;

- Transition of our office building managements to renewable energy sourced electricity through renewable energy agreements.

- Purchase of new materials with lower global warming potential.

- To participate in education, training and monitoring focused initiatives (membership associations etc.) to collectively reduce greenhouse gas emissions from our operations.

GHG INTENSITY

GHG emissions intensity represents total Scope 1 and 2 GHG emissions calculated based on our total annual sales in U.S. dollars. Our starting year is 2024. This calculation effectively compares emissions across various business segments or regions within the company.

$0,001\ tCO_2\ /\ K\ USD$

Consolidated (Scope 1 + Scope 2)

Detailed GHG intensity information for each entity is given on page 128 in Annex I.

SCOPE 3

Arkem Companies greenhouse gas reduction and climate strategy is positioned as a direct extension and integral component of our Environmental Policy. Accordingly, we calculated our Scope 3 carbon footprint, which covers our employees' air travels, as of the base year 2024. In order to reduce and offset our carbon footprint originating from air travels at Arkem Kimya Istanbul office, we worked with TEMA Foundation we are in cooperation with.
- In order to offset our carbon emissions, we made donations to plant tree saplings against deforestation through TEMA Foundation. We neutralized our carbon footprint originating from air travels in 2024. We aim to make our carbon footprint reduction initiative more comprehensive in line with our sustainability goals by expanding it across the Group.

	Units	2024
Total scope 3	CO_2e ton	96,6

We organize environmental and sustainability trainings every year to increase the environmental awareness of our employees and strengthen their sustainability consciousness. These trainings cover

the subjects of reducing carbon footprint, energy and resource efficiency, circular economy practices and combating climate change, enabling our employees to contribute to conscious and effective sustainability practices and changing their daily life habits.

We aim to calculate our downstream and upstream logistics - transportation and distribution Scope-3 greenhouse gas emissions by 2030.
As part of our ongoing efforts to advance and monitor our decarbonization initiatives, we remain committed to measuring and disclosing annual Scope 3 carbon footprints. This practice enables us to effectively address and reduce the most significant emissions in our Scope 3 categories.
We are currently in the data collection and calculation phase for Scope 3 emissions (upstream and downstream logistics - transportation and distribution) to 2025. Additional Scope 3 categories will be added to the Scope 1&2 assurance process in the coming years. Focusing on value chain emissions (Scope 3 GHG emissions) to 2030 involves collaboration with both our suppliers and customers to identify opportunities to reduce emissions.

We address Scope 3 emissions reductions through multi-faceted activities. First, we engage our suppliers to conduct assessments of primary raw materials for products to identify alternative options that could help reduce our emissions. Once suppliers with significant impacts are identified, we plan to engage in partnerships focused on education, training and monitoring to collectively reduce greenhouse gas emissions. Our intention to participate in Together for Sustainability (TfS), a global initiative to improve sustainability standards in supply chains in the chemical industry, will provide us with valuable opportunities to collaborate with suppliers across the value chain in our emissions reduction efforts.

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix
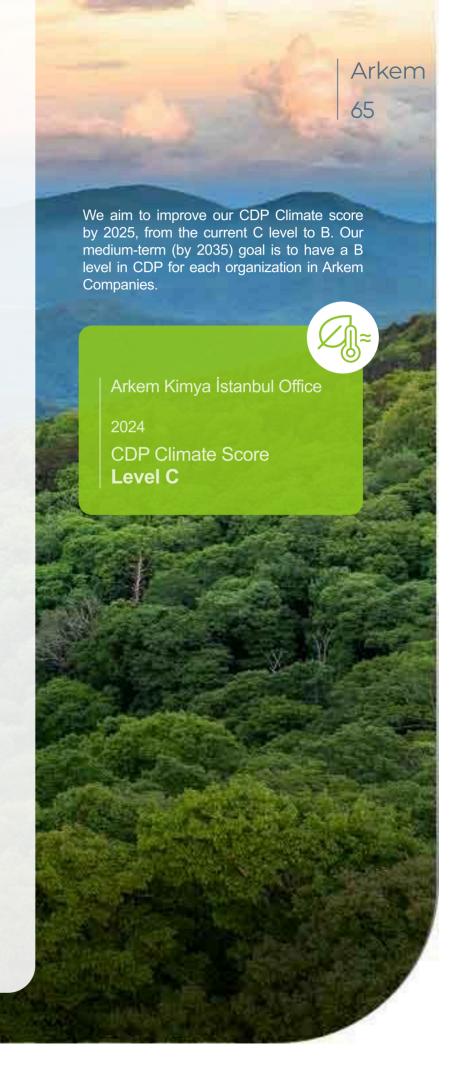
In the logistics and transportation sector, we are proactively looking for ways to reduce our Scope 3 emissions, particularly in the downstream and upstream logistics - transportation and distribution categories. Our work covers both land and sea transportation, exploring options such as alternative fuels, electric vehicles and energy efficient logistics/transportation practices. In this context, we are constantly expanding and renewing our logistics supplier network

CLIMATE REPORTING AND STAKEHOLDER ENGAGEMENT

Transparency is essential to our rapid transformation efforts and fosters effective communication and alignment with our stakeholders. As a result, 2024 was the year we voluntarily reported on our climate risks and identified our climate-related risks and opportunities using the TCFD framework. We recognize that this represents the beginning of a high level of disclosure and anticipate further improving our understanding and management of climate-related risks and reporting in the coming years.

Our commitment to transparency and inclusion is further demonstrated by our long-standing commitment to reporting on relevant ESG (EcoVadis and CDP) ratings and initiatives. The CDP Report assesses Arkem Kimya Istanbul's greenhouse gas emissions, reduction targets and initiatives, climate change-related risks and opportunities, business strategy, participation in emissions trading programs, external verification and other relevant topics.

We aim to improve our CDP Climate score by 2025, from the current C level to B. Our medium-term (by 2035) goal is to have a B level in CDP for each organization in Arkem Companies.

Arkem Kimya İstanbul Office

2024

CDP Climate Score
Level C

ENERGY MANAGEMENT

OUR APPROACH

Arkem Companies have determined our short-medium-long term Sustainability Strategic Goals in line with the goals of the Paris Agreement, which aims to limit the global temperature increase caused by human-induced greenhouse gas emissions to below 2 degrees Celsius compared to the pre-industrial period in the long term and to limit the increase to 1.5 degrees Celsius. This agreement has accelerated the global transformation in terms of energy management. According to IEA (International Energy Agency) reports, clean energy investments have accelerated after the Paris Agreement, and many countries have announced their net zero carbon targets for 2050.

As part of this vision, to achieve the global warming targets of the Paris Agreement, our Company aims[1] to,

- By 2030, we aim to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 50% compared to the 2024 baseline.

- Reduction of own Scope-1 operational emissions by %20 compared to the 2024 baseline.

- Calculate downstream and upstream transportation and distribution Scope-3 GHG emissions by 2030.

- Provide 100% of electricity consumption by renewable energy sources (I-REC, GOs etc.) in the regions where we operate.

(1): Strategic Sustainability Goals

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

Aware of the critical role played by SMEs in combating climate change, our Arkem Companies have aimed to sign the SME Climate Commitment by participating in the SME Climate Hub initiative. (Short-term strategic goal)

Within the scope of our Arkem Companies' cooperation with SME Climate Hub, it is aimed to achieve significant gains in areas such as strengthening climate risk management, increasing stakeholder confidence, improving access to sustainability-focused financing, and integration into global sustainability platforms.

Our commitment to reducing energy consumption and greenhouse gases is clearly expressed in our Environmental Policy. This strategic approach underlines our commitment to sustainability and responsible production and service management and further strengthens our commitment to reducing our environmental impact and creating long-term value.

Our company resolutely aims to reduce energy consumption, increase the use of renewable energy resources and reduce carbon footprint in the short, medium and long term by structuring its energy management strategies in line with sustainability targets. In this context, we carry out effective studies to reduce natural resource consumption in all regions where we operate; we systematically implement energy efficiency and savings practices. In addition, with the environmental and sustainability training we organize, we contribute to our employees acquiring sustainable habits in their business and daily lives and making these habits permanent.

OUR TARGETS

In the regions where we operate, our company is committed to significant climate action targets. By 2030, we aim to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 50% compared to the 2024 baseline, including a 20% reduction in our own Scope 1 operational emissions. Additionally, we are committed to calculating downstream and upstream transportation and distribution-related Scope 3 emissions by 2030. As part of our decarbonization strategy, we also plan to source 100% of our electricity consumption from renewable energy sources, such as I-RECs and Guarantees of Origin (GOs), across all our operational regions.

Our current work is moving us towards achieving this goal. Our Arkem Companies, aware of the critical role played by SMEs in combating climate change, have aimed to sign the SME Climate Commitment by joining the SME Climate Hub initiative.

OUR PERFORMANCE

The Energy Source Breakdown data of our offices in the regions where we carry out our operations are given in the table below.

Total Energy Consumption by Geographical Regions

	Arkem Türkiye			Arkem Germany	Arkem China	Arkem Bulgaria	Arkem Romania	Total Energy Consumption (GJ)
	Arkem İstanbul	Arkem Ankara	Arkem İzmir					
Natural Gas	661	10	9	74	-	-	28	782
LPG	2	-	-	-	-	-	-	2
Generator - Diesel	75	-	-	-	-	-	-	75
Vehicle Fuels - Diesel Consumption (On Road)	762	44	33	130	-	-	56	1025
Vehicle Fuels - Petrol Consumption (On Road)	1315	97	-	66	12	44	-	1534
Vehicle Fuels - Petrol Consumption (Off Road)	3	-	-	-	-	-	-	3
Purchased Electricity + Purchased Heat	0	6	19	26	16	22	2	91
Purchased Electricity + Purchased Heat (I-REC Certified)	883	-	-	-	-	-	-	833
Total Energy Consumption	3651	157	61	296	28	66	86	4345
Total Renewable Energy Consumption	883	-	-	-	-	-	-	833

Introduction	Approach To Sustainability	Environment	Social	Governance	Appendix

ENERGY INTENSITY

Energy intensity is a measure of energy efficiency. Our energy intensity values for each locations are in the table below and calculated by dividing total energy consumption by the number of employees.

Location	2024 Consumption (GJ)	Total Employees	Energy Intensity (GJ / Total Employees)
Türkiye*	3869	97	100
Netherlands**	0	0	0
Germany	296	6	49
China	28	4	7
Bulgaria	66	2	33
Romania	86	1	86
USA**	0	0	0
Total	4345	110	275

*Türkiye includes our Istanbul, Ankara and Izmir offices.
**Our Netherlands and USA offices operate as virtual offices and did not employ any employees during the reporting period.

MONITORING

As Arkem Companies, we have started to track our natural gas and electricity consumption in the offices we own/tenant in the regions/geographical regions where we operate in order to measure our current situation.

We track electricity, natural gas and vehicle fuel consumption data in all companies.

Energy consumption data is checked annually by external third parties (sustainability consultants & ISO 14001 auditors) to ensure reliability and accuracy.

The energy data of our Arkem Kimya Istanbul head office for 2024 has undergone a comprehensive assurance process (ISO 14001). These data have been comprehensively evaluated on EcoVadis and CDP platforms.

In line with our energy consumption data for Arkem Companies offices, we calculate greenhouse gas emissions (Scope 1 and Scope 2) resulting from office-related activities.

COMPLIANCE

In line with our policies, we consider compliance with applicable regulations, laws and standards as the highest priority. We actively cooperate with regulatory authorities to fully meet all legal requirements, obtain the necessary permits and licenses, effectively conduct audit processes and submit relevant reports on time.

We use digital platforms in our Arkem Kimya Istanbul Office (Integrated Environmental Management System and OHS & Environmental Legislation Portal) to comply with regulatory requirements.

In addition, to implement the best practices in sustainable management, we are committed to obtaining ISO 14001 certificates for all our offices in the regions we operate.

Our declarations on platforms such as ISO 14001, EcoVadis and CDP ensure compliance with our sustainable policies & strategic goals and reinforce regulatory compliance.

CHANGING ENERGY SOURCES

We support the transition of our energy sources from fossil fuels to cleaner alternatives such as renewable energy. We conduct studies on the use of renewable energy sources in our operations and research alternatives.

100% of the electricity consumption of our Arkem Kimya Istanbul head office in 2024 was provided by I-REC certified renewable energy sources.

Providing 100% of electricity consumption from renewable energy sources (such as I-RECs and GOs) has been set as a short-term target for all our offices.

ENERGY EFFICIENCY

We encourage the use of electric or hybrid vehicles in our office fleets in the regions where we operate. Our Germany office is working to increase our road transport efficiency by converting our rental car fleet to hybrid or electric vehicles. Our China – (Shanghai) office employees come to the office by public transport. Our employees plan their customer/supplier visits according to the locations and use shared vehicles.

Regular checks are carried out by security personnel at the end of the working day. During these checks, lighting, air conditioners, computers and other electrical devices left on are carefully checked and turned off.

We try to provide natural lighting in the offices by using daylight as much as possible. Natural ventilation is provided by opening the windows as much as possible and we try to minimize the use of the air conditioning system.

We replace our office cooling equipment with new materials with lower global warming potential. We prefer white goods, air conditioners, lighting products and electronic devices with Class A energy consumption in our offices. We replace expired lighting fixtures with environmentally friendly and long-lasting LEDs.

WATER AND WASTEWATER MANAGEMENT

OUR APPROACH

Access to freshwater is vital to the sustainability of human life and public health. In line with our commitment to the protection, efficient use and sustainable management of freshwater resources, we are determined to implement water management practices in line with the UN 2030 goals and to support efforts to improve access to water.

Increasing water stress on a global scale and the negative effects of climate change on the water cycle make effective and responsible water management more important than ever. With this awareness, we are committed to taking the necessary measures for the protection, efficient use and sustainability of water resources in all our operations. Aware of the vital connection of water with energy and food security, we are determined to develop holistic and responsible approaches in these areas.

Our Environmental Policy reflects our commitments and practices aimed at using water resources efficiently and reducing our impact on water resources in the regions we operate in with all our operations. In this context, we use water resources efficiently within the scope of ISO 14001 Environmental Management System (EMS) and regularly monitor our water management performance. Our water management performance indicators are systematically monitored and reported monthly.

We have set comprehensive goals and measurable targets across the company, aiming to increase employee awareness and reduce water consumption for the efficient and sustainable use of water resources.

These targets are:

- Reducing water consumption by implementing sensor taps

- Organizing training courses to increase awareness by conveying simple but effective methods to employees regarding water saving

- Planning activities to support good environmental practices and NGOs

Full compliance with all relevant laws, regulations and directives is one of the fundamental elements of our environmental responsibility approach. In this context, continuous and effective communication is maintained with local authorities, and all necessary permits and licenses regarding water use and wastewater discharge have been obtained in all regions where we operate.

We provide our employees and contractors with uninterrupted access to water, sanitation and hygiene (WASH) facilities across our global operations and offices. We ensure that the highest standards are maintained, recognizing that access to such facilities is an integral part of decent working conditions and a fundamental human right.

Our offices in the regions we operate in are not located in areas experiencing water stress. Our employees have easy access to clean water, and their water needs are fully met in all regions.

OUR PERFORMANCE

We have initiated training and awareness activities to reduce water consumption and increase water efficiency by setting water reduction targets in all regions where we operate. Supporting Sustainable Development Communities (SDCs) that carry out work to protect water resources in all regions where our offices are located is among our priority goals.

During the reporting period, as the Istanbul Head Office, we carried out joint venture activities with the Deniz Temiz Association/TURMEPA Civil Society Organization (SKT) and organized events to increase employee participation. We actively monitor and evaluate our water management performance and work on the integration of digital applications into these processes.

Assessing our water footprint impact from our office activities and determining reduction targets accordingly are among our short-term sustainability goals.

WATER MANAGEMENT AND USAGE

As Arkem Companies, our offices in all regions where we operate use tap water provided by local regulatory authorities. Our Arkem Kimya Istanbul office meets the drinking water needs of its employees by processing tap water through additional purification processes. Drinking water quality is analyzed and regularly monitored at certain periods within the framework of relevant legal regulations. In line with this, the use of single use packaged water has been abolished. When deemed necessary, drinking water in glass packages is supplied.

Within the scope of in-house Environment and Sustainability face-to-face / distance training programs, our employees are regularly informed about the efficient and responsible use of water.

Water withdrawal amounts based on location

Location	2024 Water Withdrawal Amounts (M3)
Türkiye*	2371
Netherlands**	0
Germany	30
China	48***
Bulgaria	24
Romania	12
USA**	0
Total Draft	2485

*Türkiye includes our Istanbul, Ankara and Izmir offices.
**Our Netherlands and USA offices operate as virtual offices and did not employ any employees during the reporting period.
***Estimated values

MONITORING, TRANSPARENCY AND DISCLOSURE

We have created and established the necessary data and measurement infrastructure to optimize the use of water resources to increase our water efficiency. This monitoring mechanism allows us to establish a basis for our water management practices and facilitate data-based decision-making processes.

Water consumption at our offices is monitored and reported on monthly invoices. Water withdrawal measurements of our Istanbul office are checked and reviewed by external third parties every year to ensure the reliability and accuracy of the data. (ISO14001 EMS). Inclusion of our office activities in other regions in the ISO14001 EMS is among our short-term sustainable goals.

In our sustainability journey, transparency is key to effectively aligning and engaging with our stakeholders. As Arkem Kimya Istanbul, we voluntarily report on our water risks and opportunities using the EcoVadis platform.

We improved our EcoVadis score in 2024 and won the "Bronze" medal.

WASTEWATER

Our environmental policy also covers wastewater management. We implement a water quality management system and maintain high standards to ensure that wastewater is discharged responsibly and safely. Domestic wastewater is generated because of our employees using social areas in our offices.

Our offices in the regions where we operate ensure that wastewater is safely discharged into the sewerage line of the legal authorities to which they are affiliated in accordance with local regulations. Wastewater discharged into the sewage is treated in the wastewater treatment plants of local regulators/authorities.

We calculate our water outlet monitoring studies by accepting the annual water bill consumption.

Wastewater monitoring is not carried out at the connection points of domestic wastewater to the sewer. Our offices do not have a legal obligation to monitor water outlet water.

Our Istanbul office is checked and reviewed by external third parties every year to ensure the reliability and accuracy of water and wastewater management data in scope of ISO 14001. Our wastewater data is updated and declared in the Ministry's Wastewater Information System (EÇBS) every year.

The Inclusion of our office activities in other regions in the ISO14001 EMS is among our short-term sustainable goals.

Wastewater discharge amounts based on locations

Location	2024 Wastewater Discharge (M3)***
Türkiye*	2040
Netherlands**	0
Germany	26
China***	41
Bulgaria	21
Romania	10
USA**	0
Total Discharge	2138

*Türkiye (includes our Istanbul, Ankara and Izmir offices.
**Our Netherlands and US offices operate as virtual offices and did not employ any employees during the reporting period.
***Due to the unavailability of publicly accessible data on wastewater conversion rates for all countries, Türkiye's conversion rate of approximately 86% (based on TÜİK 2022 data) was used as a reference.

OUR WATER FOOTPRINT

During the reporting period, direct municipal water consumption data from the offices where Arkem Companies operate was collected, and the blue water footprint was calculated in line with the ISO 14046:2014 Water Footprint Standard.

Blue water footprint refers to the total network water consumed within the scope of tap water usage in offices, cleaning activities, personnel needs (drinking water, sink usage), kitchen and similar services.

In this context:

• Monthly mains water consumption data (m³) were collected from all our office locations,

• Annual total water consumption was analyzed,

• Location-based comparison was made.

Calculation Approach

• Water use in offices was assessed only through direct consumption (tap water use).

• Within the scope of the door-to-door system, only water use directly related to our office operations was considered; upstream (sourced from suppliers) and downstream (sourced from customers) impacts were not assessed within the scope of this analysis.

• Water consumption data was obtained from billing information and measurement devices provided by the relevant municipalities.

2.485 m3

• Total water withdrawal :
2.485 m³

• Annual average water usage per person :
22,6 m³/person

347 m3

As Arkem Companies, our total blue water footprint for the year 2024 is 347 m³

Location	Blue Water Footprint
Türkiye	331
Germany	4
China	7
Bulgaria	3
Romania	2
Total	347

These values are based on an ISO 14046 compliant calculation that considers only in-office direct mains water use and "door-to-door" limits.

WASTE MANAGEMENT

OUR APPROACH

We are aware of our responsibility to manage and minimize the environmental impacts of the products and services we supply and offer to the market, including the production processes (extraction, processing, material supply, product and service design, manufacturing, distribution) and the waste generated because of their consumption. We recognize that this responsibility is not limited to our own activities, but includes all stakeholders, both upstream and downstream of the value chain.

We are also aware of the environmental impacts of our activities on the ecosystems we interact with and the wider value chain we are a part of, and we are committed to minimizing these impacts for a sustainable future.

We are in a transformation process to redesign our operations from a life cycle perspective and in line with circular economy principles throughout the value chain. While contributing to the creation of sustainable products' market share on a global scale, we are also strengthening our sustainable transformation by rapidly developing our internal innovation processes.

By cooperating strongly with our suppliers operating in 31 countries around the world, we aim to be a pioneer in introducing environmentally friendly and sustainable products to the market in line with the principles of the circular economy.

Within the scope of extended producer responsibility, we strive to implement various actions in cooperation with our stakeholders both upstream and downstream of the value chain, including circularity measures, to prevent waste generation from our product and service offerings and effectively manage the environmental impacts of the waste generated.

In this context, we are committed to the following actions to support circularity and sustainable consumption:

• Integrating eco-design principles such as longevity, durability, repairability, modularity, disassembly, and recyclability into our processes,

• Enhancing processes to prepare products, components, and materials from waste for reuse and recycling, thereby reintegrating them into the circular economy,

• Increasing the use of recycled materials in product packaging,

• Collaborating with our suppliers and engaging with our customers to promote sustainable consumption practices and raise awareness across the value chain.

Introduction

Approach To
Sustainability

Environment

Social

Governance

Appendix

We continue our efforts to strengthen sustainable and circular business models with determination.

In our offices in the regions where we operate, we carry out efforts to prevent and reduce waste generation both upstream and downstream of the value chain, and we effectively manage the environmental impacts of the waste generated. By implementing sustainable waste management in our offices, we aim to minimize waste generation through reuse and recycling processes. In addition, we care about increasing the awareness of our employees through environmental and sustainability training and events and integrating sustainable practices into their daily business and private lives.

Our approach to hazardous and non-hazardous waste resulting from our office activities is in line with the principles stated in our Environmental Policy

Our Environmental Policy;

• Preventing waste generation at source, recycling, collecting and disposing of wastes in accordance with regulations, ensuring the sustainability of the established Zero Waste Management System within the scope of waste management practices,

• Adopting and encouraging the use of environmentally friendly products and services.

Our Arkem Kimya Istanbul and Ankara offices have the Republic of Türkiye Environment, Urbanization and Climate Change "ZERO WASTE CERTIFICATE".

WASTE MANAGEMENT HIERARCHY

We manage our hazardous and non-hazardous waste according to our waste hierarchy, local legislative requirements and our global EHS policy.

The hierarchy, which is based on international standards including the European Waste Hierarchy, aims to minimize raw material intake and divert as much waste as possible from landfills.

Our Waste Management Hierarchy;

01 Eco-design to prevent waste formation

02 Reducing waste through the circular economy

03 Recycling

04 Waste-to-energy usage

05 Landfilling

The hierarchy is structured to show that waste prevention is the highest priority and landfilling is the least desirable option.

1. Preventing waste through eco-design

Our purchasing teams source environmentally friendly, Eco-Label and FSC certified office supplies that are as recyclable as possible, contain recycled material content, and are Eco-Label and FSC certified. In addition, the purchase of single use packaged products has been restricted. However, we continue our efforts to increase employee awareness to encourage less purchasing of products and to promote product sharing, swapping, reuse and recycling practices.

2. Waste reduction through circular economy

We are working to effectively implement circular economy strategies. Our circular economy program aims to minimize external waste streams while facilitating the reuse of internal materials.

3. Recycling

Our primary choice is to recycle the waste generated throughout our activities and to bring it back into the economy. We are determined to take the necessary steps to increase the use of recycled materials in the products and packaging we supply and offer to the market.

4. Use of Waste for Energy Purposes

In the regions where we conduct our operations, we use waste-to-energy recovery methods through licensed waste suppliers and prioritize energy recovery methods whenever possible.

5. Storage

If the recovery potential is not possible, we continue our commitment to dispose of our waste responsibly through landfilling.

OUR TARGETS

In line with our environmental policy, we are committed to responsible waste management, compliance with legislation, increasing the amount of recycled waste and minimizing the amount of non-hazardous waste as well as hazardous waste.

We have set waste reduction targets to continuously improve our waste management performance.

Our companies develop and implement an internal waste management program aimed at reduction targets in line with our global policy and basic framework standards. This program is adapted to each company's specific waste streams, operational needs and local regulatory requirements.

Our offices have waste recovery rates of more than 83%, which are processed and recycled in their countries of origin, while the remaining 17% of household solid waste is sent to energy use or landfills.

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

OUR PERFORMANCE

This report includes waste data exclusively from the Istanbul office, where waste management is directly conducted by the company and supported by reliable tracking systems. In other office locations, waste collection and disposal are managed by either third-party building administrators or professional waste management service providers, and detailed quantitative data currently remains beyond the company's direct access.

Waste And Hazardous Waste By Disposal Method (Off-Site)

Hazardous Waste	Tonne
Incineration (With Energy Recovery)	0,25
Total	0,25
Non-Hazardous Waste	Tonne
Recycle	2,34
Recovery	0,01
Landfill	27,81
Total	30,16

To further strengthen consistency and transparency, Arkem is developing a harmonized waste data collection framework that will extend to all office locations, including those managed by third-party building administrators or professional waste management service providers. This effort is intended to broaden reporting coverage and enhance data accuracy in future disclosures.

Representing approximately 82% of the company's total workforce, the Istanbul office is the core operational hub for office-based activities. As waste generation in such environments is strongly correlated with employee presence and activity, the waste data collected from this location offers a reliable indication of the company's broader office waste profile across its network.

Arkem Chemicals Istanbul office has Zero-Waste Certificate since Feb 2024. Also, the plaza has Zero-Waste Certificate where Arkem Chemicals Ankara is located. .

MONITORING

In Arkem Istanbul office, we track waste data and this data is checked and reviewed by external third parties every year to ensure reliability and accuracy (ISO 14001). This external assurance process increases the quality of our data. Waste data is tracked in the waste tracking table and recorded in the QDMS database.

The inclusion of our office activities in other regions in the ISO 14001 Environmental Management System is among our short-term sustainable goals.

COMPLIANCE

In line with our policies, we consider compliance with applicable regulations, laws and standards as the highest priority. We actively cooperate with regulatory authorities to fully meet all legal requirements, obtain the necessary permits and licenses, effectively conduct audit processes and submit relevant reports on time.

We use digital platforms in our Arkem Kimya Istanbul Office (EÇBS and İSG Environmental Legislation Portal) to comply with regulatory requirements.

In addition, in order to implement best practices in sustainable management, we are determined to obtain ISO 14001 certificates for all our offices in the regions we operate.

Our Arkem Kimya Istanbul office undergoes an external comprehensive legal compliance audit, including waste management operations, once a year. During the audits, the compliance of our waste management system with legal processes is checked, and the licenses of waste processing and disposal facilities are checked. Our reporting period non-hazardous and hazardous waste declaration has been submitted to the Ministry via the EÇBS online portal.

Our declarations on platforms such as ISO 14001, EcoVadis and CDP ensure compliance with our sustainable policies & strategic goals and reinforce regulatory compliance.

CIRCULAR ECONOMY

In line with our sustainability strategic goals, in addition to reducing our environmental impact from our commercial activities, we are also investigating alternative raw material opportunities for customer needs and expectations and continuing our work on the supply of innovative materials.

We continue to minimize waste generation by implementing sustainable waste management in our offices and through reuse and recycling processes.

BIODIVERSITY

Biodiversity encompasses the diversity of organisms living in terrestrial, marine and aquatic ecosystems and the ecological complexes formed by these organisms. We are aware that these ecosystems are under threat of extinction due to human activities together with climate change. In light of these facts, we are committed to taking the necessary strategic steps to protect biodiversity and support sustainability in our operations and supply chain. The protection of biodiversity, a fundamental element of nature, is of critical importance in terms of ensuring both environmental and social sustainability. In the future, we will further strengthen our commitments in this regard and continuously develop our policies for the protection of ecosystems.

Considering our office activities and business model, it does not directly create a significant impact on biodiversity. Our offices in the geographies where we operate are not included in areas with significant impacts on biodiversity. However, we aim to fully comply with the Kunming-Montreal Global Biodiversity Framework of the Convention on Biological Diversity and local regulations.

The chemical wholesale trade activities in the regions where we operate are office environments where administrative processes are carried out. Arkem US and International companies are virtual offices.

The environmental impacts of our office activities around the world are mainly in areas such as energy efficiency, waste management and water use. We have started to create "Biodiversity Awareness" among our employees.

During the reporting period, our Arkem Istanbul head office employees organized an event at Istanbul University Cerrahpaşa Research Forest and discovered tree and bird species.

The visited forested area is a research forest of Istanbul University – Cerrahpaşa University Faculty of Forestry. It is a natural forest where forestry activities are minimized and left alone. There is a rich biological diversity in this area. The area is within the borders of the Bosphorus Important Natural Area, which has been determined in accordance with the European Union criteria.
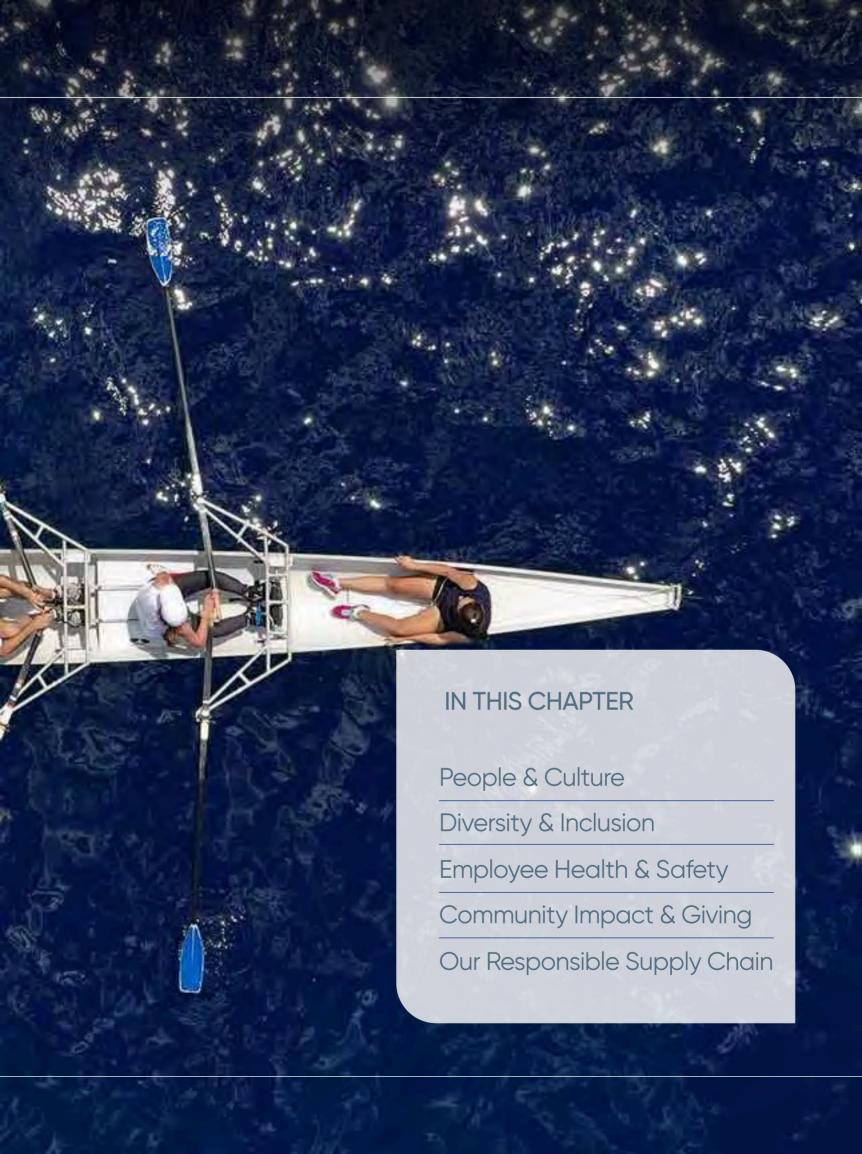
The tree types included in the stand mix of the research forest are; Quercus petraea (sessile oak), Quercus frainetto (Hungarian oak), Quercus cerris (hairy oak), Carpinus betulus (hornbeam), Castenea sativa (chestnut), Tilia argentea (linden tree), Laurus nobilis (laurel tree), Cerasus avium (cherry), Alnus glutinosa (alder), Robinia pseudoacacia (false acacia) and Pinus nigra (black pine).

During the trip, chaffinch, great tit, blue tit, robin, blackbird, wren, carrion crow, jay and nuthatch bird species were observed.

Approximately 120 bird species live in the Research Forest. Some of these species, which stay in the area for a short time, are seen as threatened and vulnerable on the red list.

We aim to spread biodiversity activities to all offices in the coming days.

ARKEM

SOCIAL

PEOPLE & CULTURE

OUR HUMAN RESOURCES POLICIES

As Arkem Companies, we adopt respect for human rights, ethical business practices and responsible working principles as our core values in all countries where we operate, are represented and manage operations. We see protecting the rights of our employees, providing equal opportunities and supporting them at every stage of their careers as our priorities. In this regard, we take care to create a fair, safe and sustainable working environment by continuously improving our human resources policies.

We implement a zero-tolerance policy against human rights violations such as child labor, forced labor, modern slavery and human trafficking. In all our operations and supply chain, we act in full compliance with the United Nations Global Compact, International Labor Organization (ILO) standards, the United Nations Universal Declaration of Human Rights and relevant international agreements.

To adapt to the changing world, we act by placing our employees, our most important stakeholders, at the center of the growing and developing Arkem Companies. We observe the principles of equality, inclusiveness and diversity in our work environment, and support all our employees to reveal their potential in the best way by providing them with fair opportunities.

At the same time, we see it as our fundamental principle to work with business partners who support ethical values in our supply chain. It is of great importance that our suppliers adhere to national and international human rights norms and adopt a transparent and accountable business approach. In this context, we share our Supplier Code of Conduct (SCOC) document with our suppliers, expecting them to comply with our SCOC standards and encouraging them to adopt a business model that is sensitive to human rights.

Aware of our responsibility to protect human rights and ethical working principles, we resolutely continue our commitment to creating a fair, sustainable and inclusive working environment in all our business processes and supply chain.

To adapt to the changing world, we act by placing our employees, our most important stakeholders, at the center of our growing and developing company structure.

Location	White Collar		Blue Collar	
	Female	Male	Female	Male
Türkiye*	44	41	6	6
Netherlands**	-	-	-	-
Germany	4	2	0	0
China	3	1	0	0
Bulgaria	1	1	0	0
Romania	0	1	0	0
USA**	-	-	-	-
Total	52	46	6	6

*Türkiye includes our Istanbul, Ankara and Izmir offices. In Istanbul office 26 female, 20 male white collar and 1 female, 3 male blue collar in Arkem Kimya payroll. 13 female, 18 male white collar and 5 female, 3 male blue collar in Altıntel Istanbul payroll. In İzmir office 1 female, 3 male in white collar and there is no blue collar. In Ankara office 4 female white collar and there are no male and blue collar.

**Our Netherlands and USA offices operate as virtual offices and did not employ any employees during the reporting period.

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

As Arkem Companies, we carried out our activities with a total of 110 employees in all locations in 2024.

89%
89% of our employees are white-collar employees,

53%
and the percentage of our women employees among white-collar employees is 53%

11%
Our blue-collar employees constitute 11% of our total employees

50%
and the percentage of our women employees among blue-collar employees is 50%

After the job interview, candidates who are deemed successful are offered a job. Candidates whose applications are not deemed suitable are provided with feedback; this feedback is sent via the career portal, phone or e-mail.

After the recruitment process is completed, our new employees are given comprehensive information about the company's personnel policies, corporate principles and other rules that must be followed in the workplace. In addition, with the "Orientation Program" prepared specifically for each company, new employees receive the necessary training to quickly adapt to their jobs and get to know the company culture.

This process not only adds new employees to our team but also contributes to creating a working environment that is in line with our company values and success-oriented vision.

OUR RECRUITMENT PROCESSES

We adopt a success-oriented and innovative approach and base our human resources policies on this basis. In recruitment processes, transparency, equal opportunities and objective evaluations are always prioritized. The knowledge, skills and experience criteria used in candidate selection ensure an impartial and fair evaluation at every stage of the process.

Our company aims to employ professionals who are open to development, prone to teamwork, and adopt a participatory management approach. In this regard, all open positions are announced on our company's career portal and contracted career sites, and applications are received through these platforms.

The recruitment process begins with detailed preliminary assessments by our Human Resources department. Suitable candidates are then interviewed by relevant department managers, subjected to competency tests and reference checks. Not only the professional qualifications of the candidates, but also their ability to adapt to our company culture are taken into consideration.

PRICING POLICY

Our company is committed to providing its employees with a fair, transparent and sustainable compensation policy. Our compensation processes are shaped in line with the principle of equal pay for equal work and are carried out by considering equal opportunities for all our employees.

Payment levels are determined by considering the job descriptions, competencies, experiences and performance of the employees and are regularly reviewed in line with sectoral analyses and market conditions. Pay increases are determined by the evaluation of the senior management based on the company's financial situation, inflation rates, sectoral trends and individual performance evaluations.

Our company aims to fully comply with local legal regulations in all countries where it operates and adopts the principle of offering its employees a wage above the minimum wage, in line with local living conditions and supporting living standards. Thus, it contributes to our employees having a sustainable standard of living.

Our compensation policy aims to increase the motivation and loyalty of our employees by supporting them with fringe benefits, performance-based bonus systems and incentive mechanisms. In this context, we aim to create a sustainable work culture in the workplace by prioritizing the material and spiritual well-being of our employees.

Our company sees contributing to the long-term development of its employees and increasing workforce loyalty as one of the fundamental elements of its sustainability strategy, with a fair and transparent compensation approach.

EMPLOYEE ENGAGEMENT

Our employees are not only a part of our workforce, but also our most valuable stakeholders who build up the sustainable success of our company. With our belief in the power of experience and intergenerational cooperation, we continue to be inspired by our valuable employees who have contributed to our company for many years. A significant proportion of our employees add great value to our company with the knowledge and experience they have gained over the years, and thanks to this continuity, the foundations of our business have become even stronger. This commitment and continuity constitute the greatest source of power for our company's success.

> To strengthen the loyalty of our employees, we take care to provide a peaceful and enjoyable working environment. As a result of this approach, the average seniority of our employees in 2024 was 8,3 years.

Employee engagement not only provides job satisfaction, but also directly contributes to company success in key areas such as productivity, innovation and customer satisfaction. As Arkem Kimya, we offer transparent communication, trust, commitment to our values and career development opportunities to strengthen the commitment of our employees.

We meticulously monitor the expectations and needs of our employees through employee satisfaction surveys and feedback mechanisms that we organize every year, and we use this data to update and improve our strategies. The data we obtain allows us to develop innovative applications to ensure that our employees feel valued. This process not only increases the satisfaction of our employees but also strengthens their loyalty to our company.

With this understanding, we are proud to have received the prestigious certificate given by Great Place to Work. As ARKEM KİMYA, our 18th place in the Best Employers™ 2024 - Best Small 50 - 99 list in 2024 is an important achievement that once again reinforces the trust and general satisfaction of our employees in our workplace. This award is a prestigious indicator that reflects not only the quality of our work environment, but also the strength of our company culture and our employee-oriented approach.

We will continue to listen to our employees, support them with better work experience, and take strategic steps to improve each year. These awards are proof that we are moving towards a stronger future together with our employees.

OPEN, FAIR AND RELIABLE COMMUNICATION CULTURE

Our company adopts a transparent, fair and two-way communication approach with all its employees; it aims to create a work environment where employees can freely express their opinions and where their ideas are valued. We offer various feedback mechanisms for our employees to share their thoughts and contribute to the improvement of processes.

All feedback sent through suggestion boxes, direct communication with managers, Human Resources and Corporate Communications departments is carefully evaluated. Notifications made by specifying names are transparently shared with the employee once the process is completed.

WE GROW TOGETHER, WE BECOME STRONGER.

Participatory Approach in Occupational Health and Safety

We attach great importance to the feedback of our employees on occupational health and safety issues. Our employee representatives take an active role in occupational health and safety processes, conveying the opinions of our employees directly to the relevant units and contributing to the improvement of the processes.

Secure Reporting and Protection Against Retaliation

When our employees want to get information about the company's operations, ask questions or report any negativity or violation, they can apply safely without revealing their identities. Our reporting mechanisms are designed so that all our employees can share their opinions without being subject to retaliation and protecting their rights. Our company adopts a zero-tolerance policy in this regard and guarantees the safety of our employees who report.

Participatory and Transparent Corporate Culture

The feedback of our employees is one of the cornerstones of not only our individual but also our corporate development. Thanks to our structure that encourages open communication, each of our employees feels valued, contributes to the processes and directly supports our sustainable growth.

COMPREHENSIVE BENEFITS AND SUPPORTIVE POLICIES FOR OUR EMPLOYEES

We aim to increase the motivation and overall quality of life of our employees at work and offer various fringe benefits. These rights offered to our employees contribute to the creation of a sustainable workforce by making them feel valued at work.

In terms of health insurance, private health insurance is provided to executive and manager positions, and white-collar employees are provided with health services within the scope of insurance at the end of one year.

Employees' personal achievements and contributions are also rewarded. Depending on the achievement of sales targets and the company's financial success, bonus payments can be made at the end of the year. Our employees are also rewarded with various gifts on special occasions, and donations are made to associations and foundations on employee birthdays.

To gain a new workforce, there is also a reward system for recruitment made upon the suggestion of our employees. Our employees are provided with support for a new beginning on special days spent at work. Our employees are also rewarded during important life changes such as marriage, and on special occasions such as birth, employees are presented with gift certificates and supportive materials such as motherhood preparation books.

To protect the physical and mental health of our employees, facilities such as a gym are also provided.
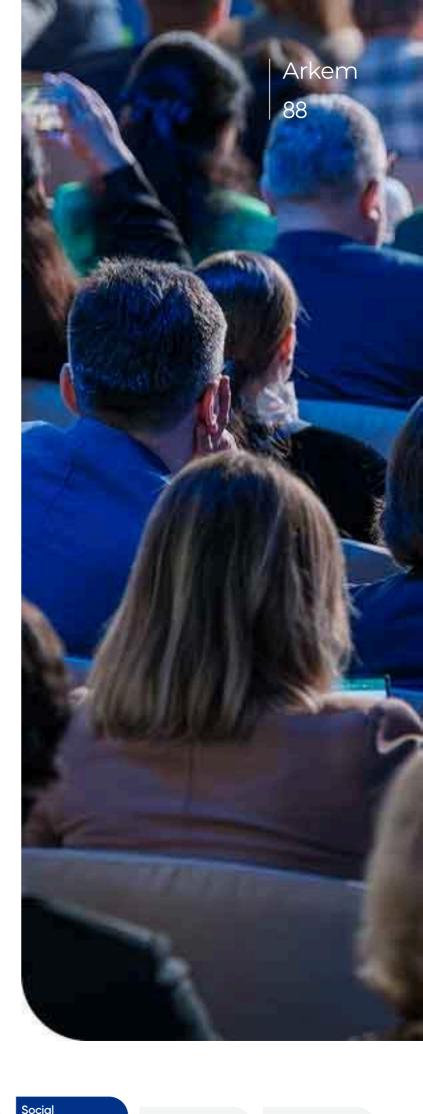
We aim to increase the productivity of our employees at work with these fringe benefits and to maintain their work-life balance. Each fringe benefit supports the personal and professional lives of employees, strengthens their commitment to the company and contributes to creating a long-term sustainable workforce.

SUPPORTING RETIREES
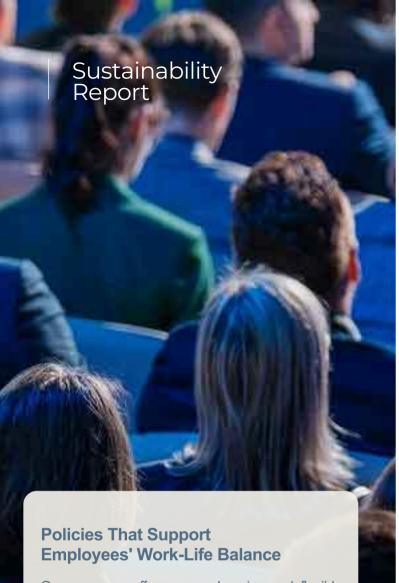
We offer various support programs to ensure that our employees who retire from our company can maintain their commitment to the company and transfer their knowledge to the next generation. We prepare our employees for this process with pre-retirement career planning training and provide consultancy services to increase their social and economic well-being after retirement. We also encourage our retirees to take part in mentoring programs to benefit from corporate memory.

LEAVE POLICY AND PARENTAL LEAVE

Beyond the statutory leave entitlements mandated by law and regulations, our company is committed to fostering a supportive and flexible work environment through additional, employee-centered leave policies. In this spirit, we offer 3 days of discretionary leave annually, which does not deduct from the employee's annual leave balance. This provision is designed to facilitate our employees' ability to address urgent personal matters, health issues, or unforeseen emergencies with ease and without added stress. By implementing this system, we reinforce our dedication to employee well-being, work-life balance, and a sustainable organizational culture.

Introduction

Approach To
Sustainability

Environment

Social

Governance

Appendix

Policies That Support Employees' Work-Life Balance

Our company offers comprehensive and flexible leave policies to ensure that our employees can balance their work and private lives. We encourage the correct use of leave rights by adopting an approach that considers the health, well-being and personal responsibilities of our employees. This policy is of great importance in supporting our employees, especially during critical moments in life such as parental leave.

Annual Leave and Flexible Leave Rights

Our companies do not set annual leave periods. Thus, our employees can use their annual leave rights, which they have earned in accordance with legal regulations, whenever they wish. In addition to annual leaves, additional leave rights such as excused leave and sick leave are also provided for special situations. Our employees can use these rights flexibly without disrupting their business processes.

Parental Leave

The parental leave policy for our employees is an important practice that aims to support family life. Women employees can take leave before and after birth within the legal framework. Our company has determined the duration of maternity leave by considering the well-being of our employees in this process and applies the scope of maternity leave flexibly to ensure a healthier postpartum process.

For male employees, paternity leave is applied in case their wives give birth. Our company encourages male employees to actively participate in the parenting process and facilitates their use of paternity leave. Our employees can go through the process without experiencing any negative impact on their work processes during paternity leave.

TRAINING

We prioritize maximizing the potential of our employees and supporting their continuous development. By adopting a culture focused on learning and development, we aim to strengthen the professional competencies of our employees by providing them with the training opportunities they need and to ensure sustainable success in their career journeys.

Our Human Resources department identifies training needs in line with company strategies and employee development goals through tools such as performance evaluations, feedback, and surveys. This process ensures that employees develop their skills and create the necessary training programs to contribute to organizational goals. Determining training needs is a critical element for the company's sustainable success and employee satisfaction.

ARKEM COMPANIES TRAINING LIST			
Category	Trainings	Category	Trainings
Occupational Health And Safety	First Aid	Environment And Sustainability	Environment
	Emergency		Biodiversity Awareness
	Emergency Teams		Sustainability Awareness
	Occupational Health	Corporate Social Responsibility And Ethics	COP (UNGC)
	Occupational Safety		Anti-Corruption Training
	Work At High		Diversity, Inclusion And Harassment In The Workplace
	Risk Assessment		Companion For Employee Requiring Special Policy
	Chemical Spill Intervention Training		Employee Representative
	Ergonomics	Management Systems And Internal Audit	Integrated Management Systems Internal Auditor
	Fire Fighting		Information Security Management System Awareness
ADR	European Agreement For The International Carriage Of Dangerous Goods By Roads		ISMS Consultancy And Internal Auditor
	Safety Data Sheet		QDMS Key User
Professional Development	Career Management		QDMS Installation Information
	Stress & Emotion Management	Communication And Digital Skills	Microsoft Teams
Law And Financial	Advanced Tax/ Accounting		Matrix
	General Customs And Foreign Trade		Basic Level Network Infrastructure

In 2024, we provided our employees with different development opportunities with a total of 32 different training topics under 8 main categories in Arkem Companies.

Detailed training information for each entities is given on page 134-135 in Annex I.

Orientation Trainings

We attach great importance to orientation training to effectively manage new recruitment processes and changes within the organization, to ensure that our employees adapt to the company culture and maximize their potential.

Our orientation training courses are designed to enable employees to quickly adapt to their roles, responsibilities and working conditions in our company. Every employee who starts working learns the company's culture, values, work safety procedures and operational processes in detail from the first day. This training process aims to help employees understand company policies while also acquiring skills that will contribute to their personal and professional development.

Equality and Accessibility in Education

Our company makes the necessary arrangements to ensure that all employees have equal access to training and development opportunities. Our training programs are accessible to all employees regardless of position, seniority or demographic differences.

The effectiveness of the implemented training is regularly measured through employee feedback and performance evaluation processes, and necessary improvements are made. After the training, the development level of employees is monitored and development plans compatible with organizational goals are created.

In this context, our company aims to strengthen individual and corporate sustainability by supporting the knowledge and skill development of its employees.

Effectiveness of Education

The effectiveness of the implemented training is regularly measured through employee feedback and performance evaluation processes, and necessary improvements are made.

After the training, the development level of the employees is monitored and development plans compatible with organizational goals are created. In this context, our company aims to strengthen individual and corporate sustainability by supporting the knowledge and skill development of its employees.

In 2024

93 — a total of 93 employees were trained.

18.6 — An average of 18.6 hours of training was provided per employee.

1733 — The total training time given to our employees is 1733 hours.

The total training time given to our employees is 1733 hours.

Employee Trainings by Gender

2024	Female	Male
Total Training Time (hours)	1073	660
Training per Employee (hours/person)	21,46	15,35

Employee Trainings by Employee Category

2024	White Collar	Blue Collar
Total Training Time (hours)	1666	67
Training per Employee (hours/person)	20,57	5,15

Detailed training information for each entities is given on page 134-135 in Annex I.

PERFORMANCE MANAGEMENT

As Arkem Companies, we carry out regular performance and career development evaluations to support the professional development of our employees and help them shape their careers. These evaluations are carried out twice a year, in six-month and annual periods. The evaluations in both periods are carried out in cooperation with the Human Resources Department and the relevant department managers.

The evaluation process is structured based on the individual performance of our employees, and both performance and career development elements are taken into consideration.

These evaluations, which are carried out to ensure that our employees achieve their individual goals and to determine their areas of development, play a decisive role in the professional journey of each employee.

This system enables the performance of our employees to be monitored in a transparent, regular and objective manner, while also allowing development opportunities to be identified.

77% of employees who undergo performance and career evaluations are female.

2024	Female	Male	Total	Blue Collar	White Collar	Total
Employees subject to regular performance and career development evaluation	15	4	19	0	19	19

WELL-BEING

We believe that the well-being of our employees is the foundation of a sustainable and thriving workplace. We are committed to fostering a culture that supports physical health, mental resilience, and a strong sense of community. One of the key ways we promote well-being is by encouraging regular physical activity through a range of sports and fitness initiatives.

As part of our commitment to employee well-being, we support both a rowing team and a football team, offering opportunities for employees to train and participate in friendly competitions together.

The rowing team practices regularly and has represented our company in various races, while the football team enjoys friendly matches that strengthen teamwork and camaraderie beyond the office.

In addition to team sports, we provide employees with access to a fully equipped gym located on our premises, available before and after working hours. Designed to match the standards of professional fitness centers, the gym includes a wide range of equipment to meet diverse fitness needs — from cardio and strength training to flexibility and recovery.

We support these initiatives by providing the necessary infrastructure, such as on-site facilities and equipment, as well as financial contributions where applicable. By promoting both group sports and individual fitness opportunities, we aim to foster a workplace culture that values employee health and well-being, recognizing its contribution to engagement, productivity, and innovation.

DIVERSITY & INCLUSION

EQUAL OPPORTUNITIES, NON-DISCRIMINATION AND INCLUSION

Our company has adopted the principle of providing equal opportunities to all employees regardless of religion, language, race, gender, age, ethnicity, disability and other personal characteristics. We strictly adhere to the principles of justice and transparency in our recruitment, promotion and compensation processes; we create opportunities in line with the talents and performance of each individual. With our policies that support diversity and inclusiveness, we accept the differences of our employees as a strength and transform this diversity into innovation and creativity.
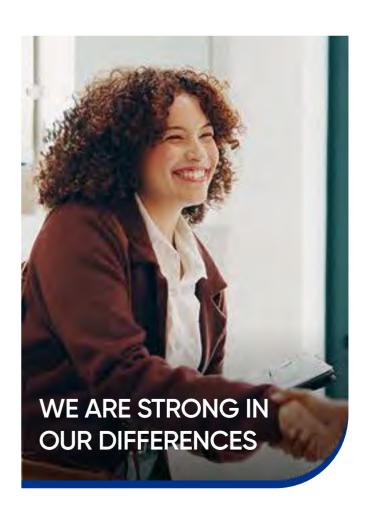
We are moving forward with determined steps towards becoming an inclusive company by eliminating obstacles in the work environment. In this direction, we offer an environment that provides physical, social and psychological support to all our employees. In our company, the number of disabled employees in accordance with legal regulations is currently 2 people and we aim to increase this number. In addition, we constantly review the accessibility and adaptation processes for all our employees and take steps to improve them.

As a company operating in different geographies, we respect the cultural differences in each country and integrate them into our business processes. We always prioritize providing equal opportunities, preventing discrimination and creating an inclusive business culture.

We provide equal opportunities for our employees regardless of their origin, gender, age, disability or any other characteristic, allowing them to best demonstrate their potential. We create an environment in our company where everyone's voice can be heard, and their ideas are valued.

2% of employees who are minority or vulnerable groups in 2024

Our work environment, which prioritizes inclusivity, aims to be a place where different cultures can coexist and where each individual feels valued. With this vision, we create a strong team spirit that feeds on the differences between our employees and we believe that this diversity contributes to the success of the company. Ensuring that our employees have equal opportunities is one of the important steps taken for a more just and equal world, not only in the workplace but also in society.

WE ARE STRONG IN OUR DIFFERENCES

GENDER EQUALITY AND WOMEN'S EMPOWERMENT

Gender equality is adopted as a fundamental principle in our company. We comply with global initiatives that support gender equality, and as a signatory of the United Nations Global Compact (UNGC) and Women's Empowerment Principles (WEPs), we support our female employees and take steps to increase their employment.

To ensure that our employees have equal opportunities, we adopt a fair and transparent approach to the recruitment, promotion, compensation and promotion processes to leadership positions. In line with our diversity and inclusion policies, we support greater representation of our female employees in management positions and encourage flexible working models that will maintain work-life balance.

As Arkem Companies, we have adopted increasing the female employee ratio and not letting it fall below 50% as one of our main goals. We continue our work with determination in this direction. The 53% female employee ratio and the 17% female employee promotion rate achieved in 2024 are the most important indicators of progress towards our goal.

47% of managers in all Arkem companies are female.

2024 FACTS

110	Employees as of Dec 31, 2024
20	New hires during 2024
53%	Of total global workforce are female
47%	Of management positions filled by female
100%	Of all our corporate offices have infrastructure for employees with disabilities

FEMALE EMPLOYEE RATE (2024)

Türkiye*	Netherlands**	Germany	China	Bulgaria	Romania	USA**	Total
52%	-	67%	75%	53%	0%	-	75%

*Türkiye includes our Istanbul, Ankara and Izmir offices. In Istanbul office, female employee rate is 54% in Arkem Kimya payroll and 46% in Altıntel Istanbul payroll. In Ankara office, female employee rate is 100%. In İzmir office, female employee rate is 25%.
**Our Netherlands and USA offices operate as virtual offices and did not employ any employees during the reporting period.

EMPLOYEE HEALTH AND SAFETY

With our "Safety First" approach, we offer a working environment where the health and safety of our employees are protected at the highest standards in all countries where we operate. In line with our zero accident goal, we attach great importance to providing safe working environments, implementing proactive risk management and adopting continuous improvement processes. We organize our occupational health and safety (OHS) policies in line with international best practices and fully comply with the legal requirements in each country.

We take care to design our business processes not only in accordance with legal regulations, but also in accordance with international standards, especially ISO 45001. We aim to complete the ISO 45001 Occupational Health and Safety Management System certificate, which we received for Arkem Kimya Istanbul location in 2024, in our other operation regions in the short term. While ensuring full compliance with the legislation in all our locations, we also regularly review our occupational health and safety processes and carry out continuous improvement studies.

Our employees' contributions are very valuable to us; that's why we include them in the hazard identification and risk assessment processes. We also follow up on every situation instantly with the incident notification system where our employees can report any work accidents and risks they experience. While determining the hazards and risks in our risk analyses, we take into account past incidents, field inspections, expert findings, employee notifications and conducted drills and evaluate the risk level according to the Fine Kinney method.

We systematically carry out the processes of identifying, evaluating and preventing potential risks, and we review and re-evaluate our Risk Analysis at least once a year with our OHS Risk Assessment Team, which also includes our employees.

We have emergency teams established in order to be prepared for possible emergencies and to minimize potential risks, and we conduct unannounced emergency drills at least once a year with the participation of all our employees.

RISK MANAGEMENT

In order to ensure the safety of our employees, we always prioritize identifying risks in advance and taking precautions. We take the necessary precautions to ensure the safety of our employees by conducting regular risk assessment analyses within the scope of legal obligations at all our operation points.

PARTICIPATION OF OUR EMPLOYEES IN OHS

Employee participation in OHS processes is a critical element in creating a safe work environment and effectively identifying and reducing potential risks. Our company adopts a proactive management approach in OHS issues and carries out its work with various mechanisms that are based on employee participation, ensures the active participation of our employees in the processes and aims for continuous improvement.

Risk Assessment Team:

OHS risk assessment is carried out by a multidisciplinary team including employees. The Risk Assessment Team identifies potential hazards and develops risk reduction strategies with the contribution and feedback of our employees.

Employee Representatives:

Our employees have the right to report any OHS-related issues to employee representatives and present them to the management through the OHS Board Meetings held regularly. Employee representatives collect the feedback they receive and bring it to the board's agenda, ensuring that the relevant risks are assessed.

Incident Reporting System:

Our employees report any work accidents, near-miss incidents or potential risks they detect through the user-friendly Incident Reporting System. This system provides instant feedback, enabling any security breach or dangerous situation to be addressed quickly.

1 Total Work Incident In 2024*

* The Work Incident Occured In Arkem Kimya Istanbul Office

Suggestion and Complaint System:

Our employees are provided with a system where they can submit their suggestions and complaints about any issue related to OHS. Our employees can provide feedback to this system anonymously or by name. After all notifications are evaluated by the relevant units, necessary actions are taken and improvement efforts are directed. This process is focused on continuous development and employee satisfaction.

Emergency Teams:

Our employees have received the necessary training for possible emergencies and have been included in emergency response teams. These teams prepare for emergencies by identifying potential risks, developing rapid response strategies and ensuring proper communication. Being prepared for emergencies is a critical element in ensuring the safety of all employees.

Employee Participation Surveys:

The annual Occupational Health and Safety Employee Participation Survey collects employees' opinions and suggestions on all OHS-related issues. The results of these surveys are analyzed in detail and integrated into the occupational health and safety management system.

OHS Board:

We hold OHS board meetings every 3 months by fulfilling legal requirements. Employers/employer representatives, OHS experts, workplace physicians and employee representatives participate in these board meetings. All OHS-related issues are discussed and decisions regarding agenda items are made and shared with all employees.4 board meetings were held in 2024 and 38 decisions were taken.

It is of great importance that our employees feel a sense of trust when providing feedback. Our reporting mechanisms are aimed at encouraging employee participation, and the guarantees of non-retaliation and confidentiality are clearly defined and secured within the framework of the Code of Ethical Conduct.

EMPLOYEE HEALTH

By prioritizing the health and safety of our employees, we carry out occupational health processes in accordance with legal regulations and ISO 45001 standards.

We support our employees in easy access to health services, creating a healthy working environment and acquiring good life habits. We provide our employees with private health insurance so that they can easily access health services. In order to protect and improve the physical and mental health of our employees, we encourage them to use our gym located in our office building free of charge and aim to increase the physical and mental well-being of our employees with this application. In addition to the occupational health training given to our employees upon their first day of employment, we also organize additional periodic training and provide the necessary information to our employees within this scope.

In Arkem Istanbul office, we provide employees with access to a fully equipped gym located on our premises, available before and after working hours. Designed to match the standards of professional fitness centers, the gym includes a wide range of equipment to meet diverse fitness needs — from cardio and strength training to flexibility and recovery.

OHS TRAININGS

We see raising awareness of our employees' safety and strengthening the occupational health and safety culture as one of our primary goals. In this regard, we regularly provide OHS training to all our employees, ensuring that our employees are aware of health and safety and acquire safe behavioral habits in the workplace. All of our training is carried out by expert trainers during working hours and training effectiveness evaluations are carried out after the training.

2024 OHS Training Hours (H/Per Employee)	Female	Male
Türkiye*	5,92	5,52
Netherlands**	-	-
Germany	1	1
China	1	1
Bulgaria	0	0
Romania	0	0
USA**	-	-

*Türkiye includes our Istanbul, Ankara and Izmir offices. In Istanbul office training hours per female employee is 5,88, per male employee is 5,41. In Izmır office, training hours per female employee is 8, per male employee is 16. There is no OHS training in Ankara office.

**Our Netherlands and USA offices operate as virtual offices and did not employ any employees during the reporting period.

Detailed OHS training information for each entities is given on page 135 in Annex I.

MONITORING, MEASUREMENT AND PERFORMANCE EVALUATION

We regularly monitor and report our occupational health and safety performance. We take actions to create a safer working environment by continuously improving our processes through analyses we conduct in line with performance indicators such as occupational accident and disease rates, hazard notification numbers and resolution times, training participation rates, internal and external audit results.

COMMUNITY IMPACT & GIVING

As Arkem Companies, we do not view sustainability as limited to environmental impact, we also prioritize social benefit. Acting with awareness of our social responsibility, we implement projects that will contribute to sustainable development.

EDUCATIONAL SUPPORT AND EQUAL OPPORTUNITY

We believe that education is one of the most powerful tools in the development of individuals and societies, and we see our support in this area as an investment in the future. We believe that no individual should be left behind in accessing education, and acting with this awareness, we carry out projects to support equal opportunities.

We support equal opportunities in access to education by collaborating with well-established educational institutions such as Darüşşafaka Educational Institutions. We contribute to the construction of a bright future with our support for these institutions, which enable students to acquire not only academic knowledge but also life skills and ethical values. Additionally, we support the education of successful students who are in need of financial support by providing scholarships.

In 2024, educational support was provided to 17 students.

To support inclusive and quality education, we make donations to the Turkish Education Association (TEV) and Turkish Education Volunteers Foundation (TEGV). Through this initiative, we contribute to building a more equitable and sustainable future by investing in knowledge, opportunity, and lifelong learning.

Our educational support is not only limited to donations. With the internship opportunities we offer to university students every year, we help young people get acquainted with the business world at an early age, turn their theoretical knowledge into practice, and make a strong start to their career journeys.

In 2024, 7 students were provided with internship opportunities.

By collaborating with university student clubs, we contribute to the academic and professional development of students and support their introduction to the professional world. We offer students the opportunity to put their theoretical knowledge into practice through the events we organize and participate in.

We hosted Kocaeli Health and Technology University Faculty of Pharmacy students in our Arkem Chemicals application laboratory. By sharing detailed information about the cosmetics industry, we supported students to reinforce their theoretical knowledge with practical experience.

We came together with future chemists and held an enjoyable workshop at the Istanbul Technical University Chemistry Club workshop event.

We came together with young people and carried out a productive activity on science and technology within the scope of the 9th Science Festival of the Chemical Technologies Club held at Yıldız Technical University.

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

SOCIAL RESPONSIBILITY FOR A HEALTHY FUTURE

We Bring Hope in the Fight Against Cancer

As Arkem Companies, we do not limit our social responsibility to environmentally sensitive projects, but also aim to make a difference in the field of health. On our employees' birthdays, we contribute to the treatment processes of children receiving cancer treatment by making donations through the Hope Foundation for Children with Cancer (KAÇUV). With these donations, we transform our employees' special days into meaningful acts of support and aim to bring hope through these valuable efforts. Each donation is an important step towards shedding light on a child's treatment process and helping them hold on to life.

LOSEV Collaboration

We are collaborating with the Foundation for Children with Leukemia (LÖSEV) to bring hope to children with leukemia. We support the foundation's sustainable income models by using healthy and natural products from LÖSEV Farm in our cafeteria. With this application, we both encourage healthy nutrition and contribute to the treatment of children with leukemia.

In addition, as Arkem Kimya, we participated in the 46th Istanbul Marathon, which is traditionally held every year as part of our cooperation with LÖSEV, and ran across the Bosphorus Bridge for our children with leukemia. This cooperation, which we have nicely built to raise awareness and support them, will continue in the coming years.

We Provide Support for Individuals with Special Needs

Within the framework of our understanding of social responsibility, we also contribute to projects that will make the lives of individuals in need easier. We contribute to a sustainable environment and raise social awareness through the recycling campaigns we conduct within the company. We publish regular informative announcements to raise awareness among our employees about waste management and encourage their active participation in recycling processes.

By donating the plastic caps collected by our employees to the Turkish Spinal Cord Paralytics Association (TOFD), we support the provision of wheelchairs for individuals with spinal cord paralysis. With this project, we also contribute to the circular economy by combining waste management and social responsibility.

By encouraging the recycling of electrical and electronic waste, we share the income from this process with TODEV (Turkish Autistic Support and Education Foundation), which provides services for autistic individuals in Türkiye. In this way, we contribute to the educational processes of individuals with autism and support their efforts to improve their quality of life. With this project, we both protect the environment and raise social awareness, making a valuable contribution to the future.

SOCIAL RESPONSIBILITY FOR OTHER PRECIOUS LIVES

In recognition of World Animal Protection Day on October 4th, we took meaningful action to support animal well-being—an often overlooked yet essential aspect of sustainability. We donated food to dogs in need of care and compassion, and visited them in their shelters to share our support and affection, reaffirming our commitment to protecting all forms of life as part of a sustainable future.

As part of our commitment to a more compassionate and sustainable world, we make donations to the Türkiye Animal Protection Association (THKD) in honor of our employees' birthdays. By celebrating these personal milestones with meaningful contributions, we support the well-being of animals and highlight the importance of protecting all living beings as a core value of sustainability.

SOCIAL RESPONSIBILITY FOR NATURE

We believe that a sustainable future begins with conscious actions today. As part of our commitment to environmental responsibility and social benefit, we actively support afforestation efforts. For every new employee who joins our team, we donate a sapling as a symbolic and practical contribution to a greener planet. Additionally, we proudly participated in the sapling planting event organized by the TEMA Foundation on National Afforestation Day. These initiatives reflect our dedication to preserving nature, combating climate change, and fostering a culture of environmental stewardship within our organization and the broader community.

OUR RESPONSIBLE SUPPLY CHAIN

SUSTAINIBLE PROCUREMENT

Supply chain management is one of the cornerstones of our company's sustainability strategy. As a signatory to the United Nations Global Compact, we adopt responsible and ethical business practices in the areas of human rights, labor, environment and combating corruption. In this regard, we manage our supply chain in line with sustainability principles, assess the environmental and social impacts of our suppliers and encourage them to engage in responsible business practices.

We present our Supplier Code of Conduct (SCOC) document to all our suppliers and expect them to fully comply with the ethical, social and environmental standards included in this document. To ensure that the principles we set out in our SCOC document are adopted by all our stakeholders in our supply chain, we expect them to undertake their commitment to these principles in writing. Ensuring that all our suppliers sign the SCOC document and make a commitment to compliance is among our short-term strategic sustainability goals.

We continue our efforts to implement the principles we have determined in line with our "Sustainable Supply Chain" approach and responsible purchasing principles throughout our entire value chain. Our "Sustainable Procurement Policy", which includes the principles we have adopted within the scope of Sustainable Supply, is available to all our stakeholders on our website. Another expectation from our suppliers is to ensure that they work in accordance with these principles for their own supply chains.

OUR SUSTAINABLE PROCUREMENT APPROACH

As Arkem Companies, we prioritize environmental and social responsibility in supply chain management and shape our supplier selection criteria and purchasing policies in line with sustainability principles.

We value working with suppliers who care about environmental and social sustainability in our supply chain. We carry out our supplier selection and evaluation processes in accordance with our "Sustainable Procurement Management Procedure".

To effectively implement a sustainable supply chain, we encourage our managers to receive training on sustainable supply chain management, and with these training courses, we aim to provide them with a wide range of knowledge and skills, from supplier selection processes to sustainable product supply and environmental performance assessment. At the same time, we aim for our managers to take a strong position as decision makers and implementers in achieving our strategic sustainability goals.

We strengthen our goals, which we have determined to increase our environmental and social responsibility in our supply chain and to create an effective sustainable supply chain, with the actions we will take in the short, medium and long term.

Green logistics:

In order to achieve our long-term goals, we plan to make our logistics processes more sustainable. In this direction, we aim to supply at least 50% of our logistics services with green logistics certificates. In this way, we aim to reduce carbon emissions in our supply chain and minimize our environmental impact.

Use of certified products:

We reflect our understanding of environmental sustainability in our product sourcing. We work closely with our suppliers to ensure that at least 10% of the materials we purchase are eco-certified. With this goal, we will reduce our ecological footprint and encourage the use of products from sustainable sources.

Sustainable raw material sources:

We contribute to the sustainable management of forests by purchasing paper from suppliers with FSC (Forest Stewardship Council) certification. In this way, we protect forest ecosystems and encourage the conscious and sustainable use of natural resources.

Clean production and waste management:

We prefer to use environmentally friendly cleaning products in offices and kitchen areas. Natural cleaning products contribute significantly to the reduction of chemical waste and allow us to create a healthier and safer working environment. With this approach, we reduce our environmental impact while also prioritizing the health of our employees.

Preferring energy efficient products:

We prefer products with high energy efficiency when purchasing electrical and electronic equipment. By using LED lighting systems in our offices, we aim to reduce our energy consumption and carbon emissions. In this way, we increase energy efficiency and minimize operational costs.

Responsible sourcing of palm oil derivatives:

The product portfolio of the Performance Chemicals Department within Arkem Kimya includes raw materials containing palm oil derivatives. These raw materials are supplied and sold for use in the cosmetics and pharmaceutical industries. The company does not engage in the direct purchase or sale of crude palm oil. Raw materials containing palm oil derivatives are sourced exclusively from RSPO (Roundtable on Sustainable Palm Oil) certified suppliers.

As of 2024, products containing palm oil derivatives account for 0.17% of our total product portfolio, while the suppliers of these products represent 3.55% of our total supplier base. Palm oil derivatives and the suppliers providing them constitute only a small portion of our overall portfolio.

To ensure the sustainable sourcing of raw materials containing palm oil derivatives, Arkem Kimya initiated the RSPO membership process, which was finalized as of February 14, 2025. Our company has been accepted as a member under the "Associate" category within the "Supply Chain Associate" sector. This membership reflects our commitment to contributing to a sustainable palm oil supply chain and fostering stronger collaboration with industry stakeholders.

OUR SUPPLIER SELECTION AND EVALUATION PROCESS

To achieve our strategic sustainability goals, we adopt a sustainable supply approach by sharing environmental, social and economic responsibilities with all our stakeholders in the supply chain.

We conduct our supplier selection and evaluation processes within the scope of our Sustainable Supply Management Procedure. Supplier evaluations are carried out by those responsible for purchasing, and the performance of each supplier is analyzed in detail.

The data used in this process covers a wide range from the environmental impacts of our suppliers to occupational health and safety practices. In line with the data obtained as a result of the evaluation process, the necessary actions are determined by the relevant responsibles. These actions reveal how well the suppliers comply with our sustainability goals and contribute to our company's progress in this area.

As of 2024, our company has expanded its supplier portfolio in line with sustainability criteria; It has started to cooperate with a total of 18 new suppliers, 11 product suppliers and 7 service suppliers. As the end of the year, our total number of suppliers is 1703, and the ratio of new suppliers is 1,53%.

Two of our new service providers are 100% women-owned enterprises. This reflects our company's commitment to promoting gender equality not only within the organization but also throughout the supply chain. In line with our approach that aims to encourage more active participation of women entrepreneurs in private sector supply processes, we are committed to providing cooperation opportunities to women-owned businesses that have this competence or are in the process of development.

All approved suppliers are registered and monitored in our company's SAP-based supply management system; selection processes are carried out in line with sustainable supply criteria determined specifically for product and service categories.

Supplier numbers in Arkem Companies in 2024

Category	Number Of Supplier *
Product Supplier	166
Service Supplier	1537
Total Supplier	1703
New Product Supplier	14
New Service Supplier	12
Total New Supplier	26
New Supplier Percentage	1,53%

*The data presented reflects consolidated figures for all Arkem Companies.

In addition, in order to evaluate the sustainability performance of our raw material suppliers more objectively, a Corporate Social Responsibility (CSR) assessment is implemented in the last quarter of the year; environmental, social and governance (ESG) performances are measured. In this way, the strengths and weaknesses of our suppliers in terms of sustainability are determined and improvement processes are managed more effectively.

1% 1% of our suppliers has signed Supplier Code of Conduct

1% of our suupliers has completed the CSR Evaluation **1%**

11 Number of corrective actions requested from suppliers is 11
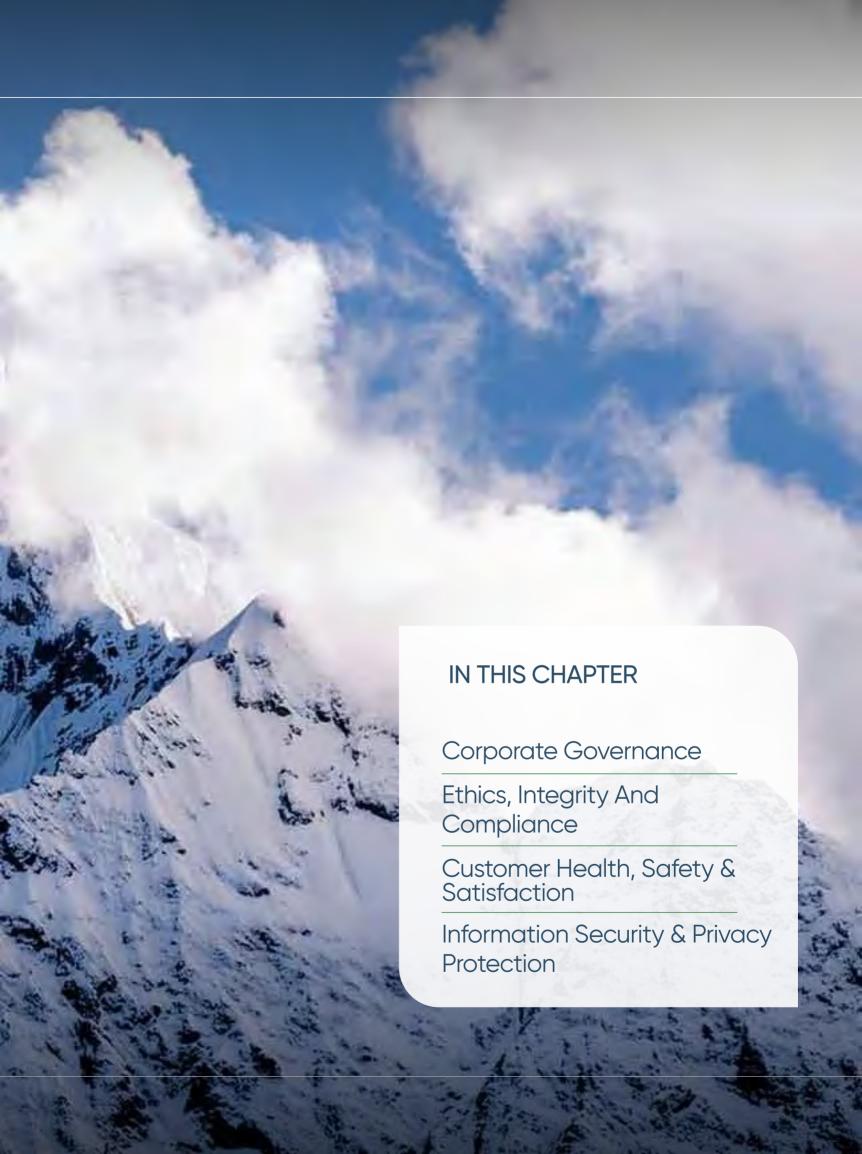
Evaluating all our suppliers within the scope of Supplier Corporate Social Responsibility (CSR) and determining their sustainability performance is among our short-term strategic sustainability goals, and this process, which was initiated in 2024, continues.

With this approach, our company aims to make a supply chain structure that balances economic success with sustainability values and integrates environmental and social responsibility criteria into business partnerships permanent.

ARKEM

GOVERNANCE

IN THIS CHAPTER

Corporate Governance

Ethics, Integrity And Compliance

Customer Health, Safety & Satisfaction

Information Security & Privacy Protection

CORPORATE GOVERNANCE

WE ADOPT CORPORATE GOVERNANCE PRINCIPLES

Our company aims to create a management approach that is responsible, transparent, accountable and fair towards investors, shareholders and society by adopting corporate governance principles. In this direction, we focus on creating sustainable value for all stakeholders by shaping our goals, risk management and audit policies within a solid structure.*

Our transition from family business management structure to corporate management ensures that our company's activities are carried out in a sustainable and effective manner; while creating a solid corporate structure that is compatible with social responsibility, environmental awareness and global business networks. This strategic transformation increases our financial resilience by facilitating our access to capital markets and secures our long-term sustainable growth.

Our effective and ethical management structure not only provides sustainable performance; it also forms the basis of a healthy corporate structure and a strong governance system. With our solid governance system and principles, we aim to go beyond meeting the expectations of our stakeholders. In this reporting period, the "Ethics and Compliance Committee" was established in order to strengthen the implementation of our ethical work. Our committee is responsible for ensuring that ethical rules are adopted and effectively implemented throughout the company; and encouraging employees, managers and business partners to act in accordance with these rules.

Our Board of Directors is responsible for ensuring sustainable growth in the chemical trade and directing our operations in line with our corporate goals.

*Corporate Governance section provides information on Arkem Kimya's governance structure and board structure, but does not include information on other subsidiaries.

In order to effectively manage our activities in global markets, we are continuously improving our corporate governance practices in line with the principles of transparency, accountability, fairness and responsibility.

Using their deep sectoral knowledge and experience, our Board members regularly review the governance practices of our organization and continually evaluate the changing needs and expectations of the business world as well as our stakeholders.

In this reporting period, we have focused more on our sustainability efforts and included our current status and future goals in environmental, social and governance (ESG) issues in the agenda of the Board of Directors meetings. Our Strategic Sustainability Goals are published on the website.

During the reporting period, the Board of Directors, the highest authority in our sustainability governance structure, put the establishment of a Sustainability Committee on its agenda to ensure the effective implementation of sustainability strategies.

OUR BOARD OF DIRECTORS

Our board of directors aims to keep the company's risk, growth and return balance at the most appropriate level with its strategic decisions and adopts a rational and cautious risk management approach. It is responsible for fulfilling its management and representation duties in the best way possible by prioritizing the long-term interests of our company. Also it defines the company's strategic goals, determines the required workforce and financial resources, monitors the performance of the management and takes care to carry out its activities in a transparent, accountable, fair and responsible manner.

Our Board of Directors, the highest decision-making authority at the center of our corporate governance approach, guides the implementation of our strategic goals and the transparent, fair and accountable management of our sustainability strategy.

Arkem Kimya's board of directors consists of 5 members who are experienced in the chemical trade sector. A target ratio and time plan have been determined to not reduce the female member ratio in our board of directors below 25%. This target is among our short-term strategic plans.

OUR BOARD MEMBERS

Arkem Kimya Board of Directors sees social responsibility as a fundamental element of its business strategy and conducts its activities within the framework of environmental, social and ethical values. While fully complying with legal regulations regarding the environment, consumer rights and public health, it adopts ethical business conduct as an integral part of its corporate culture.

At the same time, it supports universal human rights and is committed to respecting these rights. In order to strengthen this commitment, it has officially declared its commitment to the 10 principles of the agreement by joining the United Nations Global Compact in 2024.

Our company adopts business ethics and transparency as one of its fundamental principles and prioritizes the fight against corruption and bribery.

In this context, our ethical procedures and supplier code of conduct (Supplier Code of Conduct) have been prepared and published on our website, accessible to all stakeholders. Our Board of Directors members regularly review the governance practices of our organization using their deep sectoral knowledge and experience and continuously evaluate the changing needs and expectations of our stakeholders as well as the business world.

The competency assessment of our Board of Directors is carried out in order to measure the harmony between the competencies of the current board members and the strategic and operational needs of the company. In this process, critical competency areas have been determined and evaluated in accordance with corporate governance principles.

Our competency assessment is addressed under many different topics.

MANAGEMENT BOARD SKILL MATRIS

👤 **Levend Kokuludağ**   👤 **Gökhan Kokuludağ**

👤 **Gazi Özkan**   👤 **Erkut Erkek**

👤 **Bilkan Kokuludağ**

Leadership experience in managing companies, associations and networks
👤 👤 👤 👤

Industry/Commercial expert
👤 👤 👤

Finance, financial reporting , law and compliance
👤 👤 👤

Sustainability topics, reporting and risk management
👤 👤 👤 👤

Accounting and auditing
👤 👤

Innovation, research&development and technology
👤 👤 👤

Technology and digital transformation, business models and start-ups
👤 👤 👤

Human resources, society, corporate communication
👤 👤
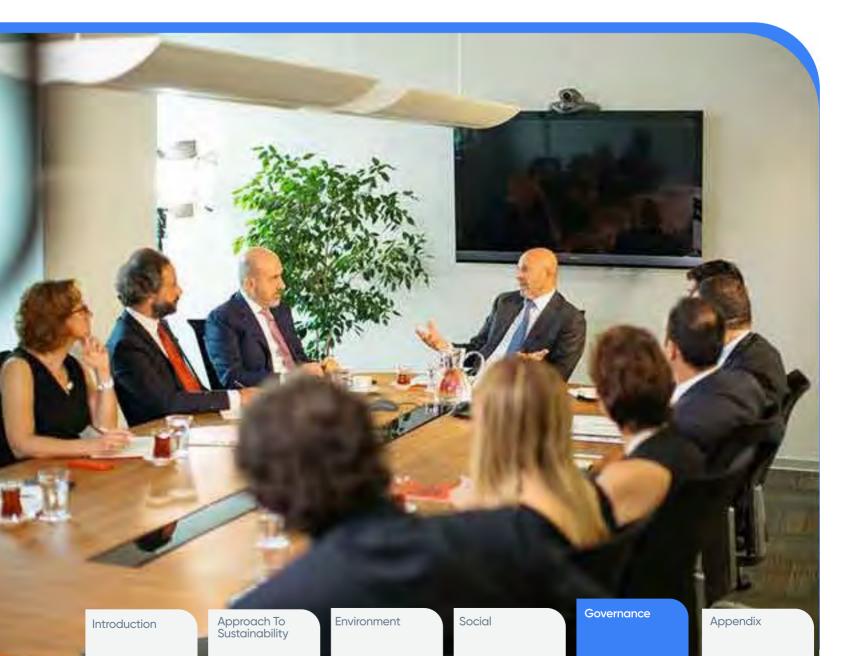
Our competency assessment is updated regularly to support our Board of Directors in achieving the Company's long-term goals and in full compliance with corporate governance principles.
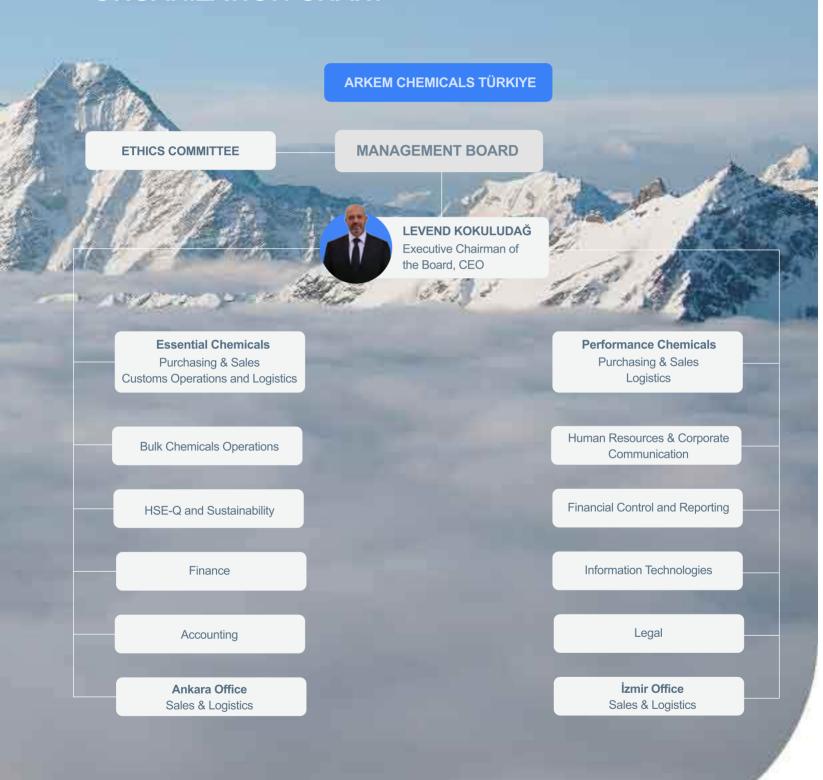
OUR MEETINGS

Our Board of Directors, which is the highest management body, carries out the effective governance approach we have created within the framework of corporate governance principles, and the Board of Directors meets as frequently as it can effectively fulfill its duties. Our Board of Directors comprehensively evaluates developments in the sector, risks and opportunities, operational processes, financial performance reports, human resources policies, ongoing and future investment projects in its regular meetings.

The decisions taken in the meetings and the evaluations that emerge are classified according to their level of importance, and strategic and critical issues are brought to the Board of Directors at the highest level. Evaluations are made in the Board of Directors meetings and final decisions are made. This approach provides effective communication and cooperation within the company, while at the same time increasing the efficiency of operational processes and supporting the achievement of corporate goals.

ORGANIZATION CHART

ARKEM CHEMICALS TÜRKIYE

ETHICS COMMITTEE

MANAGEMENT BOARD

LEVEND KOKULUDAĞ
Executive Chairman of
the Board, CEO

Essential Chemicals
Purchasing & Sales
Customs Operations and Logistics

Performance Chemicals
Purchasing & Sales
Logistics

Bulk Chemicals Operations

Human Resources & Corporate
Communication

HSE-Q and Sustainability

Financial Control and Reporting

Finance

Information Technologies

Accounting

Legal

Ankara Office
Sales & Logistics

İzmir Office
Sales & Logistics

ARKEM CHEMICALS INTERNATIONAL B.V.

Arkem Chemicals International B.V. has 3 subsidiaries: Arkem Chemicals GmbH, Arkem Chemicals Shanghai and Arkem Chemicals Bulgaria. Also, Arkem Chemicals Bulgaria has a liaison office in Romania. So, there are 4 companies in the structure of Arkem Chemicals International B.V. given below.

ARKEM CHEMICALS GERMANY

MANAGEMENT BOARD

Sales

Customer Service & Logistics

Finance

ARKEM CHEMICALS CHINA

MANAGEMENT BOARD

Purchasing & Sales & Logistics

Finance & Accounting

ARKEM CHEMICALS BULGARIA

MANAGEMENT BOARD

Sales

ARKEM CHEMICALS ROMANIA

MANAGEMENT BOARD

Sales

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS

Our Ethics and Compliance Committee, established on 22.11.2024, is responsible for ensuring that ethical rules are adopted and effectively implemented throughout the Company; and encouraging employees, managers and business partners to act in accordance with these rules. An Ethics Line has been established for our employees and stakeholders regarding conflicts of interest or other ethical issues. Notifications can be made through this line on a confidential basis. etik@arkem.com.tr +90(212) 366 41 00

There were no complaints or notifications sent to the ethics line in 2024. No negative situation was encountered regarding this issue during the reporting period.

The establishment of the Sustainability Committee is among our short-term strategic goals, and work has been initiated to establish the committee and determine the principles and procedures as of December 2024.

ETHICS, INTEGRITY AND COMPLIANCE

As a company that does not compromise on ethical values, we adopt an honest, consistent and reliable service approach towards our customers. We operate in the field of chemical wholesale trade with an approach that complies with the requirements of the modern and digital age; we observe high ethical standards in our customer relations and in all markets we serve under all circumstances. In line with global ethical norms, we aim to establish reliable and sustainable business partnerships by offering chemical supply and logistics solutions specific to the needs and demands of our customers.

We adopt an independent, honest, fair, competent and caring approach in our relationships with our customers, employers, colleagues and other stakeholders. We conduct all our interactions in a respectful and ethical framework based on up-to-date information.

We adhere to the principle of integrity in our communications with our stakeholders and in the transactions we carry out; we act in a timely and complete manner in accordance with professional requirements. We meticulously avoid any situation or transaction that may damage the trust in our company and the markets in which we operate.

During the reporting period, "Fight Against Corruption" training was carried out for all our employees in cooperation with the Internal Audit, Legal and Compliance Departments.

The Ethics and Compliance Committee was established at the end of the reporting period, and the development of internal audit processes and increasing their effectiveness are among our short-term strategic goals.

We closely follow the national and international legislation that we are subject to in all our business lines and business relationships, and we fully fulfill our legal obligations arising from these legislations. In line with our principle of accountability, we integrate a transparent and responsible business approach into all our processes.

We proactively monitor and intervene to prevent any situation that would affect our performance, reputation and motivation through the internal control mechanisms we have established within our company.

We develop and implement policies to monitor, regularly review and manage compliance risks, and ensure that these policies are kept up to date.

Our Compliance Department is responsible for managing and monitoring compliance risk, which is defined as the risk of having to suffer legal sanctions, financial damage or reputational loss as a result of non-compliance with applicable laws, regulations, codes of conduct and standards of good practice.

This unit regularly examines the high compliance risks we are exposed to in all business areas we operate in with our risk-based approach and takes the necessary measures within the Group regarding the results. Our Ethical Principles and Code of Conduct have been determined by both our internal and external stakeholders and shared on our website.

It develops policies regarding the management of these risks, updates existing policies in accordance with changes in legislation, activities and market conditions and ensures that the policy is implemented within the Company. Legislative changes that may affect our activities are also monitored by our Compliance Department and relevant persons are informed through the prepared internal bulletin.
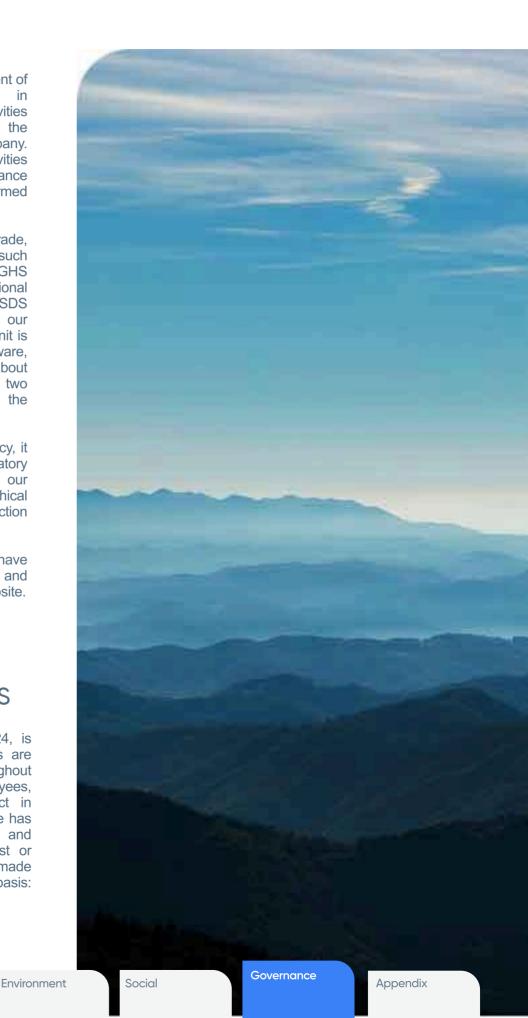
Our company, which operates in chemical trade, fully complies with international regulations such as REACH (EU), TSCA (USA) and GHS (Globally Harmonized System) and national regulations such as KKDIK and SEA. The SDS information of the chemicals supplied by our company's Quality Management Systems Unit is kept in a master list. With the LogicSDS software, informative safety data sheets (SDS) about customer health and safety are prepared in two different languages and shared with the customer.

Within the scope of our business ethics policy, it has been decided to implement mandatory 'Ethics and Compliance Training' for all our employees. In addition, compliance with ethical values is evaluated in supplier selection processes.

Our Ethical Principles and Code of Conduct have been determined by both our internal and external stakeholders and shared on our website.

ETHICS AND COMPLIANCE COMMITTEE WORKING PRINCIPLES AND ACTIVITIES

Our committee, established on 22.11.2024, is responsible for ensuring that ethical rules are adopted and effectively implemented throughout the Company; and encouraging employees, managers and business partners to act in accordance with these rules. An Ethics Line has been established for our employees and stakeholders regarding conflicts of interest or other ethical issues. Notifications can be made through this line on a confidential basis: etik@arkem.com.tr +90 (212) 366 41 00

Ethics and Compliance Committee	Position in the Committee
Gökhan Kokuludağ	President
Gazi Özkan	Member
Ozan Koçal	Member
Damla Koç	Member
Legal Consultant	Member

0 complaint & notifications on ethics topics

disciplinary action

Our Ethics and Compliance Committee is responsible for;

• Ensuring the development of an ethical culture through regular Ethics and Compliance trainings for employees on ethical rules and company policies,

• Regularly reviewing and updating our ethical policies in line with national and international ethical standards and legal regulations and sectoral developments,

• Ensuring that our ethical rules are compatible with the company's sustainability goals and corporate social responsibility policies.

• Evaluating and resolve ethical violation notifications from employees or stakeholders in accordance with the principles of impartiality and confidentiality.

• Periodically submitting reports on ethical issues to the Board of Directors.

CUSTOMER HEALTH, SAFETY & SATISFACTION

As Arkem Companies, we place customer satisfaction at the center of all our activities and consider feedback on the products and services we offer and carry out continuous improvement studies. While aiming to exceed our customers' expectations, we take care to offer innovative and sustainable solutions specific to their needs.

To provide fast and effective solutions to the changing needs of our customers, we have shaped our innovative processes in line with customer feedback. We closely follow sustainability-oriented product demands, share these demands with our suppliers and constantly update our product portfolio in line with sustainable trend products and services.

We support customer awareness through fairs, webinars, customer events and meetings that we regularly hold. With these events, we aim to receive the chemical needs and expectations of our customers in the best way and continuously improve them.

As Arkem Companies, we adopt a meticulous approach in line with national and international standards to minimize the impact of the products and services we offer on customer health and safety. In this context, we receive external support services regarding regulatory monitoring systems.

Our company, which operates in the fields of chemical wholesale trade and logistics, fully complies with international regulations such as REACH (European Union), TSCA (United States) and GHS (Globally Harmonized System), as well as national regulations such as KKDİK (Registration, Evaluation, Authorization and Restriction of Chemicals) and SEA (Classification, Labeling and Packaging).

Safety Data Sheets (SDS) for supplied chemical products are systematically managed by the Quality Management Systems Unit through a central master list.

Safety data sheets are prepared in multiple languages and shared with customers, prioritizing customer health and safety, using the LogicSDS software. In addition, information on the potential effects of the products we supply on human health and the environment and related documentation are provided to our customers in a timely, complete, and transparent manner. All our products and logistics services are supplied in full compliance with the applicable local and international legislation and our activities are carried out in this direction.

One of our long-term goals is to regularly inspect our business partners in our supply chain for compliance with established standards for customer health and safety.

To continuously improve customer experience, we collect regular feedback through surveys, satisfaction evaluations and complaint management systems. We also evaluate suggestions and comments received through our digital platforms and include them in our improvement processes.

Customer satisfaction and feedback processes are systematically and continuously monitored by Quality Management Systems and sales departments, and necessary improvement actions are implemented in line with the data obtained. In this context, survey methodology is used to objectively evaluate customer satisfaction. During the reporting period, surveys prepared by Quality Management Systems in cooperation with sales units were created via Microsoft Office 365 platform and communicated to customers via special links. Survey results provide direction for continuous improvement efforts by enabling detailed analysis of customer feedback.

2024 CUSTOMER SATISFACTION SURVEY RESULTS

Evaluation criterion out of 5 points

4,53 — On-time delivery performance

4,61 — Product quality

4,38 — Performance in meeting urgent requests

4,36 — Product portfolio

4,36 — Approach to complaints and feedback, resolution time and effectiveness

4,38 — Transport organization and logistics team performance

4,58 — Performance of sales teams

4,44 — **Average survey score**

Customer satisfaction level* **89%**

*Customer satisfaction survey covers the customer of Arkem Kimya.

Customer satisfaction survey results are examined in detail in Management Review meetings. In addition, issues and actions related to customer satisfaction management are reviewed in 3rd party audits (ISO 9001) within the scope of Integrated Management Systems. The 2024 customer satisfaction survey results have been analyzed and improvement efforts have been initiated to increase the satisfaction level.

Customers can easily provide feedback by calling the website contact number, e-mail or contacting via social media accounts. This diversity offers customers the opportunity to communicate according to their own preferences and provides a flexible platform to receive their feedback. The Quality Management System team meticulously examines the feedback received and quickly takes the necessary improvement steps to increase customer satisfaction.

INFORMATION TECHNOLOGY AND PRIVACY PROTECTION

INFORMATION SECURITY AND CYBER SECURITY

As Arkem Companies, we are aware of our responsibilities towards our customers and stakeholders. The basis of these responsibilities is to ensure information security and cyber security. We are aware that in today's world where digital transformation is accelerating, cyber attack risks are increasing in the sector we operate in and threats to information security are becoming increasingly sophisticated. Information security and cyber security are one of the fundamental elements of our sustainability strategy and customer-oriented approach. They are among the primary focus areas of our company and we attach great importance to ensuring that our data management processes are secure, transparent and fully compliant with applicable legal regulations. We aim to go beyond these expectations and continuously improve our security standards and take them to the highest level.

In this context, in line with the scope and scale of our company's activities, we do not only limit ourselves to legal requirements; we also adopt national and international best practice standards and ensure the implementation of comprehensive and effective data security measures. Our data security policies, practices and systems are regularly reviewed and updated in accordance with current legislation and sectoral developments. Thanks to this process, we effectively protect our customers' data against new risks and threats and continue our commitment to be a reliable business partner.

Risks to our information security systems are identified with a systematic approach, the effectiveness of these systems is constantly monitored and evaluated, and improvement processes are meticulously implemented when necessary.

Arkem Türkiye has initiated its work within the framework of the internationally valid ISO 27001 Information Security Management System in order to protect critical data such as financial data, intellectual property rights and sensitive customer information, and the process is currently ongoing.

The effectiveness of the security controls we implement to manage risk is continuously monitored and evaluated. These evaluations contribute to increasing the resilience of our company and the continuous optimization of our information security management system performance.

In ensuring information security, human factors are as strategically important as technical measures. Acting with this understanding, our company takes various measures to ensure that security culture is rooted throughout the organization in line with the information security policies and procedures we have created.

In this context, Information Security and Privacy Training Programs are organized to encourage all employees to adopt information security responsibility and to increase security awareness. These trainings contribute to the establishment of a strong security culture within the organization and ensure that our employees act more responsibly in terms of security.

During the reporting period, our employees were provided with a total of 1 person/hour of "Information Security Management System Awareness" training. These trainings aimed to increase information security awareness, and security awareness was strengthened with practical applications such as simulations against cyber threats, especially phishing attacks.

We aim to increase our employees' awareness of information security and encourage their compliance with best practices. We are constantly working to create a secure digital infrastructure, effectively manage potential risks and provide best practices in the field of cybersecurity.

We conduct regular security tests and audits to detect and prevent security vulnerabilities.

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

We also monitor changing technologies and threats to protect the information security of our customers and our company, and keep our security practices up to date. This process is critical to our company's sustainable success journey and reinforces our proactive approach to security.

As Arkem Companies, we offer regular and comprehensive training programs to increase our employees' awareness of information security and ensure that they act in accordance with international best practices. Creating a secure digital infrastructure, effectively managing information security risks and implementing best practices in the field of cyber security are among our strategic priorities. In this regard, we conduct regular security tests and audits to detect and prevent security vulnerabilities. In order to protect the information security of our customers and our company, we closely follow developments in the sector and constantly update our information security policies and practices. This effort is critical to our company's sustainable success journey.

Ensuring the security of customer and employee data is our primary and strategic responsibility. In this regard, comprehensive policies and procedures have been developed within the framework of the standards set by regulatory bodies and Information Technology (IT) Management Processes. Our company ensures that legal obligations regarding data security and confidentiality are fully fulfilled. In addition, it manages its processes by adopting the standards set by the Capital Markets Board (CMB).

In this context, all processes regarding data security are regularly reviewed and updated in line with international best practices.

As Arkem Companies, we carry out our security activities within the framework of our goals and objectives determined in our main processes such as Business Continuity Management, Project and Change Management, Service Request Management, Incident Management, Asset Management and Security and Performance Management.

These processes are managed meticulously with the participation and responsibility of the relevant units and the effective operation of each area is ensured.

We regularly review and update the policies and procedures determined in order to adapt quickly to sectoral and technological changes. In order to implement these processes effectively, management, relevant units and employees are constantly monitored and followed.

It evaluates the effectiveness and functioning of these procedures by conducting business continuity tests once a year. The Compliance Committee ensures the effectiveness of these processes by auditing them in line with the policies and procedures of the Arkem Companies. During the last 3 years, no incidents have occurred and no complaints have been received regarding customer privacy violations. In addition, no negative situations such as leakage, theft or loss of customer data have been encountered.

We effectively implement various security measures such as firewalls, intrusion detection systems (IDS) and security information and event management (SIEM) in order to provide effective protection against cyber attacks. While large-scale attacks are blocked by the operator, incoming traffic is first filtered in denial of service attack (DDOS) devices. Then, the traffic is examined in different security layers such as intrusion prevention system (IPS) and antivirus (AV). This multi-layered security approach protects our systems and data against various threats.

E-mail traffic is filtered in security systems for malware and e-mail attachments are examined in sandbox applications to check for malicious content. Only attachments that are determined to be harmless are delivered to the user. In addition, the activities of security and other relevant systems and notifications from the security information and event management (SIEM) application are recorded and monitored. Centrally managed and regularly updated antivirus software is used on user computers. Server systems are backed up regularly and these backups are copied to a different location and stored in an unchangeable and undeletable manner.

We fully comply with the procedures and principles determined within the scope of the Information Security Policy and takes the necessary measures in this regard. All necessary measures are taken by the IT department and the Internal Control department in order to effectively establish and operate controls on risk center processes and information systems and to ensure an adequate control environment.

Along with all these measures, we take comprehensive security measures using various applications such as firewall, antivirus programs, protection systems against denial of service attacks (DDOS), security information and event management (SIEM) and data loss prevention (DLP) throughout all the Arkem Companies. In addition, the Internal and External Control team periodically audits the effectiveness of these security measures and improves the security process by taking the necessary corrective measures when any problems are detected. In this way, Arkem Companies's data security is constantly reviewed and strengthened.

> **We have set a short-term goal to achieve full compliance with international standards in the field of information security and continues to work continuously in line with this goal.**

TECHNICAL MEASURES AND SECURITY SOLUTIONS

We implement a comprehensive set of security solutions and technical measures to strengthen our information security infrastructure and increase our resilience against cyber threats. These security measures aim to protect the company's digital infrastructure as well as to develop a proactive approach against potential threats. Here are the main security solutions implemented by Arkem Companies:

1. Microsoft 365 (M365) Business License

Microsoft 365 Business provides high security in business processes. It has important features such as email security, data loss prevention, identity and access management, and secure file sharing. This platform ensures that the data that users can access via their devices is encrypted and data security policies are implemented.

2. TrendMicro Security Agent

TrendMicro Security Agent is a solution used for endpoint security, providing effective protection against malware, viruses, ransomware, and other cyber threats on devices. This software continuously scans the data flow between devices and blocks threats instantly.

3. FortiGate Advanced Malware Protection (AMP)

FortiGate AMP scans network traffic to detect malware, viruses, and threats. It performs advanced pre-threat and post-threat scanning to protect all devices within the network and eliminate detected threats.

4. FortiGuard IPS Service

FortiGuard IPS provides protection against known and unknown threats by analyzing network traffic before and after penetration. This system automatically blocks attacks over the network and continuously monitors the infrastructure.

5. AntiSpam and Email Security

AntiSpam and malicious email filtering systems scan incoming email traffic for spam, phishing, and malware. Email attachments are analyzed in sandboxes for malicious content, so only safe content is delivered to the user.

6. Layer 7 DDoS Protection and Firewalls

Layer 7 DDoS service provides protection against attacks at the web application layer (HTTP, HTTPS). This solution creates an effective defense against high-volume attacks and detects and blocks attacks at an early stage.

Firewall solutions protect the network from threats from the outside world and control all incoming and outgoing traffic.

0 Syber attack in 2024

7. VLAN Structure (Port and Application Security)

Network segmentations are created with the VLAN (Virtual Local Area Network) structure and different security policies are applied to each segment. With the Port and Application Security features, it ensures that each port and application is used only by authorized devices, thus preventing unauthorized access within the network.

8. Data Backup and Disaster Recovery Solutions

Data is backed up encrypted on Microsoft platforms such as OneDrive and SharePoint and continuous access is provided.

Critical data is backed up at regular intervals using Veeam, RP4VM and virtual infrastructures. Backup data is stored in a location outside of physical and virtual environments to prevent loss in the event of any hardware failure.

9. VMWare Virtualization and Isolation

Applications and systems are made independent of physical devices using the VMware virtualization infrastructure. Thanks to virtualization, all systems can be isolated and managed more securely.

10. Zabbix Monitoring and Management

Zabbix is an open source monitoring solution that continuously monitors the performance of network infrastructure and systems. Zabbix monitors important metrics such as security, system performance and network traffic in real time and sends alerts about possible security breaches.

11. Cloud Hosting and Data Security

Our critical servers are securely stored in the cloud using the Cloud Hosting Service. This prevents data loss in the event of device loss or damage.

12. Microsoft Intune and Mobile Device Management

Microsoft Intune is used to securely manage employees' mobile devices. This application ensures the secure integration of devices with company data and provides security with features such as encryption and remote wipe.

13. Microsoft Defender and Access Control

Microsoft Defender blocks malware by protecting all endpoints, detects security threats, and notifies users about any malicious activity on the system. With Access Control policies, only authorized users can access certain data and systems.

58% **Security level**

14. FortiGuard URL, DNS & Video Filtering

FortiGuard URL Filtering blocks malicious websites and ensures that users only access safe sites. DNS Filtering blocks malicious domain names through DNS queries.
Video Filtering is a solution implemented to ensure safe viewing of video content, and ensures that risky content is blocked, especially in education and business environments.

USE OF QDMS APPLICATION FOR AUDIT MECHANISMS AND POLICY CONTROLS

QDMS

Arkem Türkiye uses QDMS (Quality Document Management System) application to ensure compliance with information security policies and continuous improvement. QDMS increases the effectiveness of the company's information security processes by ensuring that all security policies are created, updated, distributed and monitored.

• **Document Management:** QDMS ensures that information security policies and procedures are stored in a central location and ensures that these documents are accessible to all relevant units.

• **Audit and Monitoring:** QDMS continuously monitors information security processes and security measures. Audits are recorded, detected nonconformities are monitored and corrective measures are taken.

• **Continuous Improvement:** Updates made to policies and procedures are instantly visible in the system. In this way, rapid adaptation to changing security requirements is ensured.

SAP S/4HANA CYBER SECURITY ARCHITECTURE AND USAGE

SAP S/4HANA offers a multi-layered and integrated security architecture, ensuring high standards in areas such as data security, access control, monitoring and disaster recovery. Below is additional information on the basic technical security solutions of SAP S/4HANA and the use of the GUI (Graphical User Interface):

• Data Encryption:

Both stored data and data transmissions are protected using strong encryption protocols (e.g. AES-256).

• Role-Based Access Control (RBAC):

With the roles and authorization levels defined for users, only authorized persons have access to sensitive data.

• Auditing and Logging:

SAP S/4HANA offers built-in audit trails (audit logs) that record security events and user activities in detail. This way, potential breaches are detected immediately.

• Security Monitoring and Incident Management:

With SAP Security Audit Log and integrated SIEM solutions, security events are continuously monitored, analyzed and reported.

• Backup and Disaster Recovery:

The risk of data loss is minimized with regular backups of critical data and technologies such as SAP HANA System Replication.

• Patch Management and Updates:

SAP regularly releases security patches and updates to ensure that the system remains up-to-date and secure.

• Network Security:

Additional protection against perimeter attacks is provided with measures such as firewalls, VPNs and network segmentation.

• GUI Usage:

SAP S/4HANA's security management is easily configured and managed via the user-friendly graphical user interface (GUI). This interface allows administrators to visually monitor security settings, access controls, audit trails, and system monitoring information. This enables more effective implementation and monitoring of security policies.

This multi-layered security solution plays a critical role in ensuring data security and system integrity in SAP S/4HANA. The security architecture of SAP S/4HANA not only protects against current threats, but also creates an infrastructure that is resilient to future cyber threats.

SALESFORCE CYBER SECURITY ARCHITECTURE TECHNICAL SOLUTIONS

Salesforce uses a multi-layered, integrated, and modern security architecture to ensure enterprise data security and provide a platform resilient to cyber threats. This architecture covers critical areas such as data protection, access control, monitoring, auditing, and risk management. Here are the key cybersecurity architecture technical solutions offered by Salesforce:

• Data Encryption:

Salesforce uses strong encryption protocols (e.g. TLS/SSL, AES-256) to protect both stored data and data transmissions. This ensures that data is protected against malicious access while it is stored and in transit.

• Role-Based Access Control (RBAC) and Multi-Factor Authentication (MFA):

Salesforce implements RBAC mechanisms to tightly control user access. Additionally, MFA applications authenticate the user to prevent unauthorized access.

• Auditing and Logging:

All user activities and security events are recorded through detailed audit logs. These logs are monitored in real time with integrated SIEM solutions and potential anomalies are quickly detected.

• Security Monitoring and Incident Management:

Salesforce instantly detects and intervenes in potential threats with integrated SIEM solutions that continuously monitor security incidents and suspicious activities.

• Data Loss Prevention (DLP):

Built-in DLP mechanisms minimize the risk of data loss by preventing unauthorized export of sensitive data.

• Application Security and API Protection:

Salesforce offers security measures such as token-based authentication, rate limiting, and attack detection for RESTful APIs and integration points. This provides security at the application level as well.

• Updates and Patch Management:

As a cloud-based service, Salesforce continuously complies with the latest security standards with automatic updates and security patches.

• Integration of Cloud-Based Security Architecture:

Features such as centralized update, scalable security solutions, and automatic patch management enable the platform to respond quickly to the dynamic threat landscape.

• User-Friendly Graphical Interface Management and Monitoring:
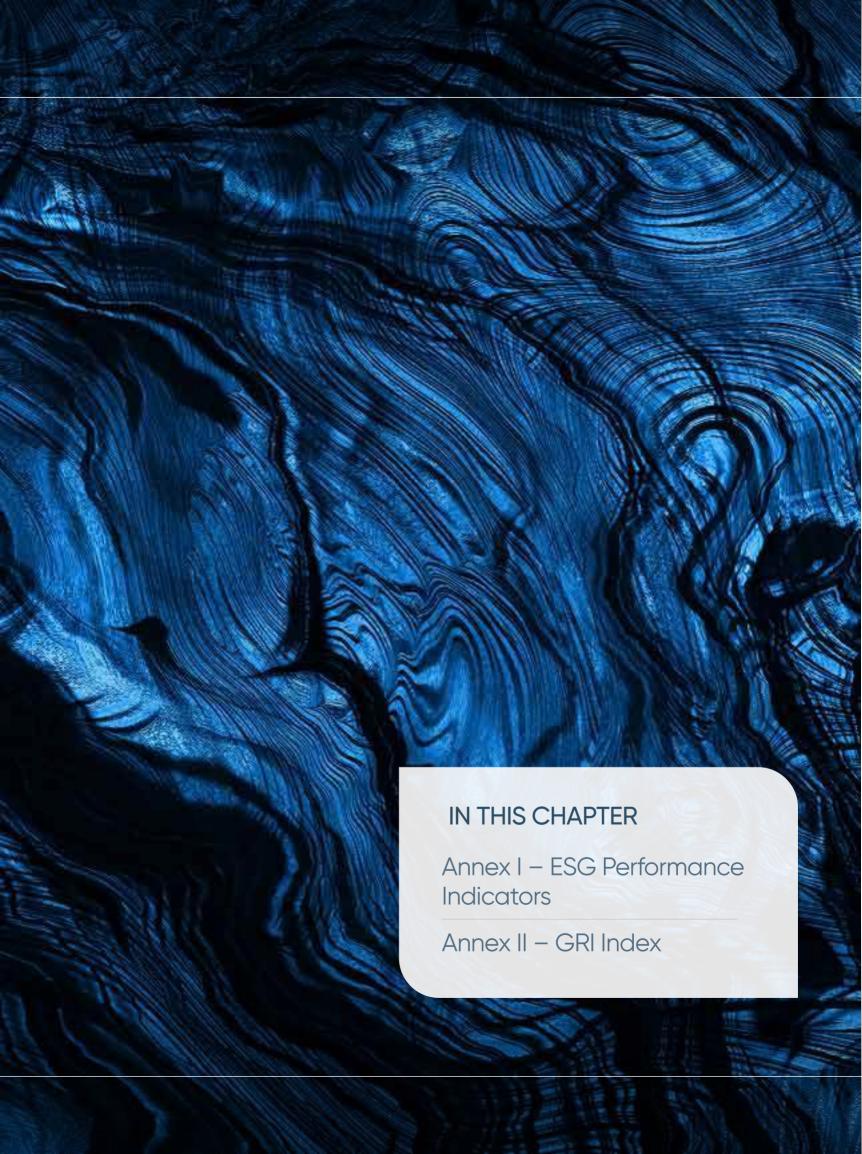
Salesforce's user-friendly graphical interface enables easy management and monitoring of security configurations, access controls, and audit logs. This supports effective implementation of security policies.

CONCLUSION AND STRATEGIC APPROACH

As Arkem Companies, we are constantly investing in technology to strengthen our digital infrastructure and provide the highest level of protection against cyber threats. Comprehensive security measures not only prevent existing threats, but are also constantly updated to increase the effectiveness of the company's overall security infrastructure. With modern security solutions, all processes are constantly monitored and immediate intervention is provided against potential threats. In this way, the information security infrastructure of Arkem companies is strongly protected and complied with international security standards.

ARKEM

APPENDIX

ANNEX I – ESG PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

Note: Arkem USA and Arkem International operate as virtual offices with no physical employees. Therefore, these offices are not included in the Performance Indicator Tables.

Energy Consumption (GJ) 2024	Arkem Türkiye			Arkem Germany	Arkem China	Arkem Bulgaria	Arkem Romania
	Arkem İstanbul	Arkem Ankara	Arkem İzmir				
Natural Gas	661	10	9	74	-	-	28
LPG	2	-	-	-	-	-	-
Generator - Diesel	75	-	-	-	-	-	-
Vehicle Fuels - Diesel Consumption (On Road)	762	44	33	130	-	-	56
Vehicle Fuels - Petrol Consumption (On Road)	1315	97	-	66	12	44	-
Vehicle Fuels - Petrol Consumption (Off Road)	3	-	-	-	-	-	-
Purchased Electricity + Purchased Heat	0	6	19	26	16	22	2
Purchased Electricity + Purchased Heat (I-REC Certified)	883	-	-	-	-	-	-
Total Energy Consumption	3651	157	61	296	28	66	86
Total Renewable Energy Consumption	883	-	-	-	-	-	-

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

**Energy Intensity
(GJ / employee)**

2024

	Arkem Türkiye			Arkem Germany	Arkem China	Arkem Bulgaria	Arkem Romania
	Arkem İstanbul	Arkem Ankara	Arkem İzmir				
Energy Intensity	41	39	20	49	7	33	86

**GHG Emissions
(tCO2e)**

2024

	Arkem Türkiye			Arkem Germany	Arkem China	Arkem Bulgaria	Arkem Romania
	Arkem İstanbul	Arkem Ankara	Arkem İzmir				
Scope-1	232	10,84	2,96	18,72	0,86	3,15	5,77
Scope-2 (Location-Based)	102	0,70	2,39	2,68	2,65	2,53	0,23
Scope-2 (Market-Based)*	0	0,70	2,39	2,68	2,65	2,53	0,23
Scope-3 / Category 5 (Waste Generated In Operations)	14	-	-	-	-	-	-
Scope-3 / Category 6 (Business Travel-Air)	38	4,56	-	0,93	0,53	0,55	-
Scope-3 / Category 7 (Employee Commuting)	38	-	-	-	-	-	-
Scope 1+2 (Location-Based)	334	11,54	5,35	21,4	3,51	5,68	6
Scope 1+2 (Market-Based)	232	11,54	5,35	21,4	3,51	5,68	6

*Scope 2 emissions for the Istanbul office have been reduced to zero under the market-based approach through the purchase of I-REC certified renewable electricity.

GHG Intensity (tCO2e / K USD)

2024

	Arkem Türkiye			Arkem Germany	Arkem China	Arkem Bulgaria	Arkem Romania
	Arkem İstanbul	Arkem Ankara	Arkem İzmir				
Scope 1+2 GHG Intensity (Location-Based)	0,001*			0,001	0,002	0,045**	
Scope 1+2 GHG Intensity (Market-Based)	0,001*			0,001	0,002	0,045**	

*Scope 2 emissions for the Istanbul office have been reduced to zero under the market-based approach through the purchase of I-REC certified renewable electricity.
** Scope 1+2 GHG intensity for Arkem Romania and Arkem Bulgaria is also calculated using aggregated revenue, as individual site-level financial data is not available.

Water & Wastewater (m3)

2024

	Arkem Türkiye			Arkem Germany	Arkem China	Arkem Bulgaria	Arkem Romania
	Arkem İstanbul	Arkem Ankara	Arkem İzmir				
Water Withdrawn	2280	24	67	30	48	24	12
Wastewater Discharge*	1961	21	58	26	41	21	10
Blue Water Footprint	319	3	9	4	7	3	2

* Wastewater discharge figures are based on theoretical estimations due to the absence of direct measurement

Water Intensity (m3/ employee)

2024

	Arkem Türkiye			Arkem Germany	Arkem China	Arkem Bulgaria	Arkem Romania
	Arkem İstanbul	Arkem Ankara	Arkem İzmir				
Water Intensity	25	6	22	5	12	12	12

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

Waste (t)*	Arkem Türkiye			Arkem Germany	Arkem China	Arkem Bulgaria	Arkem Romania
	Arkem İstanbul	Arkem Ankara	Arkem İzmir				
Total Hazardous Waste	0,25	-	-	-	-	-	-
Recovery	0,25	-	-	-	-	-	-
Total Non-Hazardous Waste	30,16	-	-	-	-	-	-
Recycle	2,34	-	-	-	-	-	-
Recovery	0,01	-	-	-	-	-	-
Landfill	27,81	-	-	-	-	-	-

* For locations other than the Istanbul office, waste management is overseen by third-party facility managers of the shared-use buildings. Due to this arrangement, location-specific waste data is currently unavailable. Monitoring and reporting practices are being developed to enable waste tracking across all offices.

SOCIAL

EMPLOYEE DEMOGRAPHICS
TOTAL NUMBER OF EMPLOYEES

Note: Arkem USA and Arkem International operate as virtual offices with no physical employees. Therefore, these offices are not included in the Performance Indicator Tables.

Distribution by Gender

2024

		Female	Male	Total
Türkiye	Employee Number	50	47	97
	Ratio	52%	48%	-
Germany	Employee Number	4	2	6
	Ratio	67%	33%	-
China	Employee Number	3	1	4
	Ratio	75%	25%	-
Bulgaria	Employee Number	1	1	2
	Ratio	50%	50%	-
Romania	Employee Number	0	1	1
	Ratio	0%	100%	-

Distribution by Age Group

2024

		18-30	31-50	50+
Türkiye	Employee Number	16	66	15
	Ratio	16%	68%	15%
Germany	Employee Number	1	4	1
	Ratio	17%	67%	17%
China	Employee Number	1	3	0
	Ratio	25%	75%	0%
Bulgaria	Employee Number	0	1	1
	Ratio	0%	50%	50%
Romania	Employee Number	0	1	0
	Ratio	0%	100%	0

Total Number of Employees by Education Level

2024

		Primary and Below	High School	University	Master's Degree and Above
Türkiye	Employee Number	4	18	57	18
	Ratio	4%	19%	59%	19%
Germany	Employee Number	0	2	4	0
	Ratio	0%	33%	67%	0%
China	Employee Number	0	0	3	1
	Ratio	-	-	75%	25%
Bulgaria	Employee Number	0	0	2	0
	Ratio	-	-	100%	-
Romania	Employee Number	0	0	1	0
	Ratio	-	-	100%	-

By Employment Type

2024

		White Collar		Blue Collar		Intern	
		Female	Male	Female	Male	Female	Male
Türkiye	Employee Number	44	41	6	6	0	0
	Ratio	45%	42%	6%	6%	-	-
Germany	Employee Number	4	2	0	0	0	0
	Ratio	67%	33%	-	-	-	-
China	Employee Number	3	1	0	0	0	0
	Ratio	75%	25%	-	-	-	-
Bulgaria	Employee Number	1	1	0	0	0	0
	Ratio	50%	50%	-	-	-	-
Romania	Employee Number	0	1	0	0	0	0
	Ratio	0%	100%	-	-	-	-

By Management Category

2024

		Senior Executives		Mid-Level Managers		Other Employees	
		Female	Male	Female	Male	Female	Male
Türkiye	Employee Number	0	7	11	10	39	30
	Ratio	0%	100%	52%	48%	57%	43%
Germany	Employee Number	0	1	1	1	3	0
	Ratio	0%	100%	50%	50%	100%	0%
China	Employee Number	0	1	2	0	1	0
	Ratio	0%	100%	100%	0%	100%	0%
Bulgaria	Employee Number	0	1	1	0	0	0
	Ratio	0%	100%	100%	0%	-	-
Romania	Employee Number	0	0	0	1	0	0
	Ratio	-	-	0%	100%	-	-

NUMBER OF NEWLY HIRED EMPLOYEES

Distribution by Gender

2024

		Female	Male	Total
Türkiye	Employee Number	10	10	20
	Ratio	50%	50%	-
Germany	Employee Number	0	0	0
	Ratio	-	-	-
China	Employee Number	0	0	0
	Ratio	-	-	-
Bulgaria	Employee Number	0	0	0
	Ratio	-	-	-
Romania	Employee Number	0	0	0
	Ratio	-	-	-

Distribution by Age Group

2024

		18-30	31-50	50+
Türkiye	Employee Number	9	11	0
	Ratio	45%	55%	0%
Germany	Employee Number	0	0	0
	Ratio	-	-	-
China	Employee Number	0	0	0
	Ratio	-	-	-
Bulgaria	Employee Number	0	0	0
	Ratio	-	-	-
Romania	Employee Number	0	0	0
	Ratio	-	-	-

Employee Turnover Rate

2024

	Ratio
Türkiye	27,69
Germany	0,24
China	0
Bulgaria	0
Romania	0

MATERNITY LEAVE (PARENT LEAVE)

2024	Number of Employees on Maternity Leave		Number of Employees Returning from Maternity Leave	
	Female	Male	Female	Male
Türkiye	2	0	2	0
Germany	-	-	-	-
China	-	-	-	-
Bulgaria	-	-	-	-
Romania	-	-	-	-

2024	Return to Work Rate from Maternity Leave		Retention Rate 12 Months After Returning from Maternity Leave	
	Female	Male	Female	Male
Türkiye	100%	-	100%	-
Germany	-	-	-	-
China	-	-	-	-
Bulgaria	-	-	-	-
Romania	-	-	-	-

Sustainability Report

EMPLOYEE TRAININGS

Distribution by Gender

2024

	Number of Employees Receiving Training		Total Training Time (hours)		Training per Employee (hours/person)	
	Female	Male	Female	Male	Female	Male
Türkiye	43	40	1061,5	655	24,69	16,38
Germany	4	2	8	4	2	2
China	3	1	3	1	1	1
Bulgaria	-	-	-	-	-	-
Romania	-	-	-	-	-	-

By Employment Type

2024

	Number of Employees Receiving Training		Total Training Time (hours)		Training per Employee (hours/person)	
	White Collar	Blue Collar	White Collar	Blue Collar	White Collar	Blue Collar
Türkiye	71	12	1649,5	67	23,23	5,58
Germany	6	-	12	-	2	-
China	4	-	4	-	1	-
Bulgaria	-	-	-	-	-	-
Romania	-	-	-	-	-	-

By Management Category

2024

	Number of Employees Receiving Training			Total Training Time (hours)			Training per Employee (hours/person)		
	Senior Executives	Mid-Level Managers	Other	Senior Executives	Mid-Level Managers	Other	Senior Executives	Mid-Level Managers	Other
Türkiye	7	30	46	22,5	597	1097	3,21	19,90	23,85
Germany	1	2	3	2	4	6	2	2	2
China	1	2	1	1	2	1	1	1	1
Bulgaria	-	-	-	-	-	-	-	-	-
Romania	-	-	-	-	-	-	-	-	-

By Education Type 2024	Number of Employees Receiving Training			Total Training Time (hours)			Training per Employee (hours/person)		
	OHS	Environment	Other	OHS	Environment	Other	OHS	Environment	Other
Türkiye	83	60	83	548,5	60	1656,5	6,61	1	19,96
Germany	6	-	6	6	-	6	1	-	1
China	4	-	-	4	-	-	1	-	-
Bulgaria	-	-	-	-	-	-	-	-	-
Romania	-	-	-	-	-	-	-	-	-

EMPLOYEE PERFORMANCE EVALUATION

Number of Employees Included in the Regular Performance Evaluation System

2024

		Senior Executives		Mid-Level Managers		Other Employees	
		Female	Male	Female	Male	Female	Male
Türkiye	Employee Number	0	0	2	3	13	1
	Ratio	-	-	40%	60%	93%	7%
Germany	Employee Number	0	0	0	0	0	0
	Ratio	-	-	-	-	-	-
China	Employee Number	0	0	0	0	0	0
	Ratio	-	-	-	-	-	-
Bulgaria	Employee Number	0	0	0	0	0	0
	Ratio	-	-	-	-	-	-
Romania	Employee Number	0	0	0	0	0	0
	Ratio	-	-	-	-	-	-

OHS

2024

	Türkiye	Germany	China	Bulgaria	Romania
Total Working Hours	115209	13554	9036	4518	2259
Total Number of Accidents	1	0	0	0	0
Number of Lost Time Incidents	0	0	0	0	0
Total number of days lost due to accidents	0	0	0	0	0
Total Number of Fatal Accidents	0	0	0	0	0
Accident Frequency Rate	0,009	0	0	0	0
Lost Day Rate	0	0	0	0	0
Total Number of Occupational Diseases	0	0	0	0	0

The accident frequency rate calculation is as follows.
Accident frequency rate: number of accidents/working hours*1000
Working hours: annual working days*daily working hours*number of employee

GOVERNANCE

Note: Arkem USA and Arkem International operate as virtual offices with no physical employees. Therefore, these offices are not included in the Performance Indicator Tables.

COMPLIANCE AND BUSINESS ETHICS

	Türkiye	Germany	China	Bulgaria	Romania
Number of incidents of corruption	0	0	0	0	0
Number of incidents of anti-competitive behavior	0	0	0	0	0
Number of incidents of customer data loss or privacy breaches	0	0	0	0	0
Number of information security incidents	0	0	0	0	0
Number of human rights violations	0	0	0	0	0
Number of whistleblower reports received	0	0	0	0	0

No incidents were reported in any of the above categories during the reporting period (2024).

ANNEX II – GRI INDEX

Statement of use: Arkem has reported in accordance with the GRI Standards for the period 1 January 2024 - 31 December 2024.

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): There is no sector-specific GRI Standard available for the chemical sector.

GRI STANDARD	DISCLOSURE	RELATED SECTION / EXPLANATION AND/OR DIRECT ANSWERS	PAGE
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	About This Report Who We Are Our History Global Presence Our Structure	06 08 09 10-11 31
	2-2 Entities included in the organization's sustainability reporting	About This Report	06
	2-3 Reporting period, frequency and contact point	About This Report Reporting Period: Annualy Contact: arkem@arkem.com.tr, sustainability@arkem.com.tr	06
	2-4 Restatements of information	No restatements of information were made, as this is the first reporting period.	-
	2-5 External assurance	This report has not been externally assured. The company may consider obtaining external assurance for future reporting periods to enhance transparency and credibility.	-
	2-6 Activities, value chain and other business relationships	The Way We Create Value About Our Business Segments Sectors We Serve Our Exclusive Network	12 22-23 24 25
	2-7 Employees	People & Culture	84-92
	2-9 Governance structure and composition	Corporate Governance	106-111
	2-10 Nomination and selection of the highest governance body	Corporate Governance	106-111
	2-11 Chair of the highest governance body	Message From Our CEO Corporate Governance	06 106-111
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance	106-111

General Disclosures

GRI STANDARD	DISCLOSURE	RELATED SECTION / EXPLANATION AND/OR DIRECT ANSWERS	PAGE
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Corporate Governance	106-111
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance	106-111
	2-15 Conflicts of interest	Corporate Governance Ethics, Integrity & Compliance	106-111
	2-16 Communication of critical concerns	Ethics, Integrity & Compliance	111-113
	2-17 Collective knowledge of the highest governance body	Message From Our CEO Corporate Governance	06 106-111
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	106-111
	2-19 Remuneration policies	People & Culture	84-92
	2-22 Statement on sustainable development strategy	Message From Our CEO Our Contribution to SDGs Our Goals & Targets	06 40-41 47-55
	2-23 Policy commitments	Message From Our CEO Our Contribution to SDGs Our Goals & Targets Comprehensive information on all our policies can be accessed via our corporate websites: https://www.arkem.com.tr/ https://arkem.eu/	06 40-41 47-55
	2-24 Embedding policy commitments	Ethics, Integrity & Compliance	111-113
	2-26 Mechanisms for seeking advice and raising concerns	Ethics, Integrity & Compliance Further details can be found in our Code of Conduct, available via our corporate websites: https://www.arkem.com.tr/ https://arkem.eu/	111-113
	2-27 Compliance with laws and regulations	Ethics, Integrity & Compliance	111-113

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

GRI STANDARD	DISCLOSURE	RELATED SECTION / EXPLANATION AND/OR DIRECT ANSWERS	PAGE
General Disclosures			
GRI 2: General Disclosures 2021	2-28 Membership associations	Our Memberships	35
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	42-43
	2-30 Collective bargaining agreements	During the reporting period, no employees were covered by collective bargaining agreements.	-
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	44-46
	3-2 List of material topics	Materiality Assessment	44-46
	3-3 Management of material topics	Materiality Assessment	44-46
Biodiversity			
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Biodiversity	81
	101-2 Management of biodiversity impacts	Biodiversity	81
	101-4 Identification of biodiversity impacts	Biodiversity	81
	101-5 Locations with biodiversity impacts	Biodiversity	81
Economic Performance			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Global Presence	09
	201-3 Defined benefit plan obligations and other retirement plans	People & Culture	84-92
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	The Way We Create Value	12-19
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Ethics, Integrity & Compliance	111-113
	205-2 Communication and training about anti-corruption policies and procedures	Ethics, Integrity & Compliance	111-113
	205-3 Confirmed incidents of corruption and actions taken	Ethics, Integrity & Compliance Governance Performance Indicators	111-113 136

GRI STANDARD	DISCLOSURE	RELATED SECTION / EXPLANATION AND/OR DIRECT ANSWERS	PAGE
Economic Performance			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During the reporting period, no legal actions concerning anti-competitive behavior, anti-trust, or monopoly practices were identified.	-
Environmental Disclosures			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Waste Management	76-80
	301-2 Recycled input materials used	Waste Management	76-80
	301-3 Reclaimed products and their packaging materials	Waste Management	76-80
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management Environmental Performance Indicators	66-70 126-127
	302-2 Energy consumption outside of the organization	Energy Management	66-70
	302-3 Energy intensity	Energy Management Environmental Performance Indicators	66-70 126-127
	302-4 Reduction of energy consumption	Energy Management	66-70
	302-5 Reductions in energy requirements of products and services	Energy Management Innovation & Customer Focused Development	66-70 28-29
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water & Wastewater Management	71-75
	303-2 Management of water discharge-related impacts	Water & Wastewater Management	71-75
	303-3 Water withdrawal	Water & Wastewater Management Environmental Performance Indicators	71-75 128
	303-4 Water discharge	Water & Wastewater Management Environmental Performance Indicators	71-75 128
	303-5 Water consumption	Water & Wastewater Management Environmental Performance Indicators	71-75 128

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

GRI STANDARD	DISCLOSURE	RELATED SECTION / EXPLANATION AND/OR DIRECT ANSWERS	PAGE
Environmental Disclosures			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change & GHG Emissions Environmental Performance Indicators	58-65 127-128
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change & GHG Emissions Environmental Performance Indicators	58-65 127-128
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change & GHG Emissions Environmental Performance Indicators	58-65 127-128
	305-4 GHG emissions intensity	Climate Change & GHG Emissions Environmental Performance Indicators	58-65 127-128
	305-5 Reduction of GHG emissions	Climate Change & GHG Emissions	58-65
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management	76-80
	306-2 Management of significant waste-related impacts	Waste Management	76-80
	306-3 Waste generated	Waste Management Environmental Performance Indicators	76-80 129
	306-4 Waste diverted from disposal	Environmental Performance Indicators	129
	306-5 Waste directed to disposal	Environmental Performance Indicators	129
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Our Responsible Supply Chain	101-103
	308-2 Negative environmental impacts in the supply chain and actions taken	Our Responsible Supply Chain	101-103
Social Disclosures			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	People & Culture Social Performance Indicators	84-92 132-133
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	People & Culture	84-92

GRI STANDARD	DISCLOSURE	RELATED SECTION / EXPLANATION AND/OR DIRECT ANSWERS	PAGE
Social Disclosures			
GRI 401: Employment 2016	401-3 Parental leave	People & Culture Social Performance Indicators	84-92 133
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	During the reporting period, minimum notice periods regarding operational changes were fully compliant with applicable laws and regulations.	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Health & Safety	95-98
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Health & Safety	95-98
	403-3 Occupational health services	Employee Health & Safety	95-98
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health & Safety	95-98
	403-5 Worker training on occupational health and safety	Employee Health & Safety Social Performance Indicators	95-98 135
	403-6 Promotion of worker health	Employee Health & Safety	95-98
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Health & Safety	95-98
	403-8 Workers covered by an occupational health and safety management system	Employee Health & Safety Social Performance Indicators	95-98 129
	403-9 Work-related injuries	Social Performance Indicators	136
	403-10 Work-related ill health	Social Performance Indicators	136
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	People & Culture Social Performance Indicators	84-92 134-135
	404-2 Programs for upgrading employee skills and transition assistance programs	People & Culture Social Performance Indicators	84-92 134-135

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

GRI STANDARD	DISCLOSURE	RELATED SECTION / EXPLANATION AND/OR DIRECT ANSWERS	PAGE
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	People & Culture Social Performance Indicators	84-92 134-135
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	People & Culture Diversity & Inclusion Social Performance Indicators	84-92 93-94 129-131
	405-2 Ratio of basic salary and remuneration of women to men	Diversity & Inclusion	93-94
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity & Inclusion During the reporting period, no incidents of discrimination were identified.	93-94
408-1 Operations and suppliers at significant risk for incidents of child labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Our Responsible Supply Chain During the reporting period, Arkem did not identify any significant risks of child labor within its own operations. The company communicates its expectations regarding the prohibition of child labor to its suppliers through its Code of Conduct and performs supplier assessments. No incidents of child labor were identified in the supply chain during the reporting period.	101-103
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our Responsible Supply Chain During the reporting period, Arkem did not identify any significant risks of forced or compulsory labor within its own operations. The company communicates its expectations regarding labor practices to its suppliers through its Code of Conduct and conducts supplier assessments. No incidents of forced or compulsory labor were identified in the supply chain during the reporting period.	101-103
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Governance Performance Indicators During the reporting period, no incidents of violations involving the rights of indigenous peoples were identified.	136
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Impact & Giving	98-100
	413-2 Operations with significant actual and potential negative impacts on local communities	No operations were identified during the reporting period that had significant actual or potential negative impacts on local communities.	-

GRI STANDARD	DISCLOSURE	RELATED SECTION / EXPLANATION AND/OR DIRECT ANSWERS	PAGE
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Our Responsible Supply Chain	101-103
	414-2 Negative social impacts in the supply chain and actions taken	During the reporting period, no negative social impacts in the supply chain were identified, and therefore, no corrective actions were required.	-
GRI 415: Public Policy 2016	415-1 Political contributions	Arkem does not make any financial or in-kind contributions to political parties, politicians, or related political institutions. However, the company engages in industry and professional associations to contribute to sectoral development and policy dialogue.	-
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Customer Health, Safety & Satisfaction	114-115
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	During the reporting period, no incidents of non-compliance concerning the health and safety impacts of products and services were identified.	-
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Customer Health, Safety & Satisfaction	114-115
	417-2 Incidents of non-compliance concerning product and service information and labeling	During the reporting period, no incidents of non-compliance concerning product and service information and labeling were identified.	136
	417-3 Incidents of non-compliance concerning marketing communications	During the reporting period, no incidents of non-compliance concerning marketing communications were identified.	136
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no complaints regarding breaches of customer privacy or loss of customer data.	136

Introduction

Approach To Sustainability

Environment

Social

Governance

Appendix

ARKEM

For more information, visit our websites at www.arkem.com.tr,
www.arkem.eu or email sustainability@arkem.com

Türkiye (İstanbul)
Arkem Kimya San. ve Tic. A.Ş.

Bahçeköy Merkez Mah. Valide Sultan
Cad. No:10 Bahçeköy - Sarıyer
+90 212 366 41 00
E-posta: arkem@arkem.com.tr

Netherlands (Nieuwegein)
Arkem Chemicals International B.V.

Nevelgaarde 20 M 3436 ZZ
Nieuwegein, Netherlands
+31(0)85 – 023 11 30
E-posta: nl@arkem.com

Germany (Moers)
Arkem Chemicals GmbH

Carl-Zeiss-Strasse 32 47445
Moers, Germany
+49 (0) 2841 781 7800
E-posta: de@arkem.com

USA (Houston)
Arkem Chemicals, Inc.

Adres:5718 Westheimer Rd, St
1000 Houston, TX, 77057, USA
+1 713 588 45 10
E-posta: usa@arkem.com

China (Shangai)
Arkem Chemicals (Shanghai) Co., Ltd.

1107A 11/F, Shui On Plaza, 333
Huaihai Zhong Road
+86 216 333 79 91
E-posta: prc@arkem.com

Bulgaria (Sofia)
Arkem Chemicals Bulgaria Ltd.

Bul. Bulgaria 58, entr.
B, fl.1, ap.2
+359 2 854 80 59
E-posta: bg@arkem.com

Romania (Bucharest)
Arkem Chemicals Romania

Adres:1st Giacomo Puccini street,
1st floor, ap 4, Bucharest, Romania
+40 743 337 300
E-posta: ro@arkem.com