

# Value-driven transformation



2022-2023  
SUSTAINABILITY  
REPORT

# Contents

## → INTRODUCTION — 3

→ About the Report — 3

→ General Manager's Message — 5

## → AKCOAT IN BRIEF — 7

→ About Akcoat — 8

→ Vision, Mission, and Values — 11

→ Field of Activity — 12

→ Products and Services — 13

→ Awards and Achievements — 19

→ Economic Performance — 20

→ Corporate Journey — 21

## → SUSTAINABILITY — 23

→ Sustainability Governance — 24

→ Sustainability Strategy — 25

→ United Nations Global Compact Signature — 27

→ Sustainability Actions — 28

→ Sustainability Targets — 29

→ Materiality Analysis — 30

## → INDUSTRY FOCUS — 31

→ Organizational Structure — 32

→ Stakeholder Relations and Communication — 32

→ Corporate Memberships — 34

→ Business Ethics and Legal Compliance — 36

→ Risk Management — 38

→ Value Chain Management — 41

→ Technology and Innovation — 46

## → NATURE FOCUS — 52

→ Environmental Strategy — 53

→ Raw Material — 54

→ Biodiversity — 55

→ Waste Management — 56

→ Energy Efficiency — 58

→ Water Management — 59

→ Corporate Carbon Footprint — 61

## → PEOPLE FOCUS — 62

→ Human Resources Policy — 63

→ Diversity, Equity and Inclusion — 64

→ Talent Acquisition and Management — 66

→ Employee Engagement — 69

→ Occupational Health and Safety — 70

→ Corporate Social Responsibility — 72

## → GRI CONTENT INDEX — 76



# About the Report

As Akcoat, we manage chemical coating solutions within Akkök Holding, one of Türkiye's well-established industrial organizations. Since 1975, we have been one of the world's leading manufacturers of chemical coating materials in five main product groups: enamels, ceramics, non-stick and decorative coatings, pigments, and glasses.

In our operations, we are committed to protecting the environment and wellbeing, and to ensuring resource efficiency in the context of safety. In line with our sustainability strategy, we are pleased to publish this, our second Sustainability Report, in which we share our management performance, our sustainability efforts and our goals.

This report, prepared in accordance with the latest GRI Universal Standards which came into effect on 1 January 2023 as determined by the Global Reporting Initiative - one of the world's leading sustainability initiatives - covers the period between 1 January 2022 and 31 December 2023. The data for the report was compiled under the leadership of the Sustainability Committee with contributions from relevant departments.

This second Sustainability Report, themed "**Value-Driven Transformation**", consists of five main sections.



## AKCOAT IN BRIEF

Akcoat has established a strong position in the sector with its long-standing history and transparent management approach. Since our establishment, we have been moving forward with strategies focused on sustainability, innovation, and value creation. Our company contributes to the Turkish economy while carrying out projects that make a difference in the sector with customer satisfaction, quality production and innovative solutions. With our strong past, we are moving forward into the future with confidence.



## SUSTAINABILITY

Sustainability is one of Akcoat's key strategic priorities. With our industry-, nature- and people-oriented approaches, we aim to leave a more habitable world for future generations. Our sustainability approach encompasses fulfilling our environmental, social, and economic responsibilities in all our activities, developing innovative solutions in this field, and reporting them transparently. With our strength in sustainability, we are building a solid foundation for the future.



### INDUSTRY FOCUS

We lead the industry with innovative solutions and strong management. At Akcoat, we develop projects that add value across sectors through interdisciplinary collaboration, ensuring sustainable transformation through these initiatives. Our robust management approach enables us to offer the highest added value to our customers and business partners while reinforcing our leadership in the industry.



### NATURE FOCUS

We prioritize environmental sustainability through a strategy that respects natural resources. At Akcoat, we continuously reduce our environmental impact through improvements in resource efficiency, energy management and waste recovery. With a deep sense of responsibility to nature, we develop environmentally sensitive solutions, and we manage industrial transformation with this perspective.



### PEOPLE FOCUS

Our people-oriented approach aims for collective growth by fostering strong, respectful relationships with our employees and stakeholders. At Akcoat, we are committed to enhancing our employees' welfare and quality of life while promoting a culture of trust and respect in the workplace. By prioritizing people, we not only add value to our business processes but also build our company's success on a foundation of human-centered values.

# General Manager's Message

**We are taking firm steps towards our global leadership goals with our determined practices in R&D, digitalization and innovation and with the coating solutions we offer in every aspect of life. We have significantly strengthened our position in the international markets with our talent for closely monitoring innovation and current marketing trends.**

Our company's sustainability vision is shaped by factors such as the sector we operate in, our values and our overall business strategy. At Akcoat, we invest in the future by focusing on sustainability. Taking into account factors such as environmental management, social responsibility and economic feasibility, we see the sustainability approach as essential for our global leadership goal.

In addition to the actions we take to mitigate risks such as climate change, resource scarcity, economic uncertainties, competitive pressure, regulatory changes and supply chain issues, our innovative product solutions, community and environmental awareness activities and global sustainable brand reputation approach clearly expresses our perspective. We have a growing awareness that integrating sustainability into business operations is not only a responsibility but also a strategic imperative for today's increasingly interconnected and resource-constrained planet.

As we close out 2023, I am proud to say that Akcoat, with its dynamic structure and corporate governance approach, has completed 2022 and 2023 by increasing its strength and continuously growing with new investments. Despite global recession concerns, the major earthquake disaster that shook our country at the beginning of 2023, uncertainties, rising interest rates and borrowing costs, Akcoat completed the year with record EBITDA. In this challenging period, we continued to maintain and develop our activities by focusing on science, on innovation with our

advanced technological equipment and on closely following the current marketing focus and trends. We are taking firm steps towards our global leadership goals with our determined practices in R&D, digitalization and innovation and with the coating solutions we offer in every aspect of life. We have significantly strengthened our position in the international markets with our talent for closely monitoring innovation and current marketing trends.

In the past two years, in line with our goals of contributing to the Turkish economy and employment, we have maintained our strong position in the most prestigious performance rankings of the Turkish industrial world. We have made our name in Istanbul Chamber of Industry's 'Türkiye's Top 500 Industrial Enterprises (ISO 500)' survey and the 'Fortune 500' survey results of Fortune Magazine, one of the world's leading economic publications, where the largest companies of the country's economy are listed. In the 2022 Fortune 500 survey, we increased our success by advancing 15 places in the general ranking, and ranked 19th in the Chemicals sector. In the 'Türkiye's Top 500 Industrial Enterprises (ISO 500)' survey conducted by the Istanbul Chamber of Industry (ISO), we ranked 426th in the list in 2022 and 468th in the list in 2023. In addition, we continued to reinforce our global success with the export rate we realized in 2023 by succeeding in receiving awards in the same category for the last 16 years in the Stars of Export awards organized by İKMİB.



**BURÇ YILDIRIM**  
GENERAL MANAGER

We focus on producing technological knowledge, innovating our products and production methods, improving product quality and increasing productivity in order to bring the country's industry to an internationally competitive level. At our R&D center, which is one of the largest R&D centers in Türkiye's chemical-materials sector, we developed performance-oriented innovative solutions and filed a total of 99 patent applications by the end of 2023. Of these, one patent was registered and 91 national/international publications, papers and posters were published. In the last five years, our R&D expenditures has increased 3.5-fold and the share of total turnover generated from R&D and innovation outputs has increased to around 9 percent.

During the two-year reporting period, within the scope of the Integrated Management System, surveillance audits for ISO 9001, ISO 14001, ISO 45001, ISO 27001 and ISO 50001 management systems were successfully completed. We have an Authorized Economic Operator Status certificate as we comply with the conditions set out in the Regulation on Facilitation of Customs Transactions. According to the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH or KKDİK), the registration processes of our chemicals are carried out with the information we receive from our suppliers and by following up in communication. In addition, our Glass Paint product's REACH certification application process, which is valid in Europe, has been successfully completed.

At Akcoat, while maintaining our commitment to minimize environmental impact at every step for a greener world, we meticulously monitor instant energy consumption with our energy monitoring system and continue to transform every aspect of our sustainability performance. Our efforts in energy efficiency and sustainability, where we focus on increasing efficiency at energy consumption points, have achieved tangible results. We continue to optimize energy consumption with modernization works carried out on the combustion system of the furnaces.

Thanks to the effective use of furnace capacities, reduction of heat and product losses, zero waste and recovery efforts and careful monitoring of consumption, we have achieved a 20 percent improvement in natural gas consumption for pigment production. As a result of these efforts, savings of 18 percent in all energy resources and 20 percent in natural gas consumption were achieved compared to the year the project started. At Akcoat, we continue to contribute to a greener future by using not only our production processes but also our energy resources in a sustainable and effective manner.

In line with our value of respect for people and sustainable development goals, fulfilling our responsibilities towards our employees and the environment remains our priority. In Occupational Health and Safety, we achieved a 50 percent reduction in the number of accidents, 80 percent reduction in the accident severity rate and 80 percent reduction in lost days in 2023 compared to 2022. In 2024, with our efforts focusing on Safety Leadership, our goal

is to adopt a 'Behavior-Oriented Occupational Safety Culture' and to complete the production year with zero work accidents.

At Akcoat, we continue to sensitively approach the needs of society through social responsibility projects. Following the 2023 earthquake disaster, we extended a helping hand to the Kahramanmaraş by working in cooperation with AFAD (the Ministry of Interior Disaster and Emergency Management Presidency), local governments and non-governmental organizations. In addition to supporting our own Group companies, we made efforts to meet wider daily shelter and basic needs. In addition, under the leadership of Akkök Holding, we established a Support Center in İskenderun for earthquake-affected citizens. This center organizes special workshops aimed at reducing post-disaster trauma, especially for children and young people.

We continue to raise awareness on issues such as education and the environment and contribute to the development of students through social responsibility projects that we prepare by taking into account the needs of society.

In 2023 our Human Resources Department, acting with the "People First" approach, set out to continuously develop our employees and to transform our organization into a global team player that is sustainable and capable of working with different cultures. We also adopted our goal of becoming an ideal place to work and an employer brand preferred by

everyone. To this end, we aimed to increase the motivation, performance and productivity of our employees and to attract and retain talents to our company.

During the reporting period, we continued our drive for digital transformation, strengthening our global leadership position as Akcoat. Focusing on key issues such as data analytics, optimizing decision support systems, increasing transparency and strengthening cyber security measures, we have become stronger in the digital field. In 2024, we will take this success even further, focusing on innovative technologies such as artificial intelligence, robotics and the Internet of Things, and we will continue to look forward with our customers on our journey to build a sustainable future worldwide.

These achievements inspire us to realize our sustainability goals and reinforce our commitment to deliver innovative solutions while fulfilling our environmental and social responsibilities. Going forward, we aim to continue to place our sustainability principles at the center of our business model and to increase our contribution to our society and environment in every detail of life. We see going beyond making commitments for our future, implementing concrete practices and transparently reporting our results as the cornerstone of our sustainability strategy.

**BURÇ YILDIRIM**  
GENERAL MANAGER

# Journey from rich heritage to brighter futures

## AKCOAT IN BRIEF

- ABOUT AKCOAT
- VISION, MISSION, AND VALUES
- FIELD OF ACTIVITY
- PRODUCTS AND SERVICES
- AWARDS AND ACHIEVEMENTS
- ECONOMIC PERFORMANCE
- CORPORATE JOURNEY



# About Akcoat

Akkök Holding, one of Türkiye's most experienced organizations, was founded in 1952 by Raif Dinçök. Akkök Holding has 23 operating companies and 24 production facilities, four of which are located abroad, with 70 years of experience in the chemical, energy and real estate sectors. Akkök Holding, which closely monitors foreign market in the sectors in which it operates, aims to track global competitive conditions and achieve world standards with all its operating companies.



Akcoat Facility, Sakarya





Founded in 1979 in Sakarya under the name of Gizem Frit, our company changed its name in 2020 to Akcoat and, with this transformation in our corporate identity, created an umbrella brand to cover our expanding business areas, gathering all our sectoral activities under this new brand. Today, we are one of the world's leading manufacturers of chemical coating materials in five main product groups: enamels, ceramics, non-stick and decorative coatings, pigments, and glasses. We hold a leading position in the industry as a solutions partner to global brands that add value to the durable goods, kitchenware, oven, ceramics, and glass industries.

**Akkök Holding, one of Türkiye's most experienced organizations, was founded in 1952 by Raif Dinçök. Akkök Holding has 23 operating companies and 24 production facilities, four of which are located abroad, with 70 years of experience in the chemical, energy and real estate sectors. Akkök Holding, which closely monitors foreign market in the sectors in which it operates, aims to track global competitive conditions and achieve world standards with all its operating companies.**

As a subsidiary of Akkim, Türkiye's leading chemical company operating under Akkök Holding, we are strengthening our presence in the sector with a sense of responsibility. In addition to our production facilities in Türkiye and Spain, we operate from our offices in the USA and China. Exporting to 60 countries on six continents, we proactively meet the needs and trends of the sectors in which we operate thanks to the extensive commercial network we have created, and support our customers with improved efficiency. In 2017, we increased our effectiveness in the global market with the acquisition of Megacolor, a major player in the Spanish ceramic industry.

We take a customer-focused approach with our strong R&D team and well-equipped centers that develop innovative and performance-based solutions. In 2017, we received the R&D Center registration from the Ministry of Industry and Technology of the Republic of Türkiye, strengthening our claim in this area.

In 2020, we reinforced our success in this field by being selected as the sixth best R&D center in Türkiye according to the Ministry of Industry and Trade's R&D Center Performance Index, ranking among the top three in the chemical materials sector. We have been the export champion for the past 16 years.

By adopting Akkök Holding's people-oriented strategy, we approach both our employees and our stakeholders with a focus on trust and sincerity with a development-based change philosophy and a human resources management approach that does not compromise on equal opportunities.

Acting with a sense of local and global responsibility, we develop and actively participate in sustainable environmental, social, and economic projects in line with our sustainable development strategy. To ensure environmental sustainability on a global scale, we adopt environmentally sound practices in all our business processes in line with the United Nations Sustainable Development Goals. We aim to reduce our carbon footprint by adopting the circular economy model through waste recycling processes and by increasing energy efficiency and the use of renewable energy sources.

We have demonstrated our commitment to corporate sustainability by participating in the UN Global Compact, the world's largest corporate sustainability initiative, and by being the sixth company in Türkiye and the first in the chemical industry to sign the CEO Water Mandate. In 2022, we added a new dimension to our environmental responsibility by launching the Wildlife Rescue project to protect and develop wildlife through scientific studies.

As we move forward with our goal of continuous growth and development, we continue to strive to improve our sustainability focus and develop innovative solutions.

As Akcoat, we lead the industry by developing innovative and performance-based solutions. Since 2018, we have submitted a total of 99 patent applications.

One of our 99 patent applications has been registered. These registrations and patents cover innovations that reduce environmental impact and increase resource efficiency, an important part of our sustainability strategy. For example, our patent “Glass-Ceramic Coating with Enhanced Mechanical Resistance Properties with Carbon Fiber,” registered in 2023, allows us to offer longer-lasting and more environmentally friendly solutions by increasing product durability.


In addition, with 88 design registrations, we are internationally recognized as an environmentally and socially responsible brand in the global marketplace. These innovative efforts support Akcoat’s sustainability vision and reinforce our commitment to developing environmentally responsible and effective solutions for the future.

**SHAREHOLDING STRUCTURE**

In 2015, Akkim took a strategic partnership step by acquiring 100% of the shares in our company, which was then called Gizem Frit. This was an important milestone in strengthening Akcoat’s corporate structure and further consolidating its position in the market.



Akcoat Facility, Spain

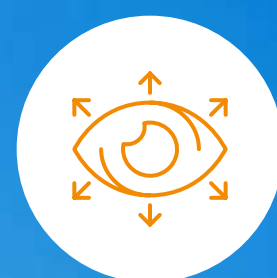
 <p><b>Exporting to 65 countries in 6 continents</b></p>	 <p><b>Strong R&amp;D structure</b></p>
 <p><b>468<sup>th</sup> in the 2023 ISO 500 Türkiye list</b></p>	 <p><b>155,000 tonnes annual production capacity</b></p>
 <p><b>500+ employees worldwide</b></p>	 <p><b>Intelligent coating solutions for industries</b></p>
 <p><b>1,000 indirect employees</b></p>	 <p><b>Solution partner to leading brands</b></p>
 <p><b>100,000 m<sup>2</sup> of facilities</b></p>	 <p><b>Sustainable technology</b></p>
 <p><b>40,000 m<sup>2</sup>+ of indoor space</b></p>	 <p><b>Transparent governance</b></p>

## Vision, Mission, and Values

With nearly half a century in business, Akcoat is an international brand that operates according to the principles of sustainability by focusing on R&D and customer satisfaction. In line with our vision, we produce on two continents in five main product groups: enamels, ceramics, non-stick and decorative coatings, pigments, and glass coatings. We provide solutions for both industrial and consumer goods manufacturers in various industries such as durable goods, small appliances, building materials, architectural solutions, and kitchenware, and focus on minimizing environmental impact through sustainable technologies.

We actively provide services to our customers with our production facilities in Türkiye and Spain, our offices in the USA and China, and our sales representatives and technical services in different regions such as Europe, South America, Asia, and Africa. As Akcoat, we are proud to be the market leader in enamel and ceramic coating solutions in Türkiye and the world's second largest enamel coating manufacturer. In line with our sustainability vision, we continue to work towards a greener future with our innovative products.

## Akcoat; an industry leader with a long history and an innovative approach



### Vision

To be the world leader in the Advanced Coatings market.



### Mission

To be a pioneering chemical coating company that simplifies life with innovative solutions.



### Values

Sectoral experience and know-how  
Sincerity and honesty  
Respect for the environment and people  
Excellence in service  
Corporate Governance (*transparency, accountability, sense of responsibility, equality*)

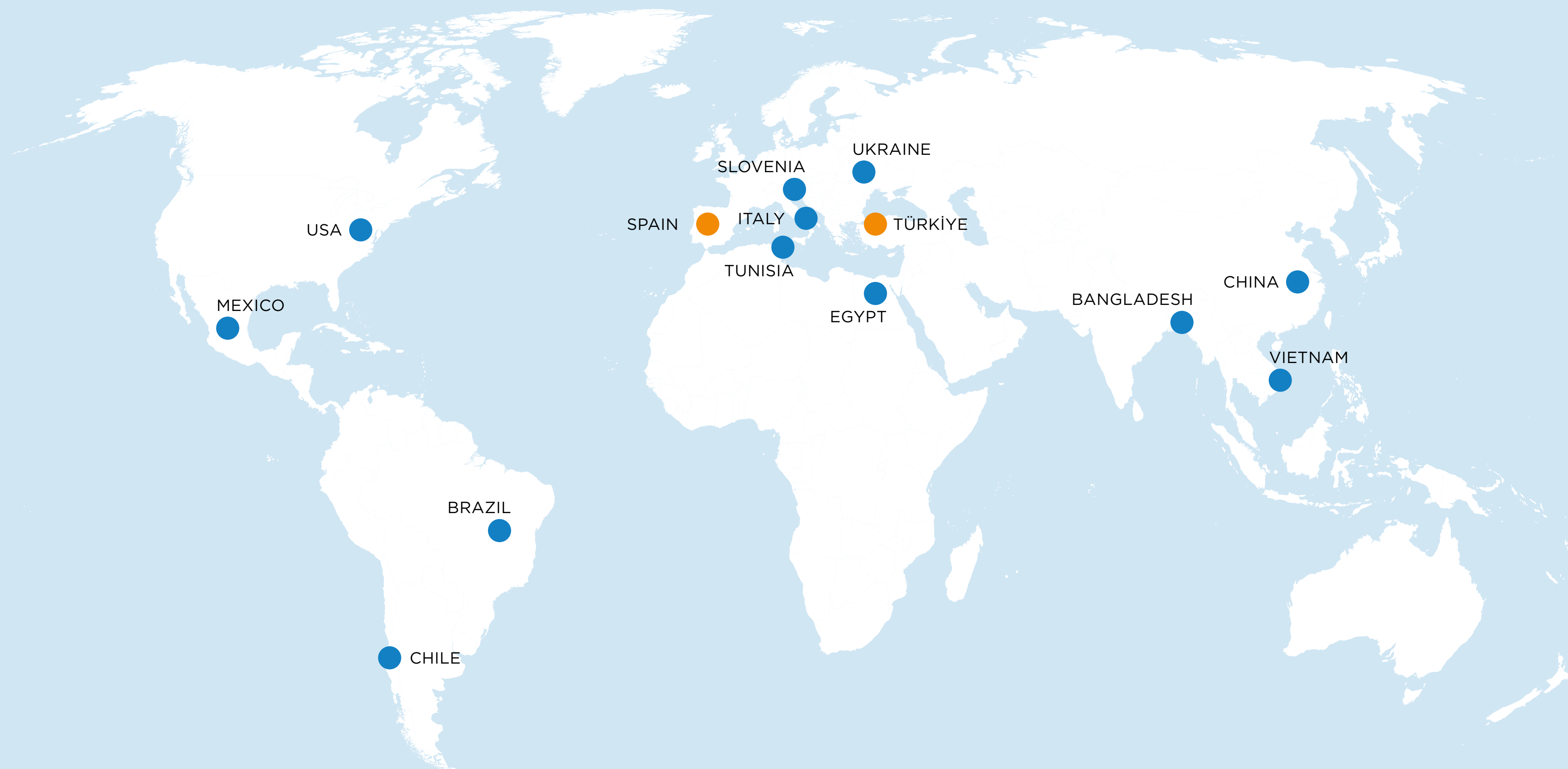
## Field of Activity

As Akcoat, we are a global solution partner of leading manufacturers in a wide range of industries such as durable goods, small household appliances, building materials, architectural solutions, and kitchenware, from industrial and household goods to telecommunications with our advanced chemical coating materials solutions. We actively serve customers in 65 countries on six continents. We have production facilities in Türkiye and Spain, offices in the USA and China, and sales representatives and technical services in various regions such as Europe, South America, Asia, and Africa.

With our enamel and ceramic coating solutions, we are the market leader in Türkiye and the world's second largest enamel coating manufacturer. With our steadily growing international sales and production capacity, we have been among the industry's leading exporters for 16 consecutive years, adding strategic value to the Turkish economy.

We aim to further strengthen our leadership by focusing on R&D, digitalization, and innovation. We transform every detail of science into practical solutions and realize our new investments in line with this vision.

## Akcoat: Leader in Technology and Production



● Facility

● Offices and Representatives

# Products and Services

We have been in business for nearly half a century, with a focus on research, development, and customer satisfaction. As Akcoat, we have a strong presence in the global marketplace, producing in five main product groups: enamel coatings, ceramic coatings, glass coatings, non-stick and decorative coatings, and pigment solutions. Our products and services provide innovative solutions to customers in a variety of industries, while we strive to meet our sustainability goals.



# We transform durability into art with enamel coatings

- Oven Enamels
- Barbecue Enamels
- Cookware Enamels
- Thermosyphon Enamels
- Ranges and Stove Enamels
- Heat Exchanger Enamels
- Reactor Enamels
- Specialized Solutions



As the market leader in Türkiye and the world's second largest manufacturer of enamel coatings, our enamel coating solutions provide aesthetics, high abrasion resistance, high mechanical strength, and chemical resistance. Especially in food contact applications such as water supply, kitchens, and cookware, we are confidently preferred due to our coatings' antibacterial and food contact properties. Our enamel coating technologies serve household applications such as ovens and cookware, grills, ranges, and stoves, as well as industrial uses such as thermosyphons, building and architectural applications, reactor enamels and specialty applications.



# We bring elegance to surfaces with ceramic coatings

We are the market leader in ceramic coating solutions in Türkiye. We actively serve our customers with production facilities in Türkiye and Spain. We produce inorganic pigments and digital inks at our plant in the Onda district of Castellon, known as the 'Silicon Valley' of ceramic production. We have a wide range of products from frits to composite glazes, from digital inks to effects. Thanks to the design support we offer our customers, we are a one-stop solution partner to manufacturers in the ceramic industry.

- Frits, Engobes and Glazes
- INK\_JET Technology
- Ceramic Pigments



# We add aesthetics and functionality to surfaces with non-stick and decorative coatings

Our expertise in non-stick and decorative coatings sets us above the rest. We offer various solutions such as 1-, 2- and 3-layer spray PTFE, roller PTFE, industrial PFA, 1- and 2-layer sol-gel ceramic, and 1- and 2-layer decorative silicone coating options. We offer customers complete solutions with acrylic coatings and high-strength vitreous aluminum frits that can be used on small household appliances and Bakelite® handles. These coatings combine durability and functionality and contribute to sustainable production processes by providing coating solutions for industrial manufacturers. In particular, for industrial cookware applications such as in hotels, restaurants and cafes, our coating solutions extend product life and reduce waste.

- PTFE Coatings
- Sol-gel Coatings
- Silicone Coatings
- Aluminum Enamel Coatings
- Industrial Coatings
- Acrylic Coatings

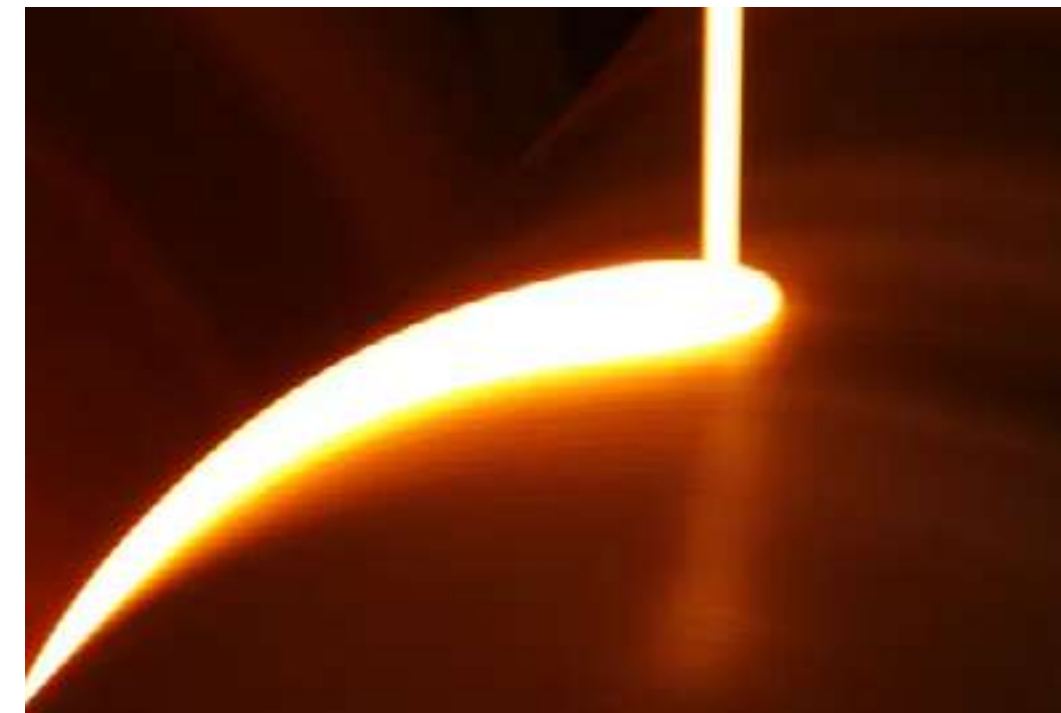




# We provide shine and protection on every surface with glass coatings

Our glass coatings solutions feature innovative design and high chemical and physical resistance. We serve both global and local manufacturers, primarily in the durable goods, construction, automotive, glass packaging and glassware industries. Our product range offers color options, surface properties and gloss levels to meet different needs and preferences. Our glass coatings contribute to sustainability goals by increasing product durability.

- Household Appliances Paints
- Decorative Glass Paints
- Automotive Glass Paints
- Glass Packaging Colorings
- Glassware Paints
- Special Coatings
- Glass Frits and Powders

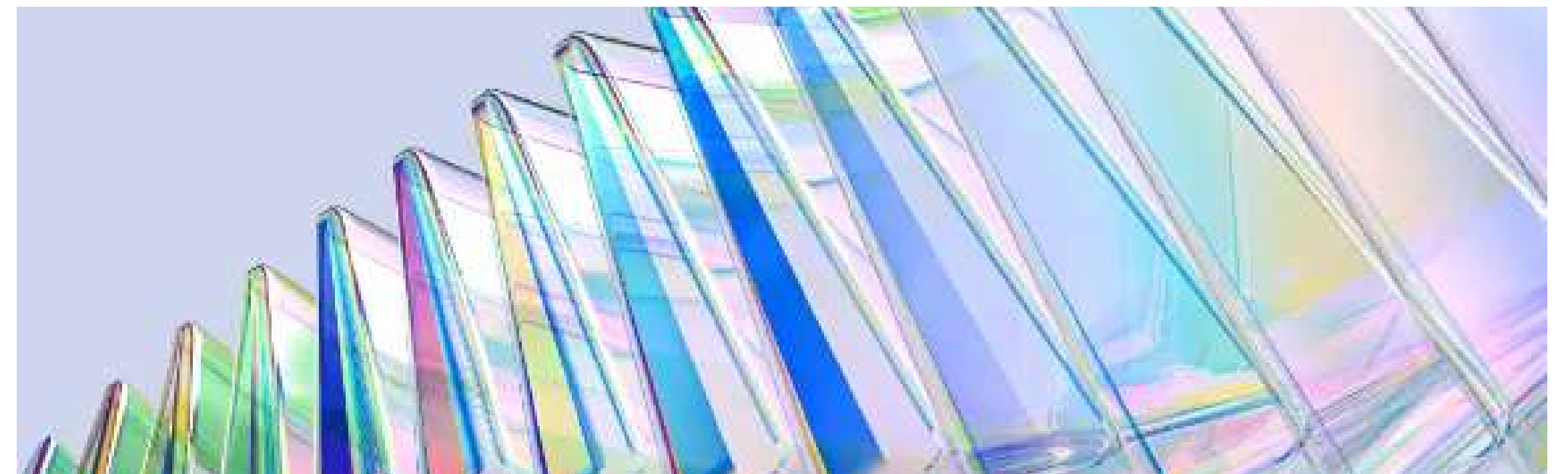


# We add depth and color to surfaces with our pigment solutions

- Plastic Pigments
- Asphalt and Cement Pigments
- Paint and Packaging Ink Pigments
- Glass Pigments
- Enamel and Functional Coating Pigments
- Ceramic Pigments
- Dental Pigments



At Akcoat, we provide innovative pigment solutions to a variety of industries, particularly the plastics, paint, and ceramics sectors. Our pigments with high heat and chemical resistance contribute to our sustainability goals and ensure that our products are long-lasting and environmentally friendly. As a result of our R&D studies, we anticipate our customers' needs to offer solutions with superior dispersion quality, high stability and durability, wide color range, particle size options and environmentally friendly products. The solutions we develop by anticipating new applications and customer needs, combined with comprehensive quality control to ensure customer product continuity, are the advantages we offer our customers.



# Awards and Achievements

2021

We ranked 454th on the **Fortune 500** - the list of Türkiye's 500 largest companies.

**FORTUNE  
500**

We ranked as Türkiye's 446th largest industrial company in the **ISO 500**.



We ranked 11th among the 50 companies with the highest return on equity and 18th in the chemicals sector.

We signed and became a member of the **UN Global Compact**, the world's largest corporate sustainability initiative.



We were the sixth company in Türkiye and the first in the chemical industry to sign the **CEO Water Mandate** Declaration with the UN and other key stakeholders. This marks our commitment to provide a solution to the global water problem.



In 2021, we were among the 10 companies that spent the most on R&D in the chemical and chemical products sector, a testament to our dedication to innovation.

2022

We ranked 439th in the **Fortune 500** survey, in which Fortune Magazine, one of the world's leading economic publications, lists the largest companies in the country's economy every year, rising 15 places compared to last year. We ranked 19th in the Chemicals sector ranking of the same list.

With our growing business volume and investments, we were acknowledged in the **ISO 500** as the 446th largest industrial company in Türkiye.

With our LESSBOX project, we won the first prize in the "Innovation" category at **Alfa de Oro**, one of the most prestigious awards in the ceramic industry, with our innovative and sustainable packaging solution.



Our LESSBOX project gained the prize for the best logistics and distribution packaging at the **Liderpack Awards**, one of the most prestigious organizations in Spain.



As an important element of our sustainability strategy, we integrated our Zero Waste Management philosophy in all our business processes and obtained the **Zero Waste Certificate** in 2022.



Our **Future Project** internship program ranked 2nd in the Production (Engineering) category among the best talent programs in Türkiye on **Toptalent.co**.



2023

## ISO - Turkishtime

We ranked 468th in the Istanbul Chamber of Industry's (ISO 500) 'Türkiye's Top 500 Industrial Enterprises' survey. In Turkishtime Magazine's R&D 250 survey, which was conducted for the 10th time this year, we ranked 73rd in the overall ranking of the Chemicals and Chemical Products Sector and 22nd in the R&D project ranking.



## İKMİB Stars of Export Award 2022 - 2023

Akcoat has been the winner of the **Stars of Export Awards** for the 15th time in 2022 and the 16th time in 2023 in our category. At the ceremony organized by Istanbul Chemical and Chemical Products Exporters' Association, we ranked 2nd in the Paint, Varnish, Ink Export category on behalf of Akcoat, due to the export rates realized by our group company Ak-Pa. Özgür Volkan Açar, Deputy Minister of Trade, Adil Pelister, Chairman of the Board of Directors of İKMİB, and Tayfun Demir, Vice Chairman of the Board of Directors of İKMİB, presented our award to our Sales Director Ahmet Madenli on behalf of Akcoat.

# Economic Performance

## Goal: Global leadership

With our steadily increasing international sales and production capacity, we have been among the export leaders in our industry for 15 consecutive years, adding strategic value to the Turkish economy. We are taking firm steps to strengthen our leadership in the sector with a focus on sustainability, R&D, digitalization, and innovation, and we are realizing our new investments accordingly. We aim to achieve global leadership by doubling our exports and total sales in the next five years, when we will see the impact of all our efforts.

### Financial Data (Million USD)

#### Turnover



#### Export Amount



#### Total Production Capacity (Tonnes)



**BURÇ YILDIRIM**  
GENERAL MANAGER

“Akcoat completed 2023 strongly despite challenging economic conditions, thanks to its dynamic structure and innovative approach. As it progresses confidently towards its global leadership goals with its emphasis on innovation and R&D, the company also stands out with its sustainability and people-oriented approach. With its achievements in occupational health and safety, environmental awareness, social responsibility projects and digital transformation, Akcoat will continue to strengthen its leading position in the sector in 2024.”

# Corporate Journey

<b>1979</b>	We started our production journey by establishing Gizem Frit in Sakarya.
<b>1985</b>	We started our first pigment production.
<b>1988</b>	In 1988, we started our innovation journey by establishing our R&D unit.
<b>1990</b>	In 1990, we stepped into electrostatic powder production. We expanded our product range.
<b>1995</b>	We realized our first exports and opened up to international markets.
<b>2005-2008</b>	We started our ceramic frit production between 2005-2008. We became a leader in paint, varnish, and ink exports.
<b>2011-2013</b>	We opened our new production plant in 2011-2013. We started glass frit production. We maintained our leading position in the export of paints, varnishes, and inks. We won the BSH/The Best Partners of The Best Cookers award.
<b>2015</b>	We took an important step towards growth by adding 100% shares of Gizem Frit to the Akkim Kimya family.
<b>2017</b>	<ul style="list-style-type: none"> <li>• We acquired Megacolor, one of Spain's most important players in the ceramic sector.</li> <li>• We registered our commitment to innovation by obtaining the R&amp;D Center registration from the Republic of Türkiye Ministry of Science, Industry and Technology.</li> <li>• We were accepted to Turquality Brand Support which is Türkiye's most prestigious incentive program.</li> </ul>

<b>2018</b>	<ul style="list-style-type: none"> <li>• We strengthened our operations by obtaining the Authorized Economic Operator Certificate, which is granted to trustworthy companies by the Turkish Ministry of Customs and Trade.</li> <li>• We strengthened our commitment to environmental and quality standards by obtaining ISO 14001:2015 Environmental Management System and ISO 9001:2015 Quality Management System certifications.</li> <li>• We prioritized the safety of our employees by obtaining the OHSAS 18001 Occupational Health and Safety Management System Certificate.</li> </ul>
<b>2019</b>	At the "Stars of Export" awards organized by the Istanbul Chemicals and Chemical Products Exporters' Association, we once again ranked first with our export success in the "Paints, Varnishes and Inks" category.
<b>2020</b>	<ul style="list-style-type: none"> <li>• We decided to renew our brand and logo and continue all our activities under the name Akcoat.</li> <li>• According to the R&amp;D Center Performance Index Report of the Ministry of Industry and Trade, we were ranked as the sixth best R&amp;D center in Türkiye and among the top three R&amp;D centers in the chemical materials sector.</li> <li>• We strengthened our commitment to energy efficiency by obtaining ISO 50001:2018 Energy Management System certification.</li> </ul>
<b>2021</b>	<ul style="list-style-type: none"> <li>• We joined the UN Global Compact, the world's largest corporate sustainability initiative.</li> <li>• We demonstrated our commitment to water management by becoming the sixth company in Türkiye and the first in the chemical industry to sign the CEO Water Mandate.</li> <li>• We opened our new R&amp;D Center.</li> <li>• We raised our occupational health and safety standards by obtaining the ISO 45001:2018 Occupational Health and Safety Management System certificate.</li> </ul>

## 2022-23 HIGHLIGHTS



## NATURE FOCUS

## 2022

We won the Alfe De Oro “Innovation” and Liderpack “Best Logistics and Distribution Packaging” awards for our innovative and sustainable packaging system for our LESSBOX ceramic inkjet inks.

We launched the “Wildlife Rescue” project to protect and develop wildlife through scientific studies.

We received the Basic Level Zero Waste Certificate from the Ministry of Environment, Urbanization and Climate Change.

We completed our carbon and water footprint measurements and published our first sustainability report.

## 2023

**We have started work in the areas of social, environmental, and economic issues with our Sustainability Committee.**



## PEOPLE FOCUS

We organized The Future Project internship program, the first of which was held in 2018.

We held the Akcoat Leadership Program for professional level employees.

**We started our EcoVadis self-assessment journey.**



## INDUSTRY FOCUS

We held the Akkök R&D Summit for the first time, hosted by Akcoat R&D Center, and met with Aksa, Akkim, DowAksa, Epsilon researchers and Akkök Holding management.

**We have once again been accepted into the Turquality Brand Support program, the most prestigious and comprehensive export incentive program in Türkiye.**

# Sustainability-driven resilient future



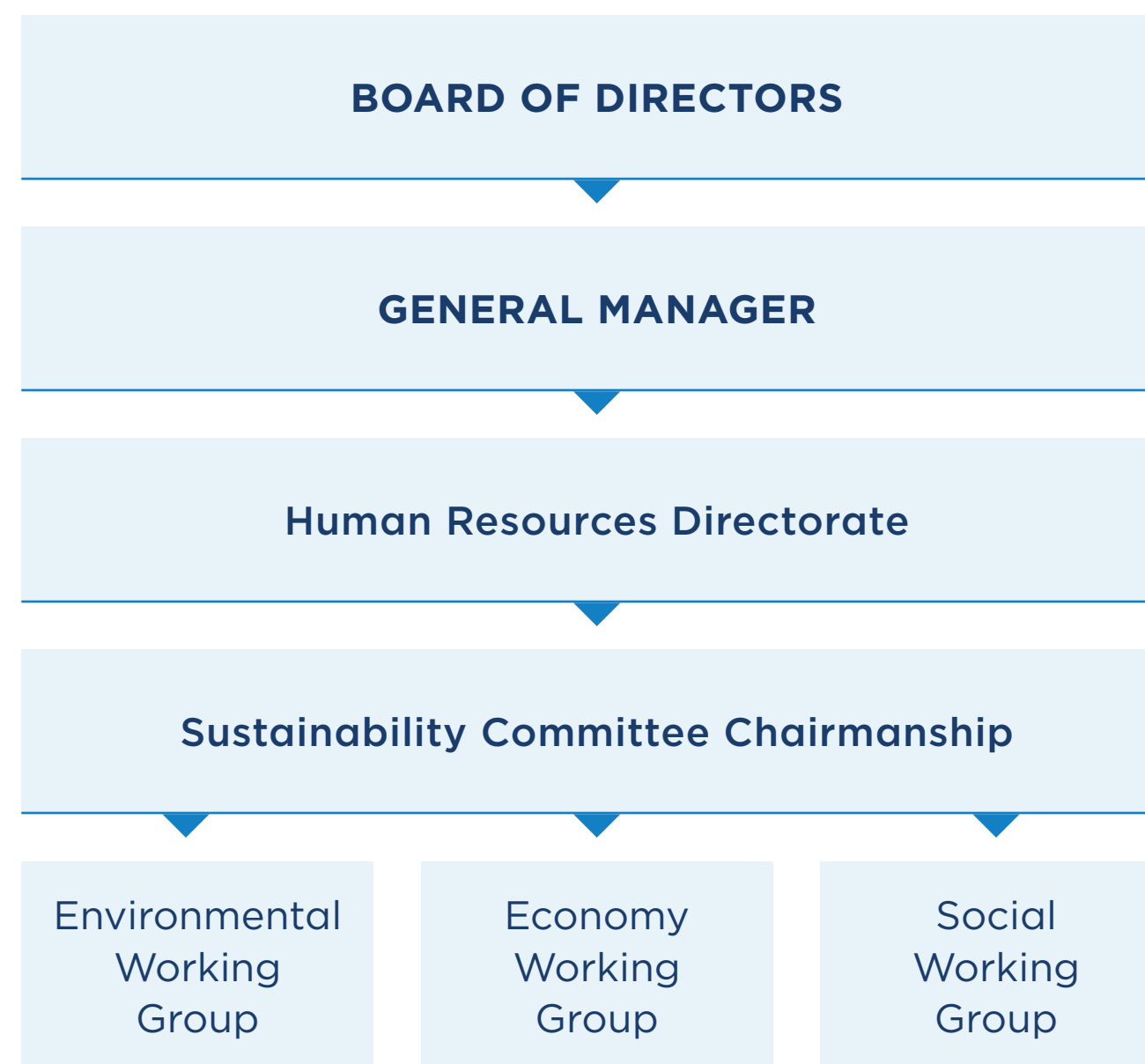
## SUSTAINABILITY

- SUSTAINABILITY GOVERNANCE
- SUSTAINABILITY STRATEGY
- UNITED NATIONS GLOBAL COMPACT SIGNATURE
- SUSTAINABILITY ACTIONS
- SUSTAINABILITY TARGETS
- MATERIALITY ANALYSIS

# Sustainability Governance

At Akcoat, the highest governance body on sustainability is the General Manager. The Sustainability Committee under this structure consists of three separate working groups that meet periodically. Each working group consists of team members who are guided and supported by team leaders. These teams undertake tasks related to their areas of responsibility, such as setting targets in line with Akcoat’s strategies and policies related to the UN Sustainable Development Goals, monitoring sustainability performance, and preparing reports. Regular training is provided to increase the teams’ knowledge of sustainability and to enable them to contribute more effectively to the achievement of the company’s strategic goals.

Working group leaders are responsible for submitting their development reports to the Sustainability Committee Chair, who in turn presents a Sustainability Action Report to the Executive Committee every three months. In order to create a collective awareness and to benefit from different perspectives in the decision-making process, the members of these teams are experts from different functions and disciplines such as Sales, R&D, Production, Planning, Purchasing, Finance, Human Resources, Business Excellence, Technology, and Investment. Sustainability issues are approached from different perspectives by members from different units and managed with a holistic and comprehensive approach.



## Akcoat Sustainability Committee

- Responsible for setting policy, objectives and strategy and integrating these objectives and strategies into business processes.
- Responsible for managing economic, social, environmental and governance risks and opportunities.
- Responsible for monitoring sustainability performance and taking action to improve performance.
- Responsible for monitoring national and international sustainability developments and conducting Akcoat compliance studies.



## ENVIRONMENTAL WORKING GROUP

The Environmental Working Group is responsible for reviewing regulations on hazardous substances and analyzing the risks and opportunities of chemicals used in production processes. It also works on issues such as ensuring the implementation of environmental legislation, improving waste management, circular economy activity, water management, biodiversity and production of environmentally friendly products, and monitoring energy incentive mechanisms. Another important task of the Group is to monitor the reduction of energy and raw material consumption by researching innovative technology ideas and best energy practices. The Working Group met three times in 2023 with the participation of all its members.



## ECONOMY WORKING GROUP

The Economy Working Group aims to increase Akcoat’s economic growth and added value, as well as raise awareness of employment, new product development, R&D capacity, brand value, awards, and supplier sustainability. In addition, this working group is responsible for conducting cost efficiency studies. The Group met three times in 2023 with the participation of all its members.



## SOCIAL WORKING GROUP

The Social Working Group works together with Akcoat employees and their families to spread sustainability awareness. Organizing social responsibility projects, carrying out activities on occupational health and safety (OHS), gender equality, ethical rules, inclusiveness, and corporate communication are among the main tasks of the Group. The Working Group met three times in 2023 with the participation of all its members.



# Sustainability Strategy

As Akcoat, the basis of our sustainability strategy is to go beyond raising awareness about our future to making concrete commitments, taking action and steps towards implementation, and transparently reporting the results we achieve.

Our sustainability strategy is based on three pillars: Nature Focus, People Focus, and Industry Focus. Through these pillars, we focus on solving global issues such as climate change, energy and emissions management, water protection and reducing inequalities to contribute to the UN Sustainable Development Goals.

At Akcoat, combating the climate crisis is a top priority for us; in addition to complying with legal requirements in this area, we continue our continuous improvement efforts to reduce our environmental impact. We aim to create value for all our stakeholders and our future by ensuring environmental, economic, and social sustainability together.

## AKKÖK HOLDING Sustainability Strategy

Sustainable  
Development-Oriented Approach

## AKCOAT Sustainability Strategy

Transforming today into a better future by considering environmental impact.

**Nature Focus** involves continuous improvements in natural resource protection, raw material efficiency, energy and water efficiency and waste recovery to reduce our environmental footprint. In this way, we work to transform today into a better future by increasing our contribution to the environment.



Transforming relationships with internal and external stakeholders into a deep trust with team awareness.

**People Focus** involves strengthen relationships with our internal and external stakeholders on a solid foundation of trust through teamwork. We work to improve the standard of living and well-being of all our stakeholders, especially our employees, and contribute to their development by prioritizing stakeholder satisfaction.



Transforming industries by producing interdisciplinary solutions.

**Industry Focus** involves working with a multidisciplinary approach to produce solutions that will lead the industry. We aim to achieve maximum efficiency by integrating digitalization in all our processes and fully comply with national and international laws and regulations.



## Akkök Holding Sustainability Approach

Akkök Holding's approach to sustainability is shaped within a framework that we are inspired by and embrace. This approach, which aims to create long-term value for all stakeholders and minimize the negative impact of its operations, includes not only environmental responsibility, but also social and economic dimensions.

Akkök Holding's principles of corporate governance, sustainable growth in harmony with the environment and social responsibility have also been our guiding principles. These values, which the Holding prioritizes in its operations, have also found a place in our corporate strategies. In particular, the fact that the concept of sustainability is not just a goal, but a continuously developing process, encourages us at Akkök Holding to take more decisive steps in this direction.

Extending its sustainability policy to all its subsidiaries, Akkök Holding implements projects that create added value in social, environmental, and economic areas. These projects are characterized by transparency, accountability, and commitment to sustainability. As Akcoat, we continue to work in line with this vision and are proud to contribute to Akkök Holding's strategies built on solid foundations.

## Green Strategy Group And Akcoat Participation

As Akcoat, we have taken our commitment to sustainability a step further by joining the Green Strategy Group, which was established within Akkök Holding in 2022. This group aims to strengthen cooperation and create shared benefits among Akkök Holding's chemical companies by focusing on critical issues such as sustainability, circular economy, clean energy, and climate change adaptation. It also plays a significant role in defining Akkök Holding's environmental sustainability strategy and reviewing management strategies.





As Akcoat, we are actively working with the Green Strategy Group on important issues such as decarbonization strategies, renewable energy substitution, water reuse, biodiversity protection and carbon reduction targets. The cooperation created through the Green Strategy Group aims to contribute to the achievement of sustainability goals not only by Akcoat, but also by all Akkök Holding structures.

As a member of the Green Strategy Group, we are committed to adapting to global sustainability requirements and developing environmentally friendly solutions for the future. In this context, at Akcoat we are continuously developing our innovative and environmentally friendly practices in line with our sustainable growth objectives.



# United Nations Global Compact Signature



	<b>HUMAN RIGHTS</b>	<b>PRINCIPLE 1</b>	Businesses should support and respect the protection of internationally proclaimed human rights.	We respect human rights and ensure their protection through the People Focus, one of the key pillars in our sustainability strategy. Proactive measures are taken against human rights abuses, and employees are regularly informed about this issue.
		<b>PRINCIPLE 2</b>	Businesses should ensure that they are not complicit in human rights abuses.	Practices incompatible with human rights in the supply chain and business processes are strictly prohibited. Violations such as child labor and forced labor are prevented.
	<b>LABOR</b>	<b>PRINCIPLE 3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Employees' rights are recognized and supported. Employees are regularly informed about these rights.
		<b>PRINCIPLE 4</b>	Businesses should uphold the elimination of all forms of forced and compulsory labor.	There is zero tolerance for forced labor and other forms of labor that violate human dignity. We will not continue to do business with suppliers who violate these principles.
		<b>PRINCIPLE 5</b>	Businesses should uphold the effective abolition of child labor.	Child labor is strictly prohibited and will not be used in the supply chain.
		<b>PRINCIPLE 6</b>	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Equal pay and fair working conditions are provided for equal work, and there is a zero-tolerance policy against discrimination based on gender, age, and race.
	<b>ENVIRONMENT</b>	<b>PRINCIPLE 7</b>	Businesses should support a precautionary approach to environmental challenges.	Precautionary approaches are used to prevent environmental risks, and environmental impacts are continuously monitored and improvements made where necessary.
		<b>PRINCIPLE 8</b>	Businesses should undertake initiatives to promote greater environmental responsibility.	Environmentally friendly production techniques that increase resource efficiency, reduce carbon footprint, and invest in renewable energy sources are implemented.
		<b>PRINCIPLE 9</b>	Businesses should encourage the development and diffusion of environmentally friendly technologies.	The company invests in R&D activities to develop and disseminate innovative environmentally friendly technologies.
	<b>ANTI-CORRUPTION</b>	<b>PRINCIPLE 10</b>	Businesses should work against corruption in all its forms, including extortion and bribery.	The company has a zero-tolerance policy towards corruption, bribery and unethical behavior, and employees are regularly trained on this issue.

# Sustainability Actions

2011

BSH / The Best Partners of The Best Ovens

2015

Launch of the Oracle system

2016

ISO 27001: Information Security Management System Certificate

Corporate Risk Management Project

2017

Lean 6 Sigma Studies

Turququality Brand Support

Achievement of R&D Center Certificate

2018

OHSAS 18001 Certification

Obtaining the Authorized Economic Operator Certificate

Transition to ISO 14001:2015 Environmental Management System Certification

Transition to ISO 9001:2015 Quality Management System Certificate

2020

Transition to ISO 50001:2018 Energy Management System

Launch of Operational Excellence Project

2021

Transition to ISO 45001:2018 Occupational Health and Safety Management System

Becoming a member of the CEO Water Mandate

Becoming a member of the UN Global Compact

2022

First Sustainability Report published with 2021 data

Life Cycle Assessment for six products

ISO 14064 Corporate Carbon Footprint study

ISO 14046 Water Footprint study

Akcoat Leadership Program

Wildlife Rescue Project

Zero Waste Certificate

Akkök R&D Summit hosted by Akcoat

2023

Akcoat Turququality Brand Support

Global Employee Engagement Survey

5S Project

# Sustainability Targets

In line with our commitment to respect for people and the goals of sustainable development, we always consider our responsibility to our employees and the environment as a priority. In this context, we started our work by raising awareness of sustainability issues throughout the company through the Sustainability Working Groups we established in 2023. We are working intensively to achieve the goals of our three-year action plan, which has been defined by the Economic, Environmental and Social Working Groups. The goals we have set are aimed both at the general goals of our company and at providing significant contributions in terms of company and individual development.

Through these three pillars, we are committed to achieving our sustainable development goals.

At Akcoat, we realize our sustainability goals through three main focuses:

## NATURE FOCUS

- Climate Change Compliance
- Emission Management
- Water Efficiency
- Sustainable Product Management
- Contributing to Circular Economy and Improving Waste Management

Through **Nature Focus**, we protect natural resources to minimize our environmental impact, increase efficiency in energy and water use, and continuously improve waste recovery processes.



## PEOPLE FOCUS

- Occupational Health and Safety
- Gender Equality
- Employee Development and Employee Engagement
- Digitalization
- Awareness of Sustainability
- Community Development
- Ethics and Transparency

Through **People Focus**, we aim to improve the well-being and standard of living of our employees and stakeholders by building strong and trusting relationships.



## INDUSTRY FOCUS

- Renewable Energy
- Memberships/Commitments/Awards
- Sustainable Supply Management
- Economic Value
- Integration of Corporate/Process Risk and Opportunity Management into Sustainability Efforts
- Customer Management
- Product Management

Through **Industry Focus**, we aim to ensure sustainable industry transformation through interdisciplinary collaboration and innovative solutions.

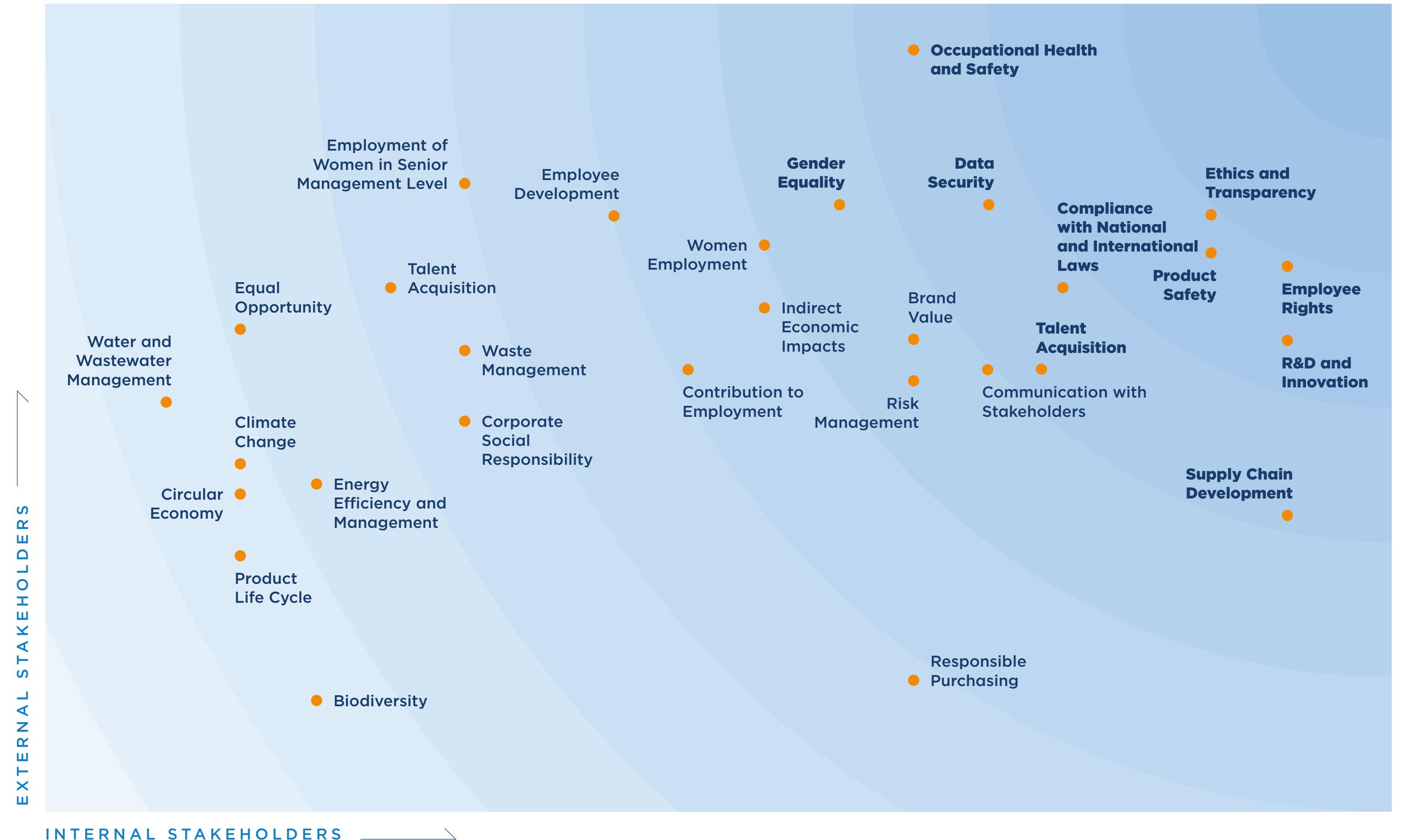


# Materiality Analysis

Materiality analysis plays a critical role in our sustainability reporting. Recognizing its critical, we have closely aligned our materiality analysis with international frameworks such as the Global Reporting Initiative (GRI), the UN Global Compact and the UN Sustainable Development Goals. This analysis enables us and our stakeholders to identify the environmental, social and governance (ESG) issues that we need to prioritize. Our materiality analysis process contributes to our environmental and social value creation process by increasing stakeholder awareness and the effectiveness of our sustainability efforts.

The materiality analysis study serves two important purposes for our report. First, it clarifies which areas we should focus on when developing our sustainability strategies. Second, it ensures that our reports are focused, transparent and reliable in a way that meets the expectations of our stakeholders.

# Milestones of our Sustainability Journey



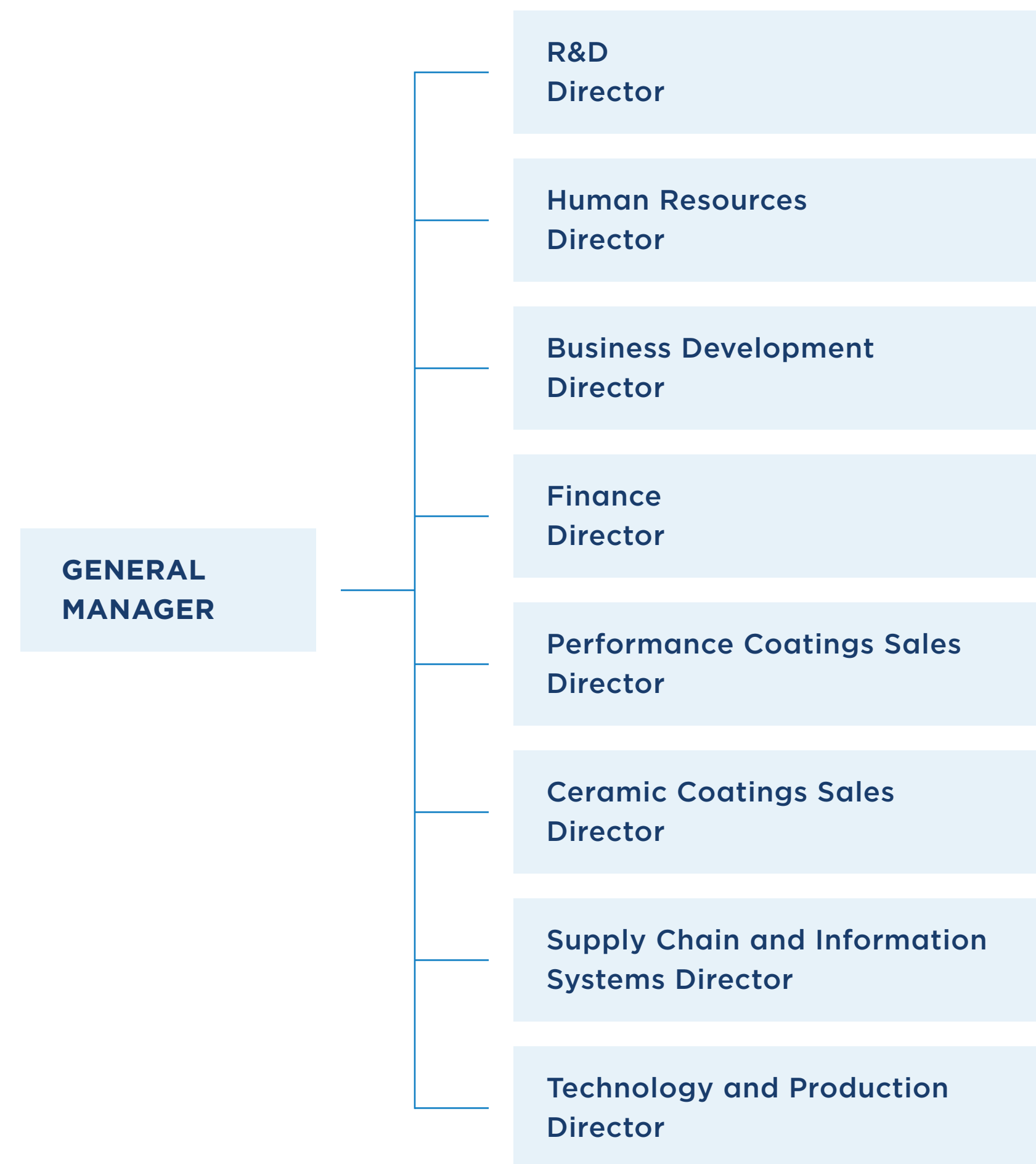
# Industry-driven value added solutions



## INDUSTRY FOCUS

- ORGANIZATIONAL STRUCTURE
- STAKEHOLDER RELATIONS AND COMMUNICATION
- CORPORATE MEMBERSHIPS
- BUSINESS ETHICS AND LEGAL COMPLIANCE
- RISK MANAGEMENT
- VALUE CHAIN MANAGEMENT
- TECHNOLOGY AND INNOVATION

# Organizational Structure



# Stakeholder Relations and Communication

We consider all individuals and groups that are directly or indirectly affected by our activities, policies, and strategic objectives to be stakeholders. In this context, our main stakeholders are the Akkök Group companies, our employees, suppliers, and customers. We ensure that strong relationships with our stakeholders are at the heart of our sustainability strategies and the way we do business, and we expand our stakeholder communication efforts every day. We recognize that building strong relationships is essential to managing our business sustainably and engaging our stakeholders in our sustainability strategy.

At Akcoat, we understand the importance of acting with environmental awareness in our business processes, so we are taking steps to find solutions to global problems in our operations. In this context, we care about finding a solution to the global water problem and we are proud to be the first Turkish chemical company to sign the CEO Water Mandate Declaration together with the United Nations and our stakeholders.

We are also pleased to be a member of the UN Global Compact, the world's largest and only corporate sustainability platform, by signing the UN Global Compact as an Akkök Holding Group company.







# Corporate Memberships

At Akcoat, in line with our sustainability goals, we establish strong ties with our stakeholders through various national and international corporate memberships. These memberships support our social and economic sustainability principles while fulfilling our environmental responsibilities. Our collaborations with organizations in various fields, such as the Turkish Ceramics Federation and the Sea Turtle Research Center, strengthen our broad perspective and our efforts to develop environmentally friendly and innovative products. In addition, by participating in global initiatives such as the Turkish Industry and Business Association (TÜSİAD) and the UN Global Compact, we aim to promote sustainable business practices to all our stakeholders and ensure that they become a culture within our company. Through these business networks, we closely follow industry developments and take important steps to achieve our sustainable development goals.

## Corporate Memberships at National Level



**Turkish BESD** - Thanks to our membership in the Turkish White Goods Manufacturers' Association, we receive the most up-to-date data on the white goods industry through monthly reports. This flow of information allows us to shape our business strategies and closely follow industry trends.



**İMMİB** - Through our relationship with the Istanbul Mineral and Metals Exporters' Association, we participate in award ceremonies under the leadership of Ak-Pa in accordance with annual export data. Participation in award ceremonies makes our achievements visible in the sector and helps us create new opportunities.



**TSD** - Our membership in the Turkish Ceramics Association enables us to establish communication among professionals in the ceramics sector and allows us to quickly learn about developments in Türkiye and abroad. We also contribute to the exchange of knowledge in the sector by organizing scientific and social congresses and seminars.



**SATSO** - Our cooperation with the Sakarya Chamber of Commerce enables us to obtain information on trade and industry and to improve our communication with industrial organizations in the region. In this way, we aim to contribute to local economic growth.



**BEYSAD** - As part of our relationship with the Durable Goods Suppliers Association, we provide annual membership and regularly follow industry news and developments. We continue to develop innovative solutions by participating in industry meetings.



**SERHAM** - Our collaboration with the Ceramics, Glass and Cement Raw Materials Producers Association enables us to keep abreast of the latest news and developments in the ceramics industry. It helps us to update our strategies by closely monitoring innovations and developments in the sector.



**ZÜCDER** - Our cooperation with the Housewares Association provides us with data on the non-stick and decorative coatings industry. With this information, we closely follow industry developments and benefit from discounted participation opportunities at events such as the Zuchex trade show.



**SERFED** - Our membership in the Turkish Ceramics Federation supports our advertising efforts before ceramic fairs with Ceramic Türkiye Magazine and helps us to keep up with the latest developments and news in the sector.

## → Corporate Memberships at National Level



**TMMOB Chamber of Metallurgical and Materials Engineers** - Our membership in the Chamber of Metallurgical and Materials Engineers gives us access to the most up-to-date information about the sector, allowing us to increase our technical know-how and follow industrial innovations.



**KALDER** - The Turkish Quality Association provides us with the latest information on quality management. We aim to increase our organizational excellence by following announcements and information in the field of quality management.



**PERYÖN** - Our membership in the Human Resources Association of Türkiye enables us to learn about developments and training activities in the field of human resources. In this way, we contribute to the continuous development of our employees.



**TKSD** - Our cooperation with the Turkish Chemical Manufacturers' Association provides us with up-to-date information on developments in the chemical industry and legislation. TKSD helps us closely follow industry trends and shape our business strategies accordingly.



**TÜSİAD-UN Global Compact** - We follow the latest developments in sustainability through the Turkish Industry and Business Association. This process monitoring increases our participation in global sustainability networks and enables us to more effectively fulfill our environmental and social responsibilities.



**İTO** - Our membership in the Istanbul Chamber of Commerce enables us to learn about business activities and licensing, and to expand our industry connections. İTO helps us stay abreast of the latest developments in the business community.



**TED** - Our cooperation with The Turkish Enamel Association provides benefits and communication opportunities related to the enamel industry. The opportunities provided by TED help us to follow innovations and trends and integrate them into our product development processes.



**SAM** - The Ceramics Research Center keeps us informed about news and developments in the ceramics industry. This helps us to develop innovation-oriented projects by following industry innovations.

## Corporate Memberships at International Level

---

CEO Club

---

TABA-Amcham

---

Camara Oficial de Comercio e Industria Hispano-Turca

---

Porcelain Enamel Institute (PEI)

---

China Enamel Association

---

ILIA Association

---

TRADEATLAS

---

STATISTA

---

Inorganic Pigments (IP) Consortium

---

Association of Ceramic Technicians (ATC)

---

Sociedad Espanola de Ceramica y Vidria

---

Institute of Ceramic Technology - Ceramic industries research association (ITC AICE)

---

Camara de Comercio

# Business Ethics and Legal Compliance

We are committed to strict adherence to the principles of business ethics in the conduct of our business. Our business ethics ensure that we not only fulfill our legal obligations, but also create a fair and respectful business environment for all our stakeholders.

We closely follow legal requirements in our country and in all regions where we operate, develop policies in accordance with these requirements, and continually update our practices. Within this framework, we raise awareness of legal and regulatory requirements among all our employees and ensure that they act in accordance with these principles. In addition to complying with laws and regulations, we strive to meet our responsibilities to our stakeholders and society at the highest level by placing our ethical values at the center of our business processes.

## Our Ethical Values and Principles

**1. Honesty and Transparency:** We conduct our business with honesty and transparency. These values form the basis of decisions and transactions at all levels of Akcoat.

**2. Fairness and Equality:** We treat all employees, customers and suppliers with fairness and equality. We strive to create an environment where everyone is treated fairly.

**3. Responsibility:** We consider the impact of our products and services on society, and work to achieve our environmental sustainability goals.

**4. Respect:** We prioritize respect for our colleagues, customers, and the community. The respect we show to our stakeholders is reflected in the way we do business and in our commitment to human rights.

The business ethics principles of the Akkök Group of Companies, of which our company is a part, are based on the core values of honesty and transparency, fairness and equality, responsibility, and respect. These values guide us in the way we do business and in our relationships.

## We are responsible!



### To Our Customers

While providing the best service to our customers, we remain true to our ethical values. Our priority is to meet their expectations and earn their trust.



### To Our Suppliers

We evaluate our suppliers in a fair, equal and impartial manner. We treat our suppliers in accordance with our Code of Ethics and use and protect their personal and confidential information in accordance with the law. We seek to establish long-term, trusting relationships with them.



### To Our Competitors

We strive to maintain an ethical relationship with all industry stakeholders by competing on a fair basis.



### To Our Environment

We develop practices that support environmental sustainability and contribute to society through environmentally-sensitive projects.



### To Our Employees

We offer equal opportunities to our colleagues and provide a healthy and safe work environment. We respect personal privacy and take a stand against harassment and physical violence.



### To Each Other

We create a supportive and respectful workplace culture and fulfill our responsibilities to each other.

[Click here to access the Akkök Group of Companies Code of Business Ethics.](#)

We regularly organize training sessions to raise awareness of business ethics and reinforce our commitment to ethical principles. Through this training, we aim to ensure that our employees are more aware of ethical issues.

The Ethics Hotline, established in accordance with the Akkök Group Code of Business Ethics, provides a safe environment where our employees, suppliers, customers, and all other stakeholders can feel comfortable reporting concerns or ethical violations. This hotline strengthens our commitment to our ethical values and increases our transparency. With the help of our stakeholders using this hotline, we can take swift action to address inappropriate behavior. Our Ethics Hotline is managed by KPMG, an independent and impartial organization. All reports are carefully reviewed by KPMG and treated confidentially.

**Total Duration of Ethics Training**

**225.55 hours**

**Number of People Attending the Training**

**347 people**

**Duration of Ethics Training per Participant**

**40 minutes**



You can send your questions and reports to the Ethics Committee of Akkök Holding through the channels below:



[www.akkoketik.com](http://www.akkoketik.com)



[akkoketik@kpmg.com](mailto:akkoketik@kpmg.com)



+90 850 202 66 15



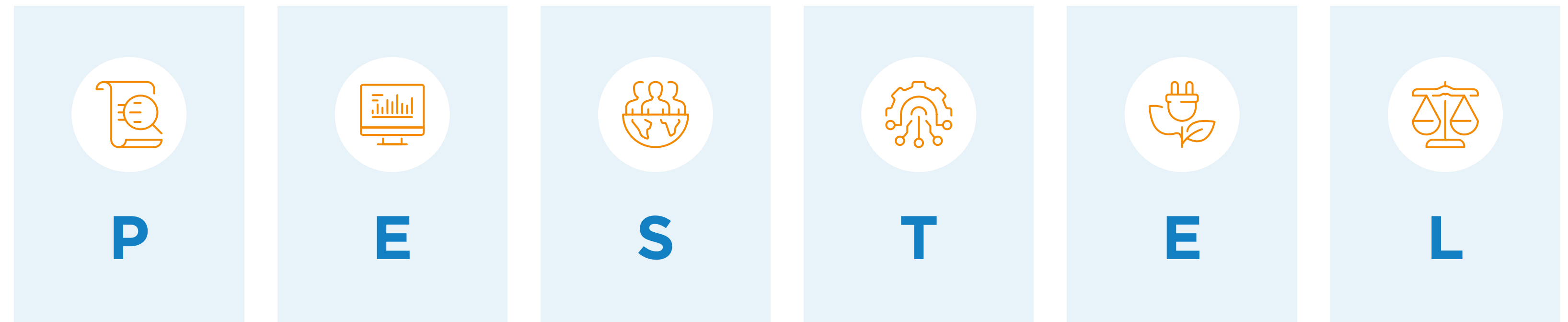
# Risk Management

The Strategy and Risk Kitchen Team, led by the Strategy and Financial Reporting department, provides the information and insights required for the company's external sustainability analysis, risks, and risk management. The Strategy and Risk Kitchen Team also provides a solid framework for internal environmental analysis with key methodologies such as stakeholder analysis and PESTEL analysis, which are used prior to strategic planning activities.

Our Strategy and Risk Kitchen Team aims to assess the potential impact of the three pillars of sustainability - governance, social and environmental - on the future of our company, while identifying the risks and opportunities these factors create. The PESTEL analysis table, which is the result of the team members' research and is used to identify the political, economic, social, technological, environmental, and legal external factors affecting the company, is discussed in detail, and finalized at team meetings. The PESTEL analysis, prepared with the experience and care of the people in the Strategy and Risk Kitchen Team, serves as a guide for future strategic steps.

The Team also identifies the expectations of our company's stakeholders through stakeholder analysis and analyzes these expectations in detail. The resulting stakeholder and PESTEL analysis report is presented in a comprehensive manner, including the team members' suggestions, and is shared with our senior management. The management clarifies the comments by evaluating the opinions, and a solid basis for strategic decisions is provided.

## STRATEGY AND RISK KITCHEN TEAM



### POLITICAL

Government policies and regulations include factors such as political stability or instability. These factors can affect a company's operations, costs, and profitability.

### ECONOMIC

This includes macroeconomic conditions such as economic growth rates, inflation, interest rates, exchange rates and unemployment rates. These conditions can affect a company's costs, prices, demand, and profits.

### SOCIAL

This includes demographic factors, cultural trends, societal lifestyle trends and attitudes. These factors can affect a company's customer base and demand.

### TECHNOLOGICAL

This includes technological innovation, the pace of technological change, and the use of technology. These factors can affect a company's products, services, cost structure and processes.

### ENVIRONMENTAL

This includes environmental regulations, climate change and sustainability issues. These factors can affect a company's operations, costs, and reputation.

### LEGAL

This includes relevant laws and regulations. These factors can affect a company's operations, costs, and reputation.

**Risk Management Procedure /  
Corporate Risk Management Procedure**

At Akcoat, our Corporate Risk Management (CRM) process, which we have developed to effectively and optimally manage all risks that we may encounter during our business operations, is of vital importance to our company and our affiliated subsidiaries. This process has been carefully designed to define the methods and responsibilities for managing the risks that Akcoat and its subsidiaries are or may be exposed to during their operations. Our Corporate Risk Management program is guided by this framework and includes the responsibilities of the Board of Directors and all employees.

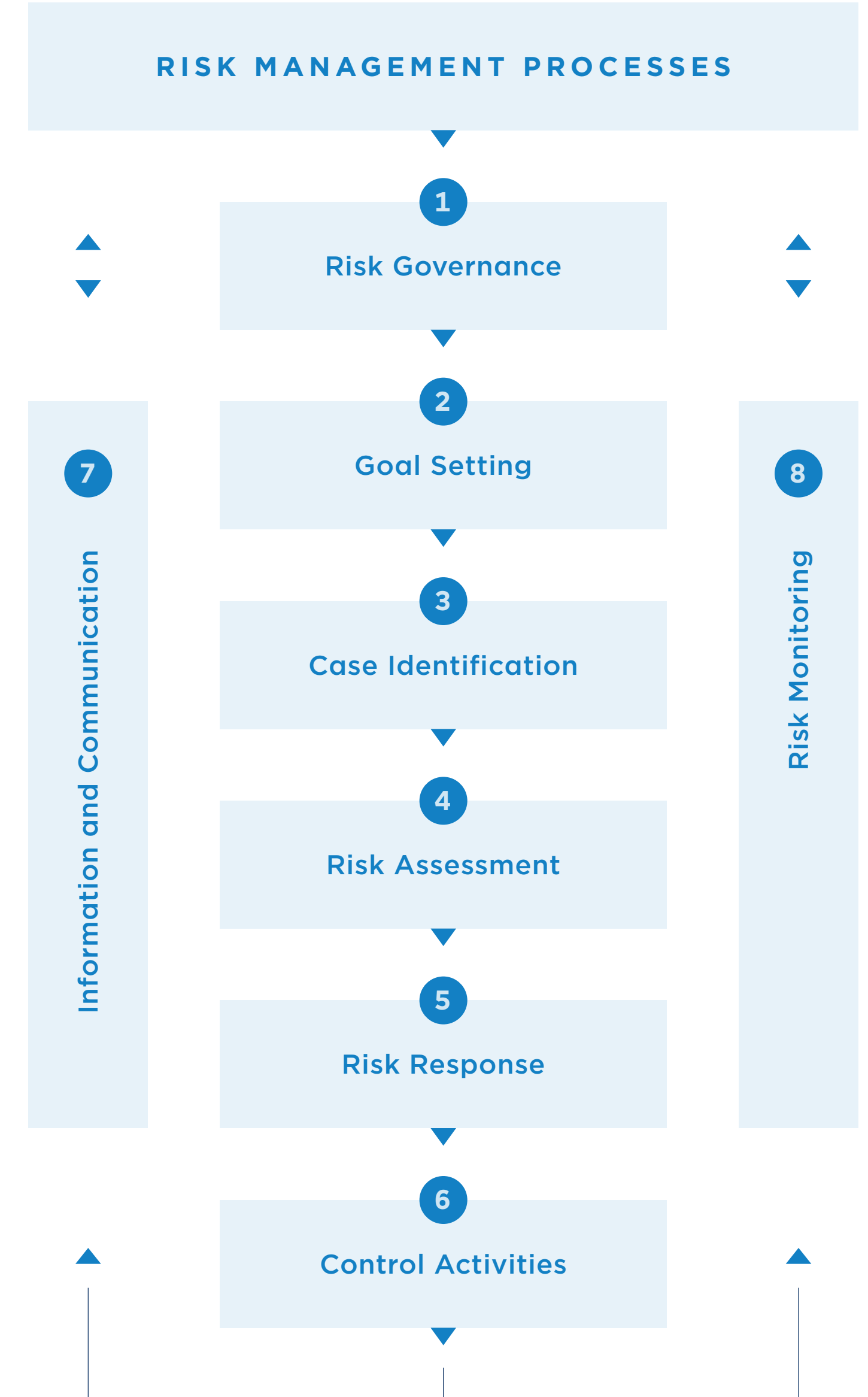
The primary objective of Corporate Risk Management is to enhance the credibility of our strategic objectives and maximize the chances of achieving them. Our approach provides a robust framework for improving operational effectiveness and efficiency while ensuring that risks are managed systematically and effectively. In this way, we aim to control both existing and potential risks.

The Corporate Risk Management process is reviewed at least annually, and our risk management approaches and practices are updated to reflect current needs. The responsibilities for CRM within our company are defined as follows:

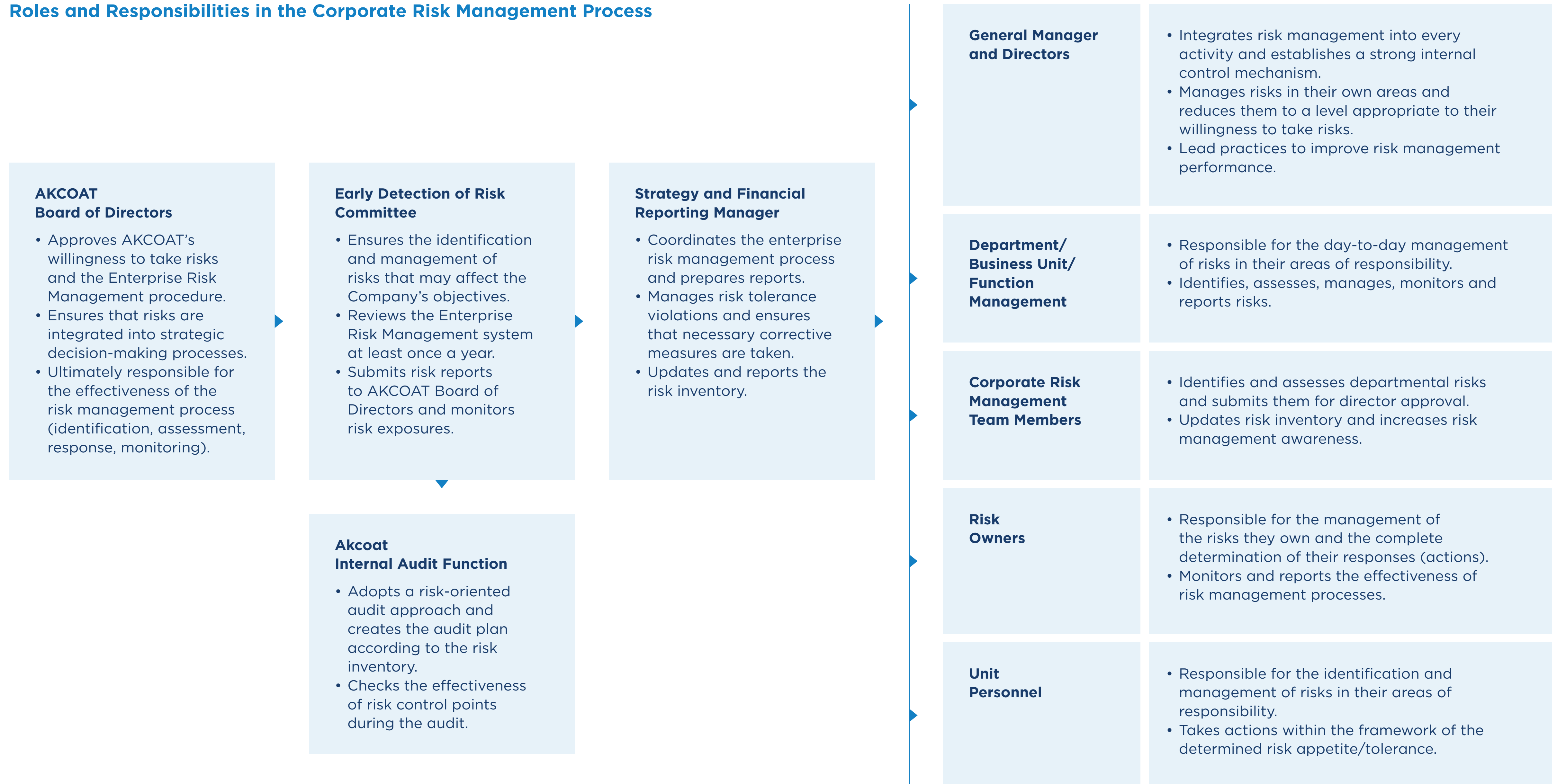
- The Board of Directors approves the risk appetite and risk model criteria (impact and probability assessments, high, medium, and low risk thresholds) and oversees all risk management practices within this framework.
- The Early Risk Identification Committee, managers, and risk owners play an important role in the implementation of the Group’s risk management process. These teams work together to identify risks in a timely manner and develop appropriate solutions.
- At Akcoat, CRM decisions and the ultimate responsibility for these decisions rests directly with Akcoat’s Board of Directors. The Board is responsible for ensuring the effectiveness and compliance of risk management processes.
- Establishing and documenting CRM processes and managing these processes in a sustainable manner within the company is one of the main tasks of Akcoat’s Early Risk Identification Committee.

- The Board of Directors is responsible for monitoring and measuring the company’s risk management performance on a regular basis. The effectiveness and strategic direction of risk management is carefully evaluated by the Board.
- Each division and business unit is responsible for managing the risks within its own organization. Process owners and supervisors manage these risks effectively and ensure the smooth running of the business.
- The management of risks that may arise from specific projects is carried out by assigned project managers. The Akcoat Strategy and Financial Reporting Manager supports the directorates in the implementation of the procedures and the CRM program within the company, and monitors the risks.

At Akcoat, we know that risk management plays a vital role in achieving our strategic goals and we manage these processes meticulously. Our CRM Procedure is renewed every year, adapting to changing conditions and ensuring that our company moves forward with confidence into a solid future. We recognize that every employee is an integral part of this process, and we aim to take stronger steps together.



## Roles and Responsibilities in the Corporate Risk Management Process



### AKCOAT Board of Directors

- Approves AKCOAT's willingness to take risks and the Enterprise Risk Management procedure.
- Ensures that risks are integrated into strategic decision-making processes.
- Ultimately responsible for the effectiveness of the risk management process (identification, assessment, response, monitoring).

### Early Detection of Risk Committee

- Ensures the identification and management of risks that may affect the Company's objectives.
- Reviews the Enterprise Risk Management system at least once a year.
- Submits risk reports to AKCOAT Board of Directors and monitors risk exposures.

### Strategy and Financial Reporting Manager

- Coordinates the enterprise risk management process and prepares reports.
- Manages risk tolerance violations and ensures that necessary corrective measures are taken.
- Updates and reports the risk inventory.

### Akcoat Internal Audit Function

- Adopts a risk-oriented audit approach and creates the audit plan according to the risk inventory.
- Checks the effectiveness of risk control points during the audit.

### General Manager and Directors

- Integrates risk management into every activity and establishes a strong internal control mechanism.
- Manages risks in their own areas and reduces them to a level appropriate to their willingness to take risks.
- Lead practices to improve risk management performance.

### Department/Business Unit/Function Management

- Responsible for the day-to-day management of risks in their areas of responsibility.
- Identifies, assesses, manages, monitors and reports risks.

### Corporate Risk Management Team Members

- Identifies and assesses departmental risks and submits them for director approval.
- Updates risk inventory and increases risk management awareness.

### Risk Owners

- Responsible for the management of the risks they own and the complete determination of their responses (actions).
- Monitors and reports the effectiveness of risk management processes.

### Unit Personnel







- Responsible for the identification and management of risks in their areas of responsibility.
- Takes actions within the framework of the determined risk appetite/tolerance.



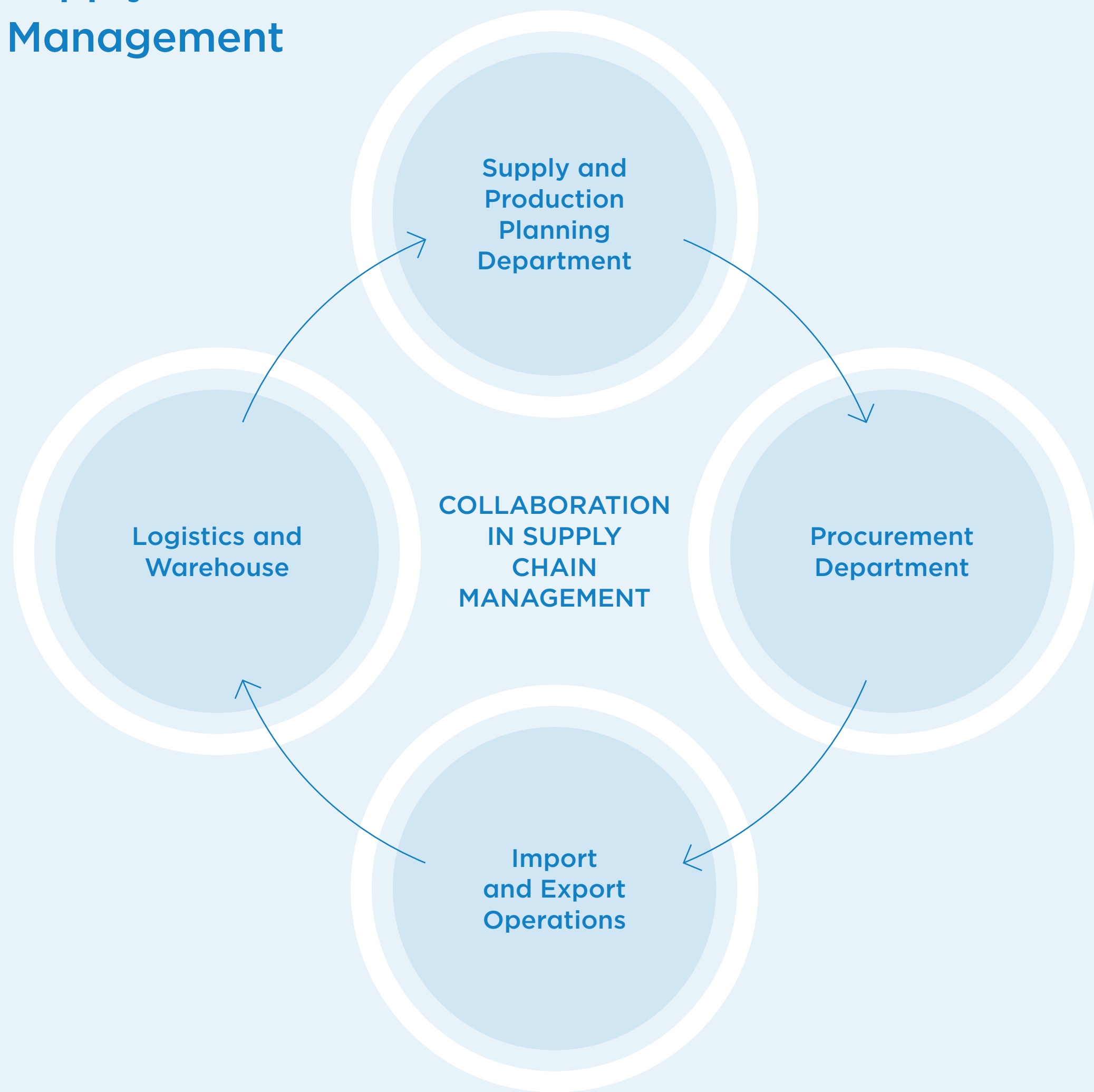
# Value Chain Management

At Akcoat, we care about creating a sustainable and ethically managed value chain to make the world a better place for everyone. We aim to optimize all our business processes, from product design to after-sales service. We take every step in the optimization process to increase product and stakeholder value.

- With our value-added coating solutions, we not only contribute to our customers' business processes, but also aim to exceed their expectations and provide solutions tailored to their needs.
- With the integrated solution partner approach of our R&D center, we conduct comprehensive analyses that take into account industry dynamics and innovative design requirements.
- In our sales and after-sales services, we consider customer satisfaction and risk management at the highest level as fundamental criteria of our business.
- We aim to establish transparent relationships with our stakeholders, who are the most valuable part of our business, with clear expectations and clear guidance.

	Capital	Inputs	Outputs	Created Value	Impacts
	<b>FINANCIAL</b>	2022 Equity Ratio: <b>100%</b> 2023 Equity Ratio: <b>100%</b>	2022 Revenue: <b>-146 M USD</b> 2023 Revenue: <b>-137 M USD</b>	Corporate Governance (Transparency, Accountability, Sense of Responsibility, Equality)	<ul style="list-style-type: none"> <li>• We drive growth, progress, and value creation.</li> <li>• Strengthen the competitiveness and innovative power of our customers.</li> </ul>
	<b>TECHNOLOGY &amp; R&amp;D</b>	2022 R&D Investments: <b>-0.6 M USD 2023</b> R&D Investments: <b>-1 M USD</b>	Number of Sustainability-Oriented R&D Projects in 2022 & 2023: <b>5</b>	Sectoral Experience and Know-how	<ul style="list-style-type: none"> <li>• Provide innovative and value-added products to customers, ensuring a competitive advantage in the market.</li> <li>• Support sustainable growth in business processes through R&amp;D investments.</li> </ul>
	<b>OPERATIONS</b>	2022 Investment Expenditures: <b>-8 M USD</b> 2023 Investment Expenditures: <b>-8 M USD</b>	2022 Total Production Capacity: <b>-151,000 Tons</b> 2023 Total Production Capacity: <b>-151,000 Tons</b>	Excellence in Service	<ul style="list-style-type: none"> <li>• Reduce costs through increased efficiency in production processes.</li> <li>• Minimize environmental impacts and achieve sustainable operations.</li> </ul>
	<b>ENVIRONMENT</b>	<b>Corporate Carbon Footprint Management and Lifecycle Assessment in Main Product Groups</b>	<b>Lessbox</b> <b>Life Replay</b> <b>Pixelect</b>	Respect for the Environment	<ul style="list-style-type: none"> <li>• Prioritize environmental sustainability to leave a green legacy for the future.</li> <li>• Reduce our carbon footprint and water consumption, fulfilling our environmental responsibility.</li> </ul>
	<b>EMPLOYEES</b>	2022 Average Number of Employees: <b>443</b> 2023 Average Number of Employees: <b>437</b>	Global Employee Engagement Survey Participation Rate: <b>77%</b>	Respect for People	<ul style="list-style-type: none"> <li>• Support the development of employees to create a more motivated and productive workforce.</li> <li>• Enhance employee engagement through recruitment and management processes.</li> </ul>
	<b>STAKEHOLDERS</b>	Akkök Group Companies Employees Customers Suppliers Public Institutions Media Society NGOs Universities	2022 ISO 500 Ranking: <b>426</b> 2023 ISO 500 Ranking: <b>468</b> 2022-2023 <b>İKMiB Export Stars 2nd Prize</b> <b>Future Project</b> Internship Program	Sincerity and Honesty	<ul style="list-style-type: none"> <li>• Build strong relationships with suppliers and customers to support sustainable growth.</li> <li>• Strengthen partnerships through value chain practices.</li> </ul>

## Supply Chain Management



Our Procurement Department, which operates under the Supply Chain Directorate, manages our supply chain processes, and conducts the supplier development process with great care and in accordance with Akkök Holding’s procurement and purchasing rules. When evaluating our suppliers, we subject them to risk classifications, and in accordance with these classifications we develop strategies appropriate to their procurement categories. In this way, we offer effective and sustainable solutions at every stage of our supply chain.

Our company, which has an Authorized Economic Operator certificate and whose factory site is considered a ‘safe area’ by Customs, has the status of an internationally trusted company.

### Planning Policy and Strategies

At Akcoat, we maintain our planning function at the highest level in order to meet customer product orders in the desired quantity and on time. We carefully plan the necessary resources and ensure coordination with all relevant departments within the company. In this context, our Supply and Production Planning unit, which reports to the Supply Chain Directorate, works effectively to ensure that sales plans are realized to the maximum extent possible. We meticulously carry out the reporting and coordination necessary for our company to act in accordance with its sales and production strategies.

We create effective and efficient production plans, taking into account our sales plans and the current status of our facilities. In line with our sales and production plans, we carry out optimal material planning, taking into account customer orders and existing stocks. We also manage raw material and product inventories in the most effective way in accordance with our business strategies.

#### Number of Suppliers



#### Share of Local Supplier (%)



## Procurement Policy and Strategies

Our purchasing function is structured to procure the materials and services required by Akcoat from domestic and foreign markets with the desired quality, quantity, timeframe, and conditions. One of our fundamental principles is to manage our relationships with suppliers within a framework of sustainability. Within this framework, we manage procurement processes based on the following principles to ensure that customer orders are produced on time and in full. Our policies and strategies are implemented by Akcoat's purchasing department.

- We ensure that goods and services are provided at low cost and at the desired quality by adapting to changing market and competitive conditions.
- We focus on quality, delivery performance, consistency and price flexibility when selecting suppliers. Our goal is to establish long-term, sustainable collaborations with companies that fully meet our selection criteria.
- We work with suppliers who are experts in their fields, are financially and operationally reliable, and possess the necessary certifications for supplying all products and services.
- We regularly conduct audits to maintain strategic cooperation with our suppliers and contribute to their development by ensuring they comply with our procurement criteria.

## Logistics and Warehouse Policy Strategies

Our logistics and warehouse function aims to maximize customer satisfaction by planning the flow of goods, services and information between production and consumption points in an efficient, safe, and compliant manner. Our logistics and warehouse department is responsible for the implementation of this policy.

In this context, we give priority to the following elements in our logistics and warehouse processes:

- Acceptance of flawless goods
- Stock control
- Controlled transfer
- Accurate delivery
- On-time shipment
- Low cost
- Continuity
- Consistency
- Flexibility

In line with these principles, we focus on continuous development and improvement to provide the best service to our customers. By making customer satisfaction our top priority, we continuously review and improve our processes.

## Sustainable Supply Chain Policy

At Akcoat, we attach great importance to cooperating with our stakeholders in our supply chain while implementing our sustainable growth strategy. Raising awareness of sustainability and supporting our activities with environmentally friendly and exemplary approaches are among our main objectives. Accordingly, we implement our Sustainable Supply Chain Policy and Supply Chain Business Ethics Principles, which aim to ensure that our suppliers' business practices are in line with Akcoat's values and existing legal requirements. We expect all our suppliers to fully comply with these policies.

We ensure that our suppliers establish, implement, and disseminate similar ethical rules in their own supply chains. In our supplier audits, we carefully check our suppliers' compliance with these rules and, in cases where we find non-compliance, we initiate corrective action and demand improvements. We also regularly monitor the improvements made through follow-up audits.

As a company, we may require the suspension of any supplier employee who engages in conduct that violates applicable laws or maintains attitudes that are inconsistent with the business principles we have established, or we reserve the right to terminate the contract with the supplier in question. The procedures to be followed by suppliers with regard to suspicious behavior contrary to our ethical principles and rule violations are explained in detail in the Akkök Supply Chain Business Ethics Principles.

Our suppliers, customers, employees, and all stakeholders have a communication mechanism to communicate their complaints and concerns. Akkök Holding's Ethics Committee and Ethics Hotline are always ready to evaluate such feedback.

## CUSTOMER RELATIONS

At Akcoat, we see customer relations as one of the cornerstones of sustainable growth and success. Understanding the needs and expectations of our customers, taking their feedback into account, and making improvements in line with this feedback is at the heart of our customer relations strategy.

### CRM System and Customer Satisfaction

In 2019, we implemented the Customer Relations Management (CRM) system to systematically track, record and respond to our customers' requests and complaints as quickly as possible. Thanks to CRM, we monitor customer requests immediately and resolve them in the fastest and most effective way. In order to increase customer satisfaction and resolve potential problems quickly, our CRM system helps us to ensure regular communication with customers, with our customer request officers carefully following each process.

CRM enables more effective management of processes by recording customer interaction activities, sales offers and sales opportunities in the system. Our sales, technical service and sales support teams optimize customer relationships by making extensive use of CRM. By integrating the data entered into the CRM system with Enterprise Resource Planning (ERP), we have made operations more efficient in product sales processes.

## Customer Satisfaction Surveys and Feedback

In order to continuously measure and improve customer satisfaction, we conducted more comprehensive and in-depth customer satisfaction surveys in 2022 and 2023. Effective management of customer requests and complaints not only increases customer satisfaction, but also contributes to the continuous improvement of our products and services. Therefore, we use customer feedback as an opportunity to improve our service quality and develop innovative solutions.

Our 2022 Customer Satisfaction Survey has once again demonstrated how successful we are in understanding customer expectations and increasing customer loyalty.

At Akcoat, we take a sustainable approach to customer relations. Developing long-term relationships with our customers, gaining their trust and meeting their expectations form the basis of this approach. In the future, we will continue our continuous improvement efforts by keeping customer satisfaction at the highest level and placing customer feedback at the core of our business processes.



## QUALITY MANAGEMENT

At Akcoat, we see quality management as one of the important principles of our sustainability goals. Quality constitutes not only the superiority of our products and services, but also the foundation of our long-term relationships with our stakeholders. In line with our mission to provide the best solutions to our customers, we continuously review and improve our quality management systems.

### Our Approach to Quality Management

By complying with the ISO 9001:2015 Quality Management System standard, we take a systematic approach to quality assurance. This enables us not only to meet our customers' expectations, but also to strengthen our position in the industry.

In 2022 and 2023, we implemented various digitalization projects to further strengthen our quality management system. Digitalization makes our quality control processes more effective and efficient, while also enabling immediate traceability and analysis of data. Digitalization is one of the steps we are taking to optimize our processes and improve our quality performance.

### Supply Chain and Quality Control Processes

We work closely with our suppliers to ensure that their quality standards are aligned with ours. In 2022 and 2023, our supplier audit team conducted regular audits and assessments to monitor the quality standards of our suppliers. The audits included visits to supplier facilities, on-site assessments of quality control processes, and feedback based on supplier performance.

In order to strengthen our collaboration with our suppliers, necessary action plans for performance improvement were identified and followed up. In this process, our suppliers were provided with the necessary feedback for performance improvement and their compliance with quality standards was continuously monitored.

Akcoat complies with international standards, such as the ISO 9001:2015 Quality Management System and the ISO 14001:2015 Environmental Management System, to strengthen quality management in the supply chain. In order to continuously improve the quality of products and services received from suppliers and to ensure compliance with quality standards, regular quality control and improvement activities are carried out.

To ensure sustainability and quality in the supply chain, we are in constant communication with our suppliers and provide them with training and guidance to improve their quality performance. This approach not only improves the quality of our value chain, but also supports our environmental and social responsibilities.

### Value-Oriented and Innovative Quality Approach

At Akcoat, we focus on developing innovative solutions to ensure sustainability at every stage of our supply chain. We encourage our suppliers to comply with international standards for energy efficiency and reduction of environmental impact, such as the ISO 50001:2018 Energy Management System. In this context, we support our suppliers' sustainable production and quality management practices, taking into account their environmental and social responsibilities.

In addition, in order to ensure that our customers have accurate and understandable information about our products, all our products are labeled in accordance with both local and international standards. Documents such as technical data sheets, product specifications and material safety data sheets containing product properties are sent to our customers before sale, and we also send the analysis report of the product with each shipment.

At Akcoat, while planning our production processes and products, we comply with all regulations in force in the regions where we operate, and meticulously follow local and global sectoral standards. In this context, we have completed the REACH registrations of our enamel products that we sell to Europe in accordance with the European Union's REACH regulation. In addition, we provide Substances of Very High Concern Identification (SVHC) supply chain information in accordance with our customers' requirements. With the transition to the Turkish REACH (KKDIK), we follow the registrations of the products and raw materials we produce and continue our preparations within the legal limits.

### Quality Assurance and Legal Compliance

With our Authorized Economic Operator Certificate, we guarantee the delivery of products in accordance with quality standards and in full compliance with regulations from the factory site to the end user. As part of our Quality Management System, this certification reinforces our commitment to ensuring quality and safety at every stage of the supply chain.

The studies and collaborations we carry out in this context not only increase the quality of the supply chain, but also help Akcoat consolidate its leading position in the sector and achieve its sustainable growth objectives. With our holistic approach, combining quality and sustainability at every stage of our value chain, we aim to continue our success in this area in the future.

# Technology and Innovation

## R&D

Our R&D activities are aimed not only at product development and process improvement, but also at consolidating our leading position in Türkiye's chemical materials sector and increasing our competitiveness in the international arena. In this context, our R&D and innovation activities are positioned as an integral part of our sustainability strategies and long-term vision.

At Akcoat, our strong R&D team and well-equipped R&D center provides performance-based innovative solutions in our new product development areas. Adopting Akkök Holding's people-oriented approach strategy, Akcoat approaches both employees and stakeholders with trust and honesty with its development-based change philosophy and human resource management that does not compromise on equal opportunities.

Aware of its local and global responsibilities, Akcoat's R&D strategy is shaped in line with sustainable development goals and aims to develop products, designs and technologies that add value to the Turkish economy.



## Development and Vision of our R&D Center

In 2017, we accelerated our investments in R&D and innovation by obtaining the first R&D Center Certificate in the sector. This step marked a turning point in our efforts to develop innovative products, designs and technologies that add value to the Turkish economy.

In 2021, we opened our new R&D center, which is one of the best-equipped R&D centers in the chemical materials industry. Located on an area of 10,000 square meters, the center operates in an enclosed area of 6,000 square meters and is a source of inspiration for new ideas and innovations. It provides a research and development and training center that enables open communication, knowledge and experience sharing, and encourages creativity, common sense, and teamwork.

Over the past five years, we have increased our R&D expenditures 3.5-fold and increased the share of turnover generated by R&D and innovation results to around 9% of total turnover. This growth demonstrates the efficiency and effectiveness of our R&D efforts.

According to the R&D 250 survey, we ranked 73rd in the chemicals and chemical products sector in general, 22nd in R&D projects, and 235th in R&D expenditures.

- The main building of our R&D center, which we designed with the vision of “building the future by protecting existing resources,” has taken its current form by renovating an old warehouse and making it suitable for various functions.
- The original exterior structure of the building has been preserved, as it reflects Akcoat’s experience and know-how from the past. This historic outer shell is combined with a new permeable inner shell, which also guides the interior space.
- The new inner shell is located at the entrance of the building and serves both to orientate the building and to guide visitors from the public spaces to the specialized research areas.
- From the 6-meter-high entrance area to the 4-meter-high laboratories, it provides a sloping transition that creates a spatial flow in the interior space.
- Inspired by the sky windows in the ceiling of the existing building, the structure aims to maximize natural light and enhance the interaction between the exterior and interior.
- Natural light is filtered from the skylights in the building’s old exterior through new interior skylights, illuminating the entrance courtyard. This approach saves energy by taking advantage of daylight, while symbolizing that the future can only be shaped by a passion for research and innovation, learning from the past and current experiences.





### Scientific and Technological Cooperation

Our R&D center aims to increase our competitiveness in the international arena by strengthening scientific and technological collaborations.

At Akcoat, we support the production of technological knowledge through university-industry collaborations and international research projects. In our R&D center, we provide a working environment where young talents can develop their innovation projects, while our expert researchers have the opportunity to put their theoretical knowledge into practice.

In 2023, three important projects were approved and completed under TÜBİTAK's "2244 Industrial Doctorate Program".

These projects focus on the development of innovative solutions in areas such as glass ceramic coatings and high temperature resistant pigments.

**As of 2023, we have successfully completed one university-industry collaboration and 13 industry R&D projects.**

A significant share of our R&D budget is allocated to collaborations with universities and institutes both in Türkiye and abroad. Our company's information is kept up to date on the FUNDING & TENDERS platform, possible partners are sought and project processes are followed by the EU Project Team.

In 2023, we participated as a Silver Sponsor in the 25th International Enamel Congress, supported by TÜBİTAK, held in Kyoto, Japan, where the leading representatives of the enamel industry gathered and presented our R&D studies and innovative vision in the global arena. At this important event, we presented a strategic perspective on the future of the industry by highlighting our innovation and research activities for the future.

Thanks to our collaboration with the American Ceramic Society (ACerS), we are proud to be the first Turkish corporate business partner to contribute to development of the global ceramics industry. This partnership reinforces our commitment to technology and innovation and further strengthens our leadership position in the industry. At the same time, by increasing our capacity to develop innovative solutions, we are on our way to becoming a leading player in the industry on a global scale.



**A total of 99 patent applications have been submitted since 2018, and our patent “Glass-ceramic Coating with Reinforced Mechanical Resistance Properties with Carbon Fiber” has been registered.**

### Technological Infrastructure and Sustainability

The majority of the devices in our R&D center are planned in line with the principle of sustainability and operate on the basis of recycling resources. For instance, we save 10,512 tonnes of water per year thanks to our boiling water abrasion resistance test device. This device operates 24/7 and saves 20 liters of water per minute, or 28.8 tonnes of water per day, thanks to its infrastructure of recyclable resources. Such innovative solutions not only reduce our environmental impact, but also increase our operational efficiency.



### Patents and Innovative Projects

In the last three years, we have established two new R&D departments in our R&D center for pigments and glass coatings, and initiated project work to develop products such as pigments and glass coatings that were not previously in our product portfolio.

In 2023, we expanded our product portfolio by establishing the INK R&D Department. In 2022 and 2023, we completed a total of 65 projects, including enamels (13), ceramics (21), non-stick and decorative coatings (11), pigments (7) and glasses (13). Our R&D studies, which we are continuously increasing, are of strategic importance in line with Akcoat’s innovation and sustainability goals.

### Goals and Future Vision of our R&D Center

At Akcoat, we continue to place our R&D and innovation efforts at the center of our sustainable growth strategies. In the future, we will continue our efforts to generate technological knowledge, develop innovations in products and production methods, improve product quality and standards, increase productivity, and strengthen the scientific and technological infrastructures through academic-industrial cooperation.

Our R&D activities aim to contribute not only to the development of our company, but also to the industrial and technological development of Türkiye. These efforts play a key role in achieving Akcoat’s goal of becoming a sustainable leader in the global market.

### Innovation Management at Akcoat

- **Innovation Strategies:** We create our strategic plan, mission, vision, and values.
- **Technical Infrastructure:** Our R&D center is one of the most equipped R&D centers in the chemical materials industry, and includes a mechanical test laboratory, x-ray analysis laboratory, chemical analysis laboratory, PSD (Particle Size Distribution) laboratory, thermal analysis laboratory, general analysis laboratory and microscope laboratory.
- **Rewarding System:** We provide material and moral incentives to R&D employees who meet the conditions for rewards.
- **Collaborations:** We enable horizontal technology transfer by supporting new projects in industry and university-industry collaborations.
- **Events:** We support participation in congresses and fairs. Silver Sponsor at the 25th International Enamel Congress, ACerS, Ambiente Glassware and Home Accessories Fair, Eurasia Glass Fair, Sakarya Landscaping and Ornamental Planting Fair, Glasstec, Cersaie International Ceramic Fair, International Zuchex Home and Kitchenware Fair are among the congresses and fairs we participate in.

## DIGITALIZATION

At Akcoat, we strengthen our digital transformation strategy every year and support our sustainable growth by increasing our investments in digitalization.

By quadrupling our digitalization budget from 2021 to 2023, we have clearly demonstrated the importance we attach to our digital projects and innovative technologies. This strategic increase reflects our commitment to our digital transformation projects and our aim to consolidate our global leadership position.

In 2023, we continued our digital transformation efforts unabated, focusing on key areas such as data analytics, optimizing decision support systems, increasing transparency, and strengthening cybersecurity measures. Our focus areas enable Akcoat to modernize its business processes and increase operational efficiency, thereby adding value to our customers and stakeholders.

**Our digitization efforts, which began in 2021, laid the foundation for our current digital transformation process. Since then:**

- With the 5S project, we aimed to increase order and efficiency in the production area.
- With the installation of robotic application systems, we automated low-value-added and labor-intensive operations, significantly increasing our operational efficiency.
- With the Akcoat Digital Maturity Level Determination Study, which was launched in 2021, we created an important roadmap for advancing our digital transformation strategy.

Through these projects, we have been able to create a solid foundation to realize our digital transformation vision and accelerate our digitalization process. These strategic steps we took in 2021 symbolized the beginning of Akcoat's digital transformation journey, and laid the foundation for our success today.

## Digitalization of Business Processes

**Digitalization of Workflows:** Within the scope of the digitalization of workflows project launched in 2022, we aimed to increase the efficiency of our processes by moving various HR processes to digital platforms. With this in mind, we continue our projects within the scope of transferring 30 HR processes to the digital environment and managing the processes faster and without errors.

## RPA and EBA Digital Invoice Approval Processes:

With our EBA project, we have created a more efficient, traceable, and sustainable system by reducing the manual workload in our accounting processes. In the past, invoices were processed manually, and signature processes caused time loss and tracking difficulties. Now, thanks to our RPA robots, we automatically receive all e-invoices, route them to the relevant units using artificial intelligence, and speed up the approval process through PO mapping. Once approved, the invoices are stored in the Oracle ERP system and we can monitor and improve our processes with performance reports via Tableau.



In 2022 and 2023, we improved business processes by digitalizing many manual processes such as the invoice process for the accounting unit, the inbound/outbound shipment and vehicle request form processes for the Administrative Affairs unit, hazard-near-miss notifications for OHS, travel approval processes, and need advance request, performance-target process, travel allowance system, minutes notification, visitor notification, benefits request and job descriptions in HR processes. By making improvements in the developed modules in line with the demands of the units, we ensured that the system is user-friendly. In this way, we succeeded in making many processes automatic, systematic, and traceable.

**Electronic Board of Directors System:** The approval process for Board decisions was digitized, allowing corporate decisions to be made remotely and quickly. This system increased management efficiency and saved time.

**5S Project:** We implemented the 5S project to increase the efficiency and sustainability of our business processes. With this system, which consists of sorting, organizing, cleaning, standardizing, maintaining, and developing steps, we aimed to achieve zero waste, zero occupational accidents, zero malfunctions, zero defects, zero delays and zero complaints. We increased efficiency by digitalizing our 5S process through the EBA platform. In this context, we ensured that 5S committees, departments to be audited, department supervisors and audit questions are defined with parameters through the system. In the system, which was commissioned with the definition of teams and departments, audit processes became more effective and traceable.

## Data Management and Integration

**Existing MRP Program and ERP Integration:** The Material Requirements Planning (MRP) program, launched in 2022, contributed to more effective management of production processes through immediate access to data and integration with ERP systems. The program resulted in a 5% reduction in inventory management, a 60% savings in workforce preparation time, and acceleration of material procurement processes. By providing flexibility and speed in supply chain management, the program increased operational efficiency and contributed to customer satisfaction.

**Data Acquisition from PCL Systems and ERP Integration:** Production efficiency and quality control processes were optimized by integrating the data obtained from PCL systems used in the production line with ERP systems. This integration enabled us to monitor and analyze the effects of improvement efforts on the production line. In the near future, we aim to increase real-time data monitoring and analysis capacity.

## Decision Support and Analytical Systems

**Automation of Sales and Profitability Reports:** We automatically collected and analyzed data from different systems, eliminating errors caused by manual reporting processes. Automated reporting and analysis were used effectively in strategy and financial reporting, accelerating decision-making processes, and helping us to minimize the risk of errors.

**Master Data Management Analysis:** With this project, which was initiated to standardize master data and ensure the harmonization of processes, we aimed to improve data quality and support the effectiveness of digital projects.

## Customer Relationship Management

### Akcoat Mobile Application and Sustainability Dashboard:

**Digi Lab:** As a company operating in the field of kitchen appliances, we allowed our customers to experience all coating combinations of our products in a digital environment. In this way, we eliminated the waiting time for samples and provided a fast and effective design experience. By using augmented reality technology in our project, we gave our customers the opportunity to experience the products in their real environment. We designed Digi Lab as a system that provides instant rendering through online 3D modeling using Angular and Unity programs. Our customers were able to design the combinations they wanted on the interior and exterior surfaces of the products on a single screen and personalize them with details such as color, texture, and grain. With Digi Lab, we took a sustainable step in our product development processes, creating a workflow that consumes fewer resources by minimizing the production of physical samples. In addition, with our system, we offered our customers a fast, environmentally-friendly and user-friendly solution that can

be used in different languages in the global market. In this way, we implemented an innovative digital transformation in line with our sustainability goals.

The feedback we received on this project was extremely positive. This solution, which we presented at trade fairs such as Zuchex and Ambiente, was received with great enthusiasm by our customers. With this digital laboratory, which both increases efficiency and offers flexibility in product design, we have opened the doors to a sustainable future.

## Financial Sustainability and Pricing

**Pricing Module:** With this system, which enables our sales teams to offer optional price offers according to different payment terms on a company basis, we increased Akcoat's sectoral competitiveness and contributed to financial sustainability by developing pricing strategies in line with market conditions.

## Future Goals

In 2024 and beyond, we will continue our digital transformation efforts with a focus on innovative technologies such as artificial intelligence, robotic automation, and the Internet of Things (IoT). These technologies will help us achieve operational excellence and contribute to our goal of building a sustainable future. As Akcoat, we will continue to strengthen our global leadership position by moving forward with our customers and stakeholders on our digital transformation journey.

# Nature-driven industrial transformation



## NATURE FOCUS

- ENVIRONMENTAL STRATEGY
- RAW MATERIAL
- BIODIVERSITY
- WASTE MANAGEMENT
- ENERGY EFFICIENCY
- WATER MANAGEMENT
- CORPORATE CARBON FOOTPRINT

With our **Wild Life Rescue** project, we protect the breeding grounds in Türkiye of flagship species such as brown bear, wolf, lynx and sea turtle, and contribute to the development of wildlife by conducting scientific studies in these areas.

# Environmental Strategy

Climate-related issues, some of the greatest challenges of the 21st century, are no longer a process of change, but a crisis that requires action. As stated in the latest report published by the IPCC, urgent and decisive steps must be taken to achieve the goals agreed upon in the Paris Climate Agreement.

## Environmental training provided to employees in 2022

**350**  
person×hour

## Environmental training provided to employees in 2023

**1,170**  
person×hour

At Akcoat, we are aware of the potential impacts of the climate crisis and are striving to create a sustainable future through our efforts. In our plant, which has ISO 14001 Environmental Management System certification, we carry out SWOT, risk, and opportunity analyses, and we implement new practices that include the reduction and recovery of our waste and the reuse of our wastewater, as part of the efficient use of resources.

We continue our work on the environment, one of the three main focus areas of our sustainability strategy, with a strong and experienced team. While our team develops strategies in line with the goal of minimizing our company's impact on the environment, we regularly organize training and activities to raise the awareness of all our employees. In this way, we are committed to raising environmental awareness throughout the company and creating a sustainable business model.

At Akcoat, we are committed to full compliance with all legal requirements. Within this framework, our legal and environmental departments inform all our employees about applicable regulations and local government practices, and organize training sessions every year. In addition, we closely monitor environmental developments with notifications that contribute to legislation, and we meticulously manage accident and environmental risks in review meetings and boards. As a result, we were not subject to any environmental penalties during the reporting period.

## Climate Ambition Acceleration Program

In order to achieve our environmental goals, Akcoat is taking a significant step toward transitioning to net zero by participating in the Climate Ambition Acceleration Program, led by the UN Global Compact. As one of 27 companies participating in this program, we are improving our knowledge and skills in setting science-based emissions reduction targets in line with our goal of becoming climate neutral.

The six-month accelerator program guides companies in developing an emissions reduction strategy that aligns with the 1.5°C goal and motivates investors, employees, and shareholders. As part of the program, we have access to global best practices through the Global Compact Local Networks, as well as the opportunity to share experiences with other participating companies and receive support from industry experts.

Thanks to the Climate Ambition Acceleration Program, we are getting closer to our goal of reducing our carbon footprint and contributing to the circular economy by strengthening our sustainability strategy. This program enables not only our company, but also our industry, to be at the forefront of climate action. At Akcoat, we are determined to achieve net-zero emissions by 2050 and will continue our leadership on this important journey.

## Life Cycle Assessment

In 2022, we completed life cycle assessment (LCA) studies on six of our product groups in order to better understand the environmental impact of our products and to evaluate in detail the impact from “cradle to gate”. In 2023, we repeated these studies to assess the contribution of our efficiency efforts and to update improvement opportunities according to current conditions. Our LCA studies, carried out under the ISO 14040/44 standard, confirmed the general trends in the sector and showed that the stage with the highest and dominant environmental impact in terms of global warming potential is generally in our supply chain, namely the raw material extraction and processing stage. These stages, which involve the extraction and processing of natural resources and the production of materials, have environmental impacts such as natural resource depletion, habitat degradation, high energy consumption and water use. In addition, the emissions and waste generated by these processes significantly increase the environmental impact.

Although it varies depending on our products, we have found that the production phase can also have serious environmental impacts for products that require energy-intensive production processes.

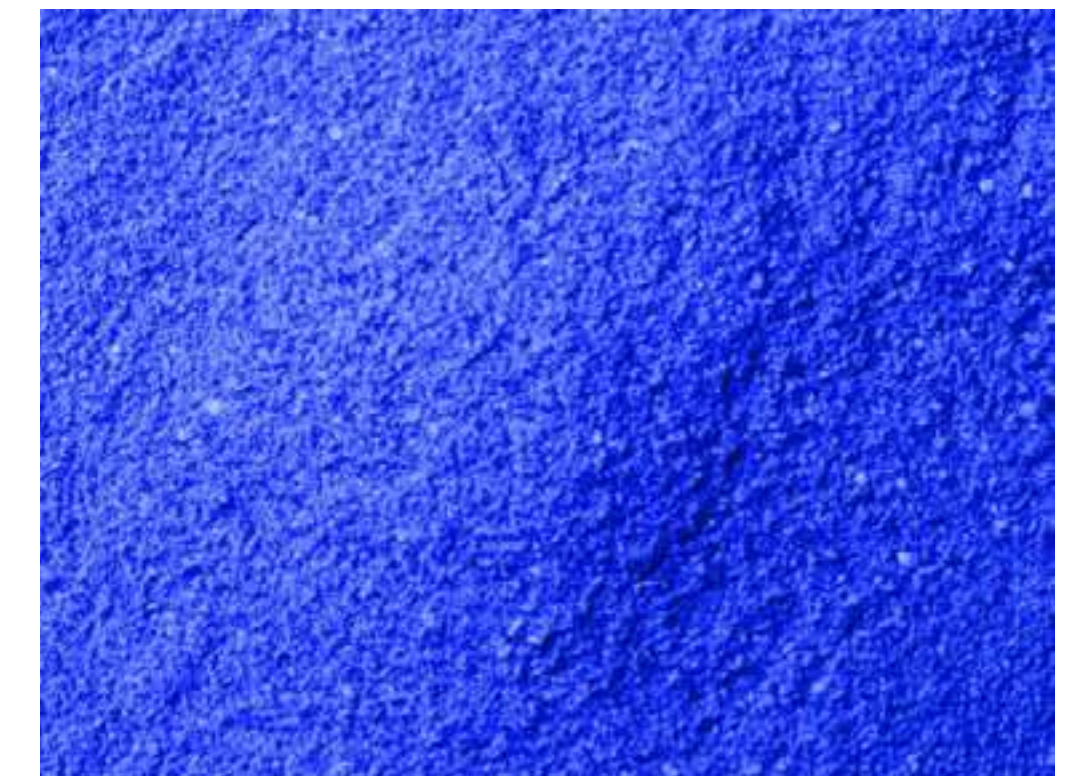
In line with these findings, we have made significant improvements in our raw material sourcing and production processes. These improvements, which we have implemented to increase energy efficiency, reduce emissions, and optimize resource use, have significantly improved the environmental performance of our products. We will continue our efforts in this area with determination to achieve our sustainability goals.

# Raw Material

Raw materials directly derived from natural resources play an important role in the enamel and ceramic coatings industry, but also pose a serious threat in terms of rapid resource depletion. Materials such as clay, feldspar and quartz used in ceramic coatings require intensive mining activities, which may lead to environmental degradation. On the other hand, metals commonly used in enamel coatings have significant environmental impacts in their supply processes. Therefore the loss of biodiversity due to mining activities and the environmental impacts of metal production need to be carefully addressed in the raw material supply chain. The sustainability of raw materials used in enamel and ceramic coating processes is an integral part of the sector's environmental responsibility.

At Akcoat, we are aware of these challenges and are committed to using sustainable raw material sources and implementing responsible sourcing practices to minimize our environmental impact. We support environmentally friendly and innovative methods at every stage of our raw material supply chain, and aim to increase the use of materials from sustainable sources. In this context, we work with business partners who support sustainable mining methods for the raw materials supplied on the mining side. When sourcing metals, we aim to reduce the environmental impact by preferentially using recycled resources with a low carbon footprint.

In order to meet our environmental responsibilities not only today but also in the future, we allocate significant resources to our research and development activities. As part of these efforts, we focus on developing products that have a lower environmental impact, as well as procedures and processes that increase efficiency. This approach, which is at the center of our sustainability strategy, strengthens our position in the industry.



# Biodiversity

Activities such as mining and deforestation, which are carried out in the supply of raw materials, can have a negative impact on ecosystems. They can lead to a reduction in biodiversity and loss of habitats. At Akcoat, we are aware of these challenges and our sphere of influence, and we attach great importance to the development of sustainable methods that protect biodiversity and minimize environmental impacts.

In this context, we continue our business processes with suppliers who use sustainable and environmentally friendly practices in the extraction of raw materials. As an indicator of our commitment to the protection of biodiversity, we conduct our processes in accordance with international biodiversity standards and do not operate in habitats on the IUCN Red List.

We also expect the same environmental sensitivity from all our business partners in our supply chain and encourage them to act in accordance with sustainability principles. Our biodiversity conservation strategy is based on a comprehensive approach that includes not only our direct activities, but also all areas that we can indirectly influence. In this way, Akcoat is committed to protecting the natural resources of the future and working towards a sustainable environment.

## Working For A Better Future!

At Akcoat, we are working today for the future with the aim of spreading sustainability awareness and making it a part of everyday life.

With our **Wildlife Rescue** project, we protect the breeding grounds in Türkiye of flagship species such as brown bear, wolf, lynx and sea turtle, and contribute to the development of wildlife by conducting scientific studies in these areas.

In addition to our volunteer researchers and Akcoat's R&D infrastructure, we support Wildlife Rescue projects on the ground with our technically equipped mobile station.

## Dekamer Collaboration

We contribute to our environmental sustainability goals through the social responsibility projects we carry out with the Sea Turtle Research, Rescue and Rehabilitation Center and we carry out various activities on a project basis.



# Waste Management

Waste from enameling and ceramic coating production processes can cause permanent damage to the environment. Ceramic fragments, enamel liquids and chemical wastes generated during production can cause soil and water pollution if not properly managed. Effective management and recycling of these wastes is one of the major challenges facing the industry. The structure and composition of the materials used in the production process, and the production techniques themselves, make recycling of these products very difficult. Ceramic materials are fired at high temperatures to make them extremely hard and durable, making them almost impossible to recycle without breaking or degrading. In addition, enamel coatings adhere strongly to metal surfaces and their removal is a technically difficult and costly process. Multi-layered structures, different materials and adhesives are commonly used in the manufacturing process, making it difficult to separate the materials in the recycling process and increasing costs.

At Akcoat, we have developed our waste management strategies to overcome these environmental challenges and ensure a sustainable future. In line with our sustainability strategy, we aim to minimize waste generation through the efficient use of natural resources and recycle the waste that is generated. In 2022, we integrated the “Zero Waste” management philosophy into our business processes and were awarded the Zero Waste Certificate. At the same time, we took important steps to reduce and reuse all our waste by providing training to our employees to raise their environmental awareness.

As our production volumes increase, we continue to develop innovative solutions to reduce and recycle our waste and adopt a circular economy approach. Our sustainable packaging and products, as well as the steps we are taking to recycle plastics that take longer to biodegrade, are helping us address environmental challenges in the industry.

	2021	2022	2023
Non-Hazardous Waste (kg)	321,312	243,600	210,500
Packaging Waste (kg)	934,856	980,215	513,760
Hazardous Waste (kg)	238,290	98,900	103,050

## Lessbox

Our project **LESSBOX: sustainable packaging for ceramic inkjet inks** created environmentally friendly and 100% recyclable packaging. This innovative project reduced the amount of plastic contained in the ink packaging systems traditionally used in the ceramic industry by one third and saved about 60% in waste management. In addition, the reduced space required for transport and storage of LESSBOX packs significantly simplifies logistics in the ceramic industry. The flexible packaging structure is optimized to maintain the structural integrity of the box while increasing the efficiency of inkjet ink usage.

The main features of the sustainable packaging can be listed as follows:

- **Ink compatibility**
- **Reduction in precipitate formation**
- **Easily shaken**
- **Ergonomic handling**
- **Less storage space**
- **Easy supply due to reduced transport volume**





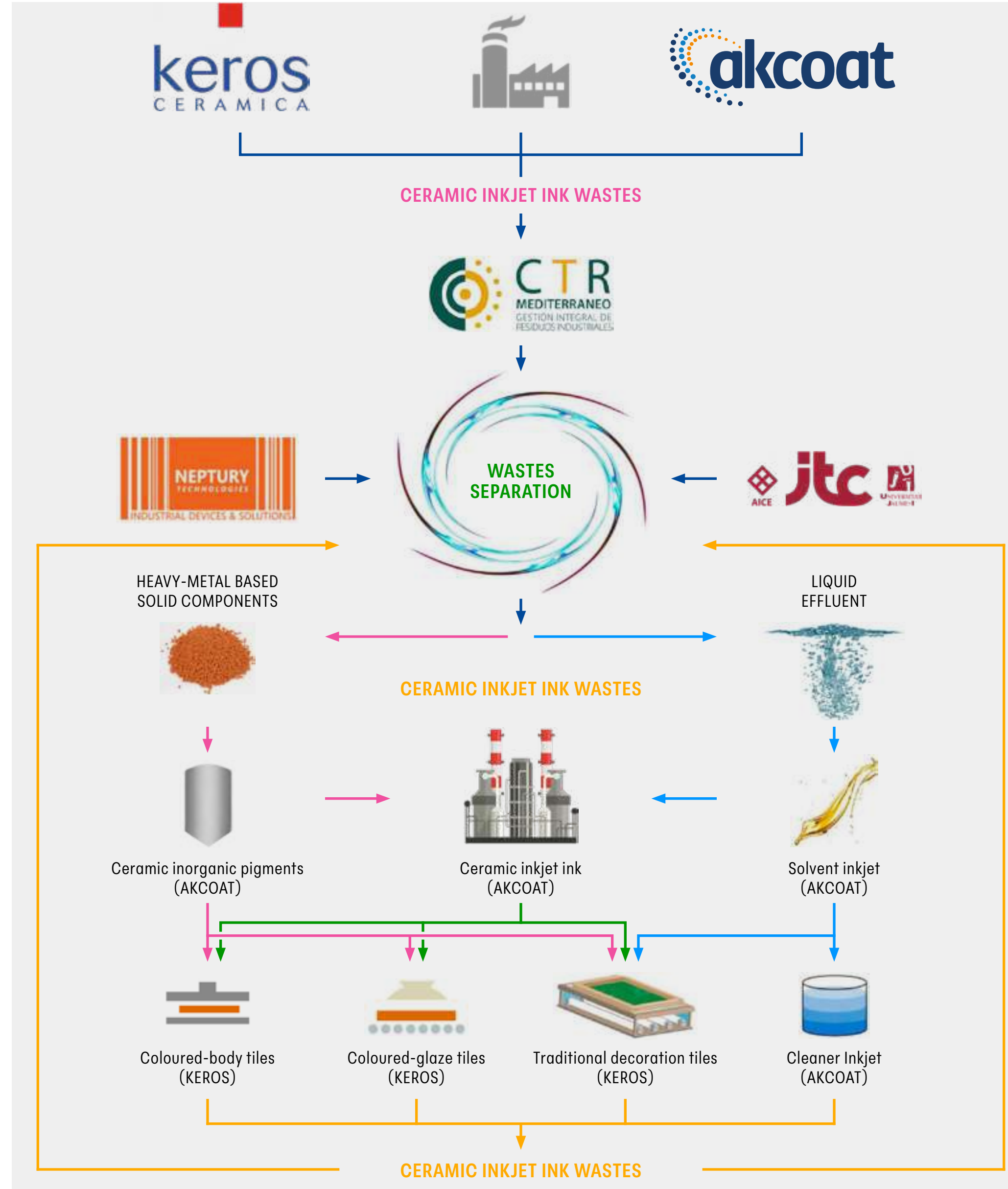
### Business World Plastic Initiative

In 2021, Akcoat achieved a success beyond our Business Plastics Initiative consumption commitment by eliminating the use of 1.5 and 0.5 liter PET bottled water in our administrative building, new R&D center and Istanbul offices. In 2023, we saved a total of 4.9 tonnes of plastic by eliminating individual waste bins and using odorless Tristan water dispensers.

### Life Replay

Akcoat plays an important role in the LIFE REPLAY project, funded by the European Union LIFE program and coordinated by the Institute of Ceramic Technology. The project aims to create a circular value chain for the reuse of organic waste and solid components containing heavy metals, through the separation and recycling of waste ceramic inkjet inks in the ceramic industry.

The main objectives of the LIFE REPLAY project are to demonstrate the usability of waste inkjet inks as a new raw material in the ceramic industry under real environmental conditions, to develop a low-cost separation prototype and to evaluate the environmental impact of this new business model. The project aims to process 100 tonnes of ceramic inkjet ink waste to produce 10,000 m<sup>2</sup> of “eco” ceramic tiles. The ceramic pigments, inks and tiles produced by the project will provide significant environmental and economic benefits by replacing existing inorganic pigments and organic solvents.



### Pixelect

In 2021, the sustainable plastic pigments developed under the Pixelect brand will be designed to reflect light. Thanks to this innovative design, products colored with Pixelect can be included in the recycling process by being detected by the sensors of near infrared reflection (NIR) devices. In this way, we aim to reduce the carbon footprint, contribute to the circular economy, and ensure that these eco-friendly colored plastic containers can be safely used in toys and cosmetics. Thanks to this innovative approach, plastic waste, which takes centuries to decompose in nature, can now be brought into the circular economy.

### Türkiye's First “Zero Waste Theme Park”

Akcoat contributed to Türkiye's first **Zero Waste Theme Park** project under the leadership of Kocaeli Başiskele Municipality, as part of the Zero Waste Campaign. Waste glass blocks, frits and tiles generated during the production process were recycled to create decorative works of art in the park. With this project, we aimed to bring together our production approach, which respects nature, with society and to spread zero waste awareness.

# Energy Efficiency

The need to produce enamel and ceramic coatings by burning at high temperatures results in high energy consumption in our industry. This energy consumption, combined with the use of fossil fuels, creates a significant carbon footprint in the sector. As climate change alters our energy production potential and energy needs, the ability to increase energy efficiency will play a critical role in achieving the industry’s sustainability goals.

With this in mind, Akcoat established an Energy Management Team in 2020 to make energy management more efficient and create effective action plans. This team meets regularly to determine performance indicators to measure energy performance, and monitors the results of these indicators. Each year, it prepares an action plan to reduce energy consumption and closely monitors the realization rate of these plans.

## ENERGY EFFICIENCY

As part of our energy efficiency efforts, we will replace four air-fuel systems in 2022 and switch to an oxygenated combustion system. In the oxygenated combustion system, only oxygen is supplied to the furnace, which reduces the heat loss in the flue gas, leaving only carbon dioxide and water vapor in the flue gas as a result of the combustion reaction. The efficiency of this system is due to the absence of nitrogen in the combustion environment. Thanks to the system we installed in 2021, we reduced energy consumption by 12.9%. We have also been able to increase energy savings by maximizing the use of daylight in our interior design.

To reinforce our commitment to energy management and our sustainability goals, we obtained ISO 50001 Energy Management System certification. This international standard provides a comprehensive framework for continuously improving energy performance, increasing energy efficiency, and optimizing energy use. ISO 50001 certification confirms that our energy management processes meet globally recognized requirements and that we have a systematic approach to improving energy performance. Within the framework of this standard, we implement continuous improvement processes to minimize our energy consumption, reduce operating costs and reduce our environmental impact.

Within the framework of the UN Sustainable Development Goals, we are implementing various projects to reduce energy consumption in order to minimize our environmental impact and protect natural resources during the production phase. These projects play an important role in achieving our industry’s sustainability goals and reducing our negative impact on the climate.

	2022	2023
Energy Consumption within the Organization (kWh)	14,802,146	13,426,802
Energy Intensity	0.000112	0.0000917
Total Energy Savings Compared to Previous Year (kWh)	934,847	1,375,344
Reduction in Energy Consumption Compared to the Previous Year (%)	12.8	5.5
Natural Gas Consumption (Sm <sup>3</sup> )	18,368,063	13,712,573
Energy Requirements of Products and Services (kWh/tonnes of Product)	2,037	1,925



# Water Management

In the production of ceramic coatings, water is used intensively in various processes, and this can contribute to the rapid depletion of water resources and to water scarcity. The release of chemical wastes generated during the production process into water resources can cause serious water pollution. Therefore, optimizing the use of water and ensuring effective treatment of wastewater is critical to improving the environmental sustainability of the industry.

According to the World Resources Institute's (WRI) "Aqueduct Water Risk Atlas," the Sakarya region is a medium-high water stress region. As Akcoat, we operate in the Sakarya region, which is at risk of water scarcity. This makes the sustainable management of water resources even more critical. With this in mind, we continuously improve our strategies to protect water resources and increase the efficiency of water management.

We develop strategies that prioritize the efficient use of water resources, reducing the amount of water consumed in our business processes and recycling processes. To this end, we have updated our wastewater treatment plants to enable reuse of water in cooling towers and in production lines in our factory.

At Akcoat, we prioritize the principles of sustainability in the design of equipment in our R&D center and place great emphasis on the recycling of resources. In line with this approach, we have designed the equipment in our R&D center, which performs boiling water abrasion resistance tests 24 hours a day, 7 days a week, to save water with an infrastructure of recyclable resources.

Thanks to this design, water is efficiently reused during the tests and unnecessary water consumption is minimized. Thanks to this innovative infrastructure, a total of 10,512 tonnes of water is saved annually.



## WATER FOOTPRINT

At Akcoat, we adopt highly efficient technologies by defining our operational impact on water management through our Water Footprint, which we have been calculating since 2021. As part of our operational control approach, we include 100% of the water consumption and discharge resulting from our plant activities in our calculations. In our study, which was prepared in accordance with the requirements of ISO 14046 “Water Footprint - Principles, Requirements and Guidelines” and the Water Footprint Assessment Manual, we included all of our production units and processes within the operational boundaries using a door-to-door approach.



Water Withdrawal (ML)*	2021	2022	2023
Surface water	11.8	8.37	14.6
Groundwater	61.1	85.0	80.8
Sea water	0	0	0
Water from Third Party Suppliers	0.281	0.223	0.241
Discharged Water	18.3	8.37	14.6
Water Consumption	54.9	85.2	81.0

\*ML: Megalitre

Water Footprint (ML)*	2021	2022	2023
Green Water Footprint	15.3	2.05	2.05
Blue Water Footprint	73.2	93.6	95.6
Gray Water Footprint	106	46.5	80.9

\*ML: Megalitre



**Blue Water Footprint:** The use of freshwater resources such as surface water and groundwater; typically used for irrigation, industrial processes, or as drinking water.



**Green Water Footprint:** The use of water that comes from natural sources, such as rainwater, and is absorbed by plants in the soil; this water is not taken directly from a groundwater or surface water source.



**Gray Water Footprint:** The amount of water required to remove pollution caused by the release of pollutants into water; this water dilutes pollution levels, bringing them in line with environmental standards.

## CEO Water Mandate

As the first Turkish chemical company to sign the CEO Water Mandate initiative, we have set various water sustainability targets and are continuing our efforts in line with these targets. Our efforts to develop sustainable water management solutions and raise awareness in this area contribute significantly to our goal of minimizing our environmental impact.

The CEO Water Mandate aims:

- to conduct a comprehensive water-use assessment to understand the extent to which we use water in our manufacturing operations and calculate our water footprint on a regular basis
- to establish water conservation and wastewater treatment targets for our operations and raise awareness of water sustainability within our corporate culture
- to encourage suppliers to improve water conservation, quality monitoring, wastewater treatment and recycling practices
- to work with national, regional, and local governments and public institutions to ensure water sustainability
- to conduct water resource education and awareness campaigns in partnership with stakeholders.

# Corporate Carbon Footprint

At Akcoat, we use a variety of methods to measure and manage our environmental impact. To manage our greenhouse gas emissions and develop our mitigation strategies, we have been calculating our greenhouse gas emissions on a regular basis since 2019. In 2021, we expanded the scope of the study we started in 2019 for Scope 1 and 2 emissions to include Scope 3 emissions. Scope 3 emissions relate to items such as purchased goods and services, transportation, shipping, employee services and waste generated in production.

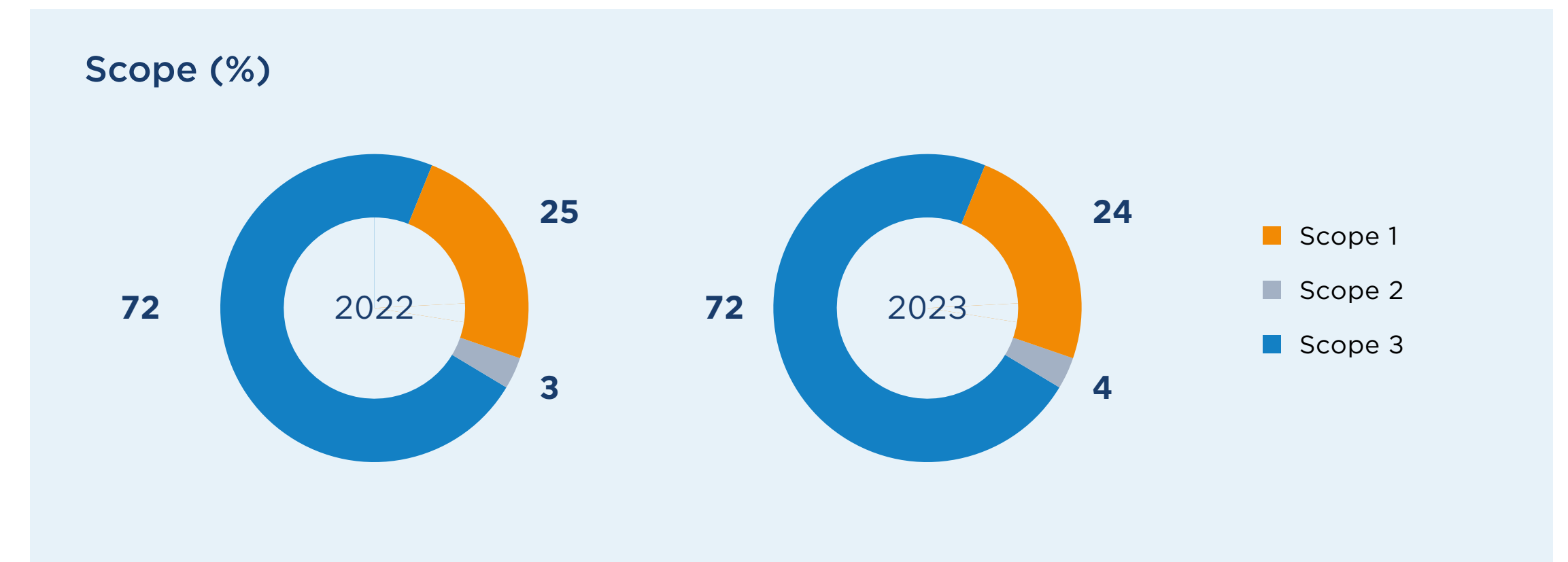
By calculating and reporting Scope 3 emissions, we wanted to measure the impact of our whole value chain, not just of our direct operations.

By calculating and reporting according to international standards (GHG Protocol and ISO 14064), we also formulate our reduction strategies for the management of periodically calculated emissions.

As with other stakeholders in our sector, our Scope 3 emissions are the focus of our attention. Purchased raw materials and services are a Scope 3 emissions hotspot, accounting for 71% of our total emissions. With this in mind, in addition to efficiency efforts, we have accelerated activities to improve our supply chain, such as responsible purchasing practices and low-carbon sourcing of raw materials.



Tonnes of CO <sub>2</sub> equivalent	2022	2023
Scope 1 (emissions resulting from our own activities)	47,546	36,090
Scope 2 (our share of our energy suppliers' emissions)	6,498	5,894
Scope 3 (our share of our supply chain's emissions)	136,997	107,120
Total (Scope 1-2)	54,044	41,985
Total (Scope 1-2-3)	191,041	149,105



# People-focused collective growth



## PEOPLE FOCUS

- HUMAN RESOURCES POLICY
- DIVERSITY, EQUITY AND INCLUSION
- TALENT ACQUISITION AND MANAGEMENT
- EMPLOYEE ENGAGEMENT
- OCCUPATIONAL HEALTH AND SAFETY
- CORPORATE SOCIAL RESPONSIBILITY

# Human Resources Policy

At Akcoat, we place human resources at the center of our sustainability strategies and adopt as a fundamental principle investing in the welfare and development of our employees. We act with the understanding of “People First”, and make it our mission to transform our organization into a global player by ensuring the continuous development of our employees. In this direction, our vision is to create an ideal workplace and become a preferred employer brand.

Our human resources management plays an important role in this journey, where we focus not only on environmental and governance impacts, but also on social responsibility and employee well-being to ensure sustainability. As part of the Akkök Group, one of our main goals is to create a work environment that gives our employees confidence and makes them proud to work towards creating sustainable value. To this end, we develop sustainable, fair, transparent, and innovative human resources processes and practices that will strengthen our employees’ loyalty to the company and their understanding of a sustainable corporate culture.

## OUR HUMAN RESOURCES POLICY

At Akcoat:

- Through fair and consistent leadership, we create an environment where employees feel safe and can generate innovative ideas.
- We ensure that our employees are proud of the success that results from their contribution to the business.
- By supporting teamwork, we create the necessary environment for them to achieve success by working together.
- We encourage our employees to continuously seek innovation, and develop their competencies to realize it.
- We take responsibility for development, seize learning opportunities, and succeed by learning from each other.
- We see and value our differences as our richness.
- We respect human rights and avoid all aspects that are incompatible with human rights, such as child labor, forced labor and human trafficking.
- We provide feedback through open communication. This is how we evolve and continuously improve.
- We recognize and reward good work.
- We create a development plan for our employees; developing their competencies and preparing them for critical positions.
- We ensure that the right employee is in the right position according to their competencies.

In accordance with our Human Resources Policy, we manage all our processes with the following values

Transparency

Sincerity and Honesty

Accountability

Respect for the Environment and People

Awareness of Responsibility

Service Excellence

Equality



# Diversity, Equity and Inclusion

At Akcoat, we place diversity, equity and inclusion among our core values and material issues in line with our sustainability goals. Equality ensures that all our employees and stakeholders have equal access to opportunities and that we apply fair and transparent practices in our decision-making processes. Diversity enables us to bring different perspectives and experiences to our business and enhances our creativity and capacity for innovation. Inclusion, on the other hand, helps us to embrace this diversity as a value and to create a work environment where all employees feel they belong.

To understand and meet the needs of our customers and employees from different regions and cultures, we promote diversity at every stage from the design to the production of our products. We are committed to contributing to a sustainable future by focusing on diversity, equity and inclusion in this approach, which we embrace as part of our sustainability perspective. We are committed to providing a safe, respectful, and supportive work environment for all by protecting the rights of our employees, providing fair and transparent compensation, and improving working conditions.

Workforce Breakdown by Gender (Person)				
		2021	2022	2023
Female		40	45	57
Male		386	398	380
*Excluded for temporary employment.				

Workforce Breakdown by Category (Person)				
		2021	2022	2023
Blue Collar	Woman	3	3	3
	Man	306	315	283
White Collar	Woman	37	42	54
	Man	80	83	97
*Excluded for temporary employment.				

Workforce Breakdown by Contract Type (Person)				
		2021	2022	2023
Permanent Employment Contract	Woman	37	40	57
	Man	381	393	380
Temporary Employment Contract	Woman	3	5	0
	Man	5	5	0

Labor Force Breakdown by Employment Type (Person)				
		2021	2022	2023
Full Time	Woman	40	45	57
	Man	386	398	380
Part Time	Woman	0	0	0
	Man	0	0	0
*Except for temporary employment.				

Executive Level Workforce Breakdown (Person)				
		2021	2022	2023
Under 30	Woman	1	0	2
	Man	0	0	0
30-50	Woman	12	11	17
	Man	41	48	49
Over 50	Woman	0	0	0
	Man	1	2	1
Total	Woman	13	11	19
	Man	42	50	50
*Excluded for temporary employment.				

Members of the Board of Directors (Person)				
		2021	2022	2023
Under 30	Woman	0	0	0
	Man	0	0	0
30-50 Years	Woman	2	2	3
	Man	2	2	2
Over 50 Years	Woman	1	1	0
	Man	2	2	1
Total	Woman	0	0	0
	Man	7	7	6

Parental Leave Utilization (Person)				
		2021	2022	2023
Number of Employees on Parental Leave		3	1	0
Number of Employees Returning to Work after Parental Leave		1	1	0
Number of People Who Returned to Work After Parental Leave and Worked for At Least 12 Months		1	1	0



## REMUNERATION POLICY

At Akcoat, we are committed to continuously improving the social rights and working conditions of every employee. We strongly believe that social sustainability includes not only economic prosperity, but also the satisfaction and motivation of our employees. With this belief in mind, we are committed to transparency and fairness in wage matters.

We establish direct and transparent communication with our employees. This enables us to respond more quickly and effectively to their needs and demands. While this approach strengthens our strong and trusting relationships within the company, it also allows us to listen to the voices of our employees and make their happiness one of our top priorities.

Our remuneration policy is based on a global remuneration methodology with the goal of creating a fair and competitive structure. This methodology focuses on objectivity and transparency in our job evaluation and salary processes, carefully assessing the complexity, responsibilities and competencies required for each position. In this way, we ensure that each of our employees is fairly compensated for their efforts and we recognize their efforts and contributions.



# Talent Acquisition and Management

Talent acquisition is important to the long-term success and social sustainability of our business. For this reason, we are focused on attracting talented, open-minded, and highly motivated individuals to our company. As in every aspect of our people processes, we aim to maximize the potential of each individual through a transparent, fair, and inclusive approach to talent acquisition.

In the performance management process, we evaluate the effectiveness and efficiency of work performed at both the company and individual levels using fair and objective criteria. In this process, we meticulously measure the performance of all our employees according to their role in achieving the strategic goals of our company. The Balanced Scorecard methodology, which we use to translate our mission and vision into concrete objectives, is at the heart of our performance management strategy. Our goals, which we set in four dimensions: financial, customer, process, and learning and development, are designed to be SMART (Specific, Measurable, Attainable, Realistic, Time-bound). By setting SMART goals, we are able to objectively evaluate the performance and development of our employees.

Each year, our strategic plans and institutional reportare developed in the first week of August in coordination with our Strategy and Risk Department, together with our senior management. After approval by the General Manager, our directorate goals are set by the last week of November. The goals of our professional-level employees are set once a year and finalized through year-end interim reviews. The goals of our operational-level employees are set every six months and are subject to performance reviews.



With the entry of Generation Z into the workforce, we have moved from a period where wages and benefits were a priority to one where career planning, training and development opportunities, corporate social responsibility and sustainability issues come to the fore. In this direction, we have started to shape our practices in the direction of social sustainability. We are working hard to make Akcoat not only an ideal place to work, but also an ideal place to grow by developing special practices such as remote and flexible working opportunities, personal and position-specific training programs, and educational leave.



## EMPLOYEE DEVELOPMENT

We meticulously identify the training and development needs of our employees while planning the trainings we provide in order to increase employee development day by day. We consider many factors in this process, such as the year's strategic company/departmental goals, legal requirements, avoidance of workplace accidents, risk assessment results, and the previous year's training analysis. Competency and performance assessments, development plans and requests from our directorates also play an important role in this process.

**The Akcoat Academy**, established in 2019, manages our training activities in a systematic and effective manner. Our Academy is divided into areas such as the Leadership Faculty, the Orientation Faculty, and the Technology Faculty. Within these faculties, we offer a wide range of training, from programs that improve our employees' leadership skills to orientation training, sales, and innovation schools. Employees can log in to our online training platform to receive training and track their progress. At the end of the training sessions, we continue our continuous improvement approach by receiving feedback from participants.

Through our membership in the **Harvard Business Review (HBR)**, we provide our employees with the opportunity to gain in-depth knowledge of the latest management strategies, leadership, entrepreneurship, talent management, and critical business issues on a global scale. Our membership in HBR contributes to the personal and professional development of our employees, enabling them to keep up-to-date with developments in the business world and to develop themselves in these areas.

**Harvard  
Business  
Review**

Training Subject (2023)	Total Training (Hours)	Employees Included in Education (Person)
OHS	9,524	471
Sustainability	275	202
English	439	28
Ethics	226	347
Vocational Device	469	224
General/Personal Development	6,673	471
Management Systems and Personal Data Protection Authority (KVKK)	3,280	417
5S	388	274
Toolbox	483	374
Chief/Admin Personal Development (Horizon Open Learning Workshops)	693	62



## The Future Project

With “The Future Project” summer internship program, which we launched in 2018, we aim to best prepare university students for the future, give them valuable experience in business life, and bring young and dynamic perspectives to our company. With this project, we want to discover the leaders of the future today and prepare them for the business world in the best possible way.

We offer the opportunity to apply for the program online through career portals on dates set each year. The students, whom we select from the applications with transparency and meticulousness, have the opportunity to learn hands-on in the real business environment at the Akcoat factory during their internship. In our program, we do not have any expectations from the interns such as compulsory internship or a certain grade point average, we only care that they freely reveal their potential and have a real learning experience.

Our university students, who gain important experience by working with their “buddies” and “mentors”, are also taking a big step forward in their professional lives. Our interns, who have the opportunity to present their projects to Akcoat managers at the end of the program, gain an important insight into the business world and the perspective of managers.



At the end of the program, the intern who has prepared the project selected by the managers as the most successful one, and his/her buddy who accompanies him/her, are rewarded with the opportunity to visit our Akcoat plant in Spain. In this way, our interns gain international experience.

In addition to The Future Project program, we have another internship program for university students during the summer. This program creates an environment for our students to efficiently complete their compulsory internships. In addition, we offer students the opportunity to observe and apply their academic knowledge at Akcoat by directing them to the relevant areas according to the needs of the department and the expectations of our students.



# Employee Engagement

We believe that encouraging employee ideas increases job satisfaction, enables the development of innovative solutions, and supports the long-term success of our company. Diverse perspectives and creative solutions help us meet the challenges we face. The experience and knowledge of our employees contribute to the development of new products and processes, helping us to maintain our strong market position and competitive advantage.

At Akcoat, we operate a suggestion scheme to encourage employee participation and reward programs to encourage the suggestion process. We regularly collect ideas from our employees and integrate them into our business processes. By integrating ideas, we aim to maximize the performance and motivation of our employees as well as the benefits to the company.

Employee engagement is critical to the success and sustainability of our business. With this in mind, we use the Global Employee Engagement Survey to measure and improve our employees' satisfaction with their workplace. In this way, we continuously evaluate the contributions and feedback of our employees and together build Akcoat's sustainability vision. By creating action plans based on the survey results, we develop strategies to meet the needs of our employees and integrate these strategies into our business processes.

Participation rate in the global employee engagement survey conducted in 2023

77%

We aim to increase employee satisfaction and the overall performance of our company by acting responsibly to create a work environment that hears and values the voices of our employees.

With the importance we attach to internal communication, we organize various activities to increase the motivation of our employees and strengthen the bond between us. With the importance we place on internal communication, we organize various activities to motivate our employees and strengthen the bond between us. We organize a wide range of activities, from monthly birthday parties to anniversary celebrations, from regional dragon boat races to fishing events. We also organize cocktail events to introduce our new employees and help them mingle with our management teams.

## WORK-LIFE BALANCE

At Akcoat, we believe in the importance of maintaining our employees' work-life balance and increasing their motivation. With this understanding, we started the practice of, during the summer months, ending working on Fridays one hour earlier. As part of the summer work schedule, we can start the weekend early by leaving work at 4:00 p.m. on Fridays.



# Occupational Health and Safety

As a leading company in the chemical coatings industry, we have adopted an Occupational Health and Safety (OHS) policy that is a fundamental element of our business processes. Our approach goes beyond legal obligations and reflects our goal to protect the health and safety of our employees and the communities in which we operate.

We aim to protect the safety of our employees at the highest level by supporting our OHS practices with comprehensive procedures and training programs. While our corporate culture prioritizes safety and health, we implement the best practices in the sector under the leadership of Akkök Holding.

Our **OHS procedures**, prepared in accordance with local legislation and international standards, are designed to identify hazardous situations and behaviors in the work environment, assess the risks and take the necessary measures to minimize these risks. We carry out various activities to identify these hazardous situations and raise the awareness of our employees through field audits that we organize every year.

With the support of Akkök Holding, continuous development and innovative approaches are adopted in our OHS training. These training sessions are designed in accordance with both legal requirements and best practices in the industry. We provide regular training to ensure the safety of our employees and prevent occupational accidents, and we keep our employees up to date.

As our facility is classified as “high risk,” our OHS Board meets monthly to systematically analyze workplace accidents, near misses, and health data. Necessary actions are determined in accordance with the decisions made, and this process contributes to the spread of our safety culture throughout our facility.

**OHS training**, provided within the legal framework, is aimed at increasing the knowledge and skills of our employees and promoting safe behavior in the work environment. Newly-hired employees receive six hours of training on their first day of work. In this training they are informed about Akcoat’s general rules and what to do in case of an emergency. Employees who have had an accident at work or who have been away from work for more than six months receive refresher training when they return to work. In addition, our employees are informed about possible hazards and special precautions to be taken in the units to which they are assigned through temporary and permanent assignment training.

**45 on-site audits were conducted in 2022, and 94 on-site audits including senior management were conducted in 2023.**



Our **workplace health unit** is staffed five days a week by a full-time occupational health physician and nurse. This unit closely monitors the health of our employees and provides advice on all health-related issues in the workplace. These activities are an integral part of our OHS policy.



Through our **open-door policy**, we encourage all employees to take an active role in safety and health issues. This approach supports the participation and transparency that are the foundation of our corporate culture and increases the effectiveness of our OHS practices. We aim to create a healthy and safe working environment by raising safety awareness among all our employees.

Our **Behavior-Driven Safety Culture strategy** is at the heart of our OHS practices and ensures that we put the safety and health of our employees above all else. As a result of this strategy, we have achieved a 66% reduction in lost time accidents and an improvement of up to 85% in the accident severity rate by 2023 compared to 2021. The results we have achieved with our OHS practices are a concrete response to our OHS strategy efforts and a clear indicator of our continuous improvement approach.

<b>OHS Performance Data (2022-2023)</b>	<b>2022</b>	<b>2023</b>
Number of Near Miss Incidents	-	479
Number of Lost Time (Labor Loss) Accidents	14	5
Number of Accidents with First Aid and Medical Treatment (without Labor Loss)	25	14
Number of Fatal Accidents	0	0
Accident Frequency Rate (Number)	11.80	4.21
Accident Severity Rate (Days)	89.34	16.01

We organize at least 16 hours of mandatory safety training each year to raise our employees' awareness. This training is supported by special training to increase safety awareness in the workplace and to ensure that accidents do not happen again. In addition, we aim to ensure that our emergency response teams do not endanger their own safety or the health and safety of other employees by providing them with in-depth training at regular intervals. There is continuous communication between the HSE department and our employees, and near misses and hazards are reported verbally or in writing and supported through various platforms.

#### **Major Accident Prevention Policy**

Due to the risks associated with the chemical coating industry, a Major Accident Prevention Policy (BKÖP) has been developed. This policy is designed to identify potential major accident scenarios in production processes, minimize risks and minimize the impact of potential accidents.

The Security Management System established within the scope of BKÖP is implemented and regularly updated in full compliance with ISO 45001, ISO 14001, and ISO 9001 standards. In addition, we continuously update our BKÖP in line with technological developments and experiences in the sector to make it more effective.

In order to minimize risks in the chemical coatings industry, comprehensive risk assessments are conducted at our facilities and the necessary measures are taken in accordance with these assessments. Safety systems are used in our operations to prevent toxic emissions, and protective equipment and fire protection systems are used to minimize the risk of explosions. Maintenance and repair procedures are carried out meticulously, and monitoring, control and alarm systems are continuously audited.

The roles and responsibilities of our employees are clearly defined within the framework of the BKÖP and these responsibilities are shared with all our teams. Regular training is provided to all our employees and subcontractors, and this training is continually updated. In addition, awareness-raising activities are carried out to spread the safety culture throughout the organization, and the opinions of our employees in this regard are regularly sought.

Our emergency preparations are carried out in cooperation with the Organized Industrial Zone and other organizations in our surroundings and relevant authorities such as AFAD, and all necessary steps are taken to minimize the impact of possible major accidents and maximize our emergency response capacity.

# Corporate Social Responsibility

Our corporate social responsibility (CSR) projects are some of the most concrete indicators of our commitment to building a socially and environmentally sustainable future. The CSR projects we implement not only benefit society, but are also a necessary step for the long-term success of our company. Through the projects we implement, Akcoat is both integrating sustainability principles into our business processes and contributing to the well-being of society. During the reporting period, we made significant contributions to sustainability by implementing our projects in a wide range of areas such as human health, gender equality, education, environment, and disaster relief.

## OUR SOCIAL RESPONSIBILITY POLICY

As part of the value it places on people, Akcoat considers acting with the aim of making a positive impact on people, businesses, and society in line with its corporate values, with social responsibility awareness in all its activities as one of the basic and unchanging elements of its management approach. It integrates these social responsibility standards into its activities by addressing the concerns of its stakeholders regarding social and environmental issues, diversity, financial responsibility, respect for human rights, prevention of corruption and other illegal activities.

The basic principles that guide Akcoat's corporate social responsibility practices are as follows:

- Akcoat is committed to operating in accordance with applicable laws and regulations, our customers' business partnership rules and the management system standards we apply through continuous monitoring.
- All employees have equal rights and there is no discrimination based on race, religion, national origin, gender, etc.
- Akcoat treats all employees honestly and fairly, avoids discrimination, and takes responsibility for providing a safe and healthy work environment that respects human dignity. Local migrant/foreign workers receive the wages and other social rights required for their work without discrimination against other workers.

- The wage system is administered on the basis of wage markets, the job family model and job grades, the existing wage structure and the company's ability to pay, and individual performance factors.
- Working hours and overtime are determined in accordance with applicable legal requirements.
- OHS training is provided to raise awareness among employees and ensure their participation in relevant practices. Improvement activities are carried out to identify and eliminate deficiencies through risk analysis, and the company strives to provide a healthy working environment for all employees.
- Legal procedures and principles regarding child and adolescent labor will be followed. No person under the age of 18 will be employed.
- Forced and involuntary labor is not employed and work is based on volunteerism. All forms of verbal, physical or psychological harassment and coercion that undermine the personality and honor of our employees will be avoided.
- An employment contract is signed between the company and the person to be employed, including the proposed conditions, in accordance with the workplace and the law. All personnel who accept to start work are made to sign the employment contract, personnel regulation and other documents defined in our procedures.

- Social compliance, occupational health and safety, and environmental management activities are organized in accordance with applicable laws and regulations, and customers' workplace codes of conduct are respected. It is considered essential to establish a system that is sensitive to the fight against bribery and corruption, fair competition, open to innovation, constantly setting new goals, improving working conditions in line with the interests of employees, customers, and the company, and ensuring their sustainability.

The main components of our Social Responsibility Policy are as follows:

- Legal Compliance
- Prevention of Discrimination
- Remuneration
- Working Hours
- Health and Safety at Work
- Child Labor Prohibition
- Prohibition of Forced and Compulsory Labor
- Labor Contracts
- Management Systems
- Human Trafficking Policy



## OUR CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

### Nutrition Friendly and Physical Activity Supporting Workplace

The **Nutrition Friendly and Physical Activity Supporting Workplace** program, which will be implemented in 2022, is a comprehensive initiative implemented for the first time in Sakarya and aims to improve the health and quality of life of employees. With this program, it aims to achieve behavioral changes in the areas of nutrition and physical activity and to support health with the active participation of employers, administrators, employees, and the community. At Akcoat, our main goal in participating in the program is to create a healthy, safe, and productive work environment. As part of this initiative, we are preparing informative guides and implementation manuals to improve employees' eating habits and increase their physical activity. Through training sessions and seminars organized for employees, it is ensured that the habits acquired are easily applied in daily life by providing healthy food options, creating sports areas, and encouraging physical activities.



**We are the first company in Sakarya province to receive the “Nutrition Friendly and Physical Activity Supporting Workplace” certificate issued by the Ministry of Health.**



### Promoting Physical Activity in the Workplace

At Akcoat, the health and well-being of our colleagues is a top priority. In this regard, we organize various programs and activities that encourage increased physical activity in the workplace.

We aim to strengthen each of our employees both physically and mentally through activities tailored to their needs and interests. While promoting a healthy lifestyle at work, we also strengthen team spirit through healthy communication among healthy individuals. We believe that healthy people are more productive and creative. Therefore, we believe that physical activity at work is not a luxury, but a necessity.

## Healthy Life Walk

With the belief that exercise is one of the most fundamental elements of a healthy life, we regularly organize **Healthy Life Walk** events to add health to our employees' daily routines and encourage them to be physically active.

During the walks, we replenish our energy in nature, relieve our stress and spend a pleasant time together. These walks, which promote both physical and mental health, also provide an environment that strengthens team spirit and social bonds.

## Sports Events

At Akcoat, we organize various sporting events to promote dynamism and healthy competition in the workplace. The sports events we organize provide opportunities to improve both the physical and social aspects of our colleagues. The tournaments we organize in various sports such as table tennis, backgammon and volleyball create an ideal platform for our employees to showcase their talents and come together in a fun, competitive environment.



## Healthy Eating Weight Loss Competition

As Akcoat, we are aware that a healthy life is not limited to physical activity. We believe that a balanced and proper diet is just as important as exercise. With this understanding, we organize a **Healthy Eating Weight Loss Competition** to encourage our employees to adopt healthy eating habits.

## Stop Smoking Campaign

The **Stop Smoking Campaign**, which we launched to demonstrate the value we place on the health of our employees at every opportunity, provides a strong support system for our employees who want to quit smoking.

## Sustainability Workshop: Green Thoughts with Mugs

At the **Mug Workshop** event we organized at our Akcoat R&D center, our employees engraved sustainability messages on mugs they designed themselves. This creative workshop was an important step to make sustainability awareness a part of daily life.

### Gender Equality Training Programs

Gender equality is one of the cornerstones of building a healthy and balanced society both at work and at home. As the Akcoat family, we regularly organize comprehensive gender equality training programs to raise awareness among our employees and their families.

### Combating Violence against Women

As Akcoat, we take a strong stance on gender equality and ending violence against women. As part of this stance, we organized events to raise awareness on November 25, the International Day for the Elimination of Violence against Women.

### Computer Laboratory at Kazımpaşa Primary School

In 2023, we donated computers to Kazımpaşa Primary School in the Serdivan district of Sakarya and modernized the school's computer lab. The project, to which we contributed 22 computers, aims to support the education of future scientists and leaders.

### Supporting Education in Kumluca

We have contributed to the education of students by donating computers to 10 village schools in Kumluca district of Antalya. By donating computers, we aim to increase students' access to technology and support their equal opportunities in education.

### Scientists of the Future

On April 23, National Sovereignty and Children's Day, which Mustafa Kemal Atatürk dedicated to children, we opened the doors of our Akcoat R&D center to the scientists of the future. In these events, which we organized to increase of our children's interest in science, we introduced them to experiments and allowed them to get to know the chemical industry.

### Supporting LÖSEV with our Welcome Kits

In the Welcome Kit that we give to our employees when they are hired, we present products that we purchase from Foundation for Children with Leukemia (LÖSEV) as a gift to support LÖSEV.

### March 22, World Water Day

Recognizing that the protection and sustainable use of water resources is a global responsibility, we organized various activities on March 22, World Water Day, to highlight the importance of water and encourage water conservation. At our event, we screened the documentary "25 Liters" to better understand the value of water and the importance of water conservation.

### Food Campaign for Shelters

On October 4, we celebrate World Animal Day with special events to emphasize our responsibility to our animal friends and to improve their living conditions. In 2023, we organized the "Food Campaign for Shelters" with the support of our colleagues to deepen the meaning of this special day and to support animals in shelters.



### We Heal the Wounds of Kahramanmaraş Earthquake Together

Following the earthquake that occurred in Kahramanmaraş on February 6 and deeply affected our country, Akkök Holding and its group companies took important steps to heal the wounds of the disaster and support the affected communities. In this context, we established a comprehensive support center in İskenderun, Hatay, in cooperation with the Community Volunteers Foundation, TOG.

Through the support center we have established, we provide a variety of assistance and services to people living in earthquake-affected areas. At this center, we provide a wide range of assistance, from emergency needs to educational and psychological support services, to help earthquake victims overcome their trauma and return to their normal lives. We have also implemented a number of projects that provide the necessary infrastructure and services for people living in container cities to continue their daily lives.

# GRI Content Index

<b>Statement of use</b>	Akcoat has made Sustainability Reporting in accordance with GRI Standards for the period 1 January 2022 - 31 December 2023.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard</b>	A GRI sector standard has not yet been published for the sector that Akcoat operates in.

GRI Standard/Other Source	Disclosures	Page, Source and/or Explanation
<b>GENERAL DISCLOSURES</b>		
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Pages 7-22: Akcoat in Brief
	2-2 Entities included in the organization's sustainability reporting	Page 3: About the Report
	2-3 Reporting period, frequency and contact point	Page 3: About the Report
	2-4 Restatements of information	There is no restated declaration regarding the previous period report.
	2-5 External assurance	The report has no external assurance audit.
	2-6 Activities, value chain and other business relationships	Pages 12: Field of Activity, 13-19: Products and Services, 32-34: Stakeholder Relations and Communication, 41-46: Value Chain Management
	2-7 Employees	Pages 62-76: People Focus
	2-8 Workers who are not employees	Pages 64-66: Diversity, Equity and Inclusion
	2-9 Governance structure and composition	Pages 24: Sustainability Governance, 32: Organizational Structure
	2-10 Nomination and selection of the highest governance body	Pages 24: Sustainability Governance, 32: Organizational Structure
	2-11 Chair of the highest governance body	Pages 24: Sustainability Governance, 32: Organizational Structure
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 24: Sustainability Governance, 32: Organizational Structure
	2-13 Delegation of responsibility for managing impacts	Page 32: Organizational Structure
	2-14 Role of the highest governance body in sustainability reporting	Pages 24: Sustainability Governance, 25: Sustainability Strategy
	2-15 Conflicts of interest	Pages 36-38: Business Ethics and Legal Compliance
	2-16 Communication of critical concerns	Pages 32-34: Stakeholder Relations and Communication, 36-38: Business Ethics and Legal Compliance
	2-17 Collective knowledge of the highest governance body	Pages 24: Sustainability Governance, 32: Organizational Structure
	2-18 Evaluation of the performance of the highest governance body	Pages 24: Sustainability Governance, 32: Organizational Structure
	2-19 Remuneration policies	Pages 64-66: Diversity, Equity and Inclusion

GRI Standard/Other Source	Disclosures	Page, Source and/or Explanation
<b>GRI 2: General Disclosures 2021</b>	2-20 Process to determine remuneration	Pages 64-66: Diversity, Equity and Inclusion
	2-21 Annual total compensation ratio	Pages 63: Human Resources Policy, 64-66: Diversity, Equity and Inclusion
	2-22 Statement on sustainable development strategy	Pages 23-31: Sustainability, 25: Sustainability Strategy, 28: Sustainability Actions
	2-23 Policy commitments	Pages 36-38: Business Ethics and Legal Compliance, 63: Human Resources Policy
	2-24 Embedding policy commitments	Pages 41-52: Value Chain Management, 69: Employee Engagement, 70-72: Occupational Health and Safety
	2-25 Processes to remediate negative impacts	Pages 36-38: Business Ethics and Legal Compliance, 44: Customer Relations
	2-26 Mechanisms for seeking advice and raising concerns	Pages 36-38: Business Ethics and Legal Compliance
	2-27 Compliance with laws and regulations	Pages 36-38: Business Ethics and Legal Compliance
	2-28 Membership associations	Pages 34-35: Corporate Memberships
	2-29 Approach to stakeholder engagement	Page 32: Stakeholder Relations and Communication
2-30 Collective bargaining agreements	Pages 64-66: Diversity, Equity and Inclusion	
<b>MATERIAL TOPICS</b>		
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Page 30: Materiality Analysis
	3-2 List of material topics	Page 30: Materiality Analysis
<b>Economic Performance</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 30: Materiality Analysis
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Pages 8-11: About Akcoat, 20: Economic Performance
	201-2 Financial implications and other risks and opportunities due to climate change	Pages 38-40: Risk Management
	201-3 Defined benefit plan obligations and other retirement plans	Pages 64-66: Diversity, Equity and Inclusion
	201-4 Financial assistance received from government	Page 19: Awards and Achievements
<b>Market Presence</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 30: Materiality Analysis, 64-65: Diversity, Equity and Inclusion
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Pages 64-66: Diversity, Equity and Inclusion
	202-2 Proportion of senior management hired from the local community	Pages 64-66: Diversity, Equity and Inclusion
<b>Indirect Economic Impacts</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 30: Materiality Analysis, 20: Economic Performance
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Page 20: Economic Performance
	203-2 Significant indirect economic impacts	Page 20: Economic Performance

GRI Standard/Other Source	Disclosures	Page, Source and/or Explanation
<b>Procurement Practices</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 42-43: Supply Chain Management
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Pages 42-43: Supply Chain Management
<b>Anti-corruption</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 36-38: Business Ethics and Legal Compliance
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Pages 36-38: Business Ethics and Legal Compliance
	205-2 Communication and training about anti-corruption policies and procedures	Pages 36-38: Business Ethics and Legal Compliance
	205-3 Confirmed incidents of corruption and actions taken	Pages 36-38: Business Ethics and Legal Compliance
<b>Materials</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 54: Raw Materials
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 54: Raw Material
	301-2 Recycled input materials used	Page 54: Raw Material
	301-3 Reclaimed products and their packaging materials	Page 54: Raw Material
<b>Energy</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 58: Energy Efficiency
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 58: Energy Efficiency
	302-2 Energy consumption outside of the organization	Page 58: Energy Efficiency
	302-3 Energy intensity	Page 58: Energy Efficiency
	302-4 Reduction of energy consumption	Page 58: Energy Efficiency
	302-5 Reductions in energy requirements of products and services	Page 58: Energy Efficiency
<b>Water and Effluents</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 59-60: Water Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Pages 59-60: Water Management
	303-2 Management of water discharge-related impacts	Pages 59-60: Water Management
	303-3 Water withdrawal	Pages 59-60: Water Management
	303-4 Water discharge	Pages 59-60: Water Management
	303-5 Water consumption	Pages 59-60: Water Management

GRI Standard/Other Source	Disclosures	Page, Source and/or Explanation
<b>Biodiversity</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 30: Materiality Analysis, 55: Biodiversity
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 55: Biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	Page 55: Biodiversity
	304-3 Habitats protected or restored	Page 55: Biodiversity
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Page 55: Biodiversity
<b>Emissions</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 30: Materiality Analysis, 61: Corporate Carbon Footprint
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Page 61: Corporate Carbon Footprint
	305-2 Energy indirect (Scope 2) GHG emissions	Page 61: Corporate Carbon Footprint
	305-3 Other indirect (Scope 3) GHG emissions	Page 61: Corporate Carbon Footprint
	305-4 GHG emissions intensity	Page 61: Corporate Carbon Footprint
	305-5 Reduction of GHG emissions	Page 61: Corporate Carbon Footprint
<b>Waste</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 30: Materiality Analysis, 56-57: Waste Management
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Pages 56-57: Waste Management
	306-2 Management of significant waste-related impacts	Pages 56-57: Waste Management
	306-3 Waste generated	Pages 56-57: Waste Management
	306-4 Waste diverted from disposal	Pages 56-57: Waste Management
	306-5 Waste directed to disposal	Pages 56-57: Waste Management
<b>Supplier Environmental Assessment</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 30: Materiality Analysis, 42-43: Supply Chain Management
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Pages 42-43: Supply Chain Management
	308-2 Negative environmental impacts in the supply chain and actions taken	Pages 42-43: Supply Chain Management

GRI Standard/Other Source	Disclosures	Page, Source and/or Explanation
<b>Employment</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 30: Materiality Analysis, 66-68: Talent Acquisition and Management
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Pages 66-68: Talent Acquisition and Management
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 66-68: Talent Acquisition and Management
	401-3 Parental leave	Pages 66-68: Talent Acquisition and Management
<b>Labor/Management Relations</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 30: Materiality Analysis
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	Akcoat fully complies with the legal processes specified in the Labor Law.
<b>Occupational Health and Safety</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 30: Materiality Analysis, 70-71: Occupational Health and Safety
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Pages 70-71: Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 70-71: Occupational Health and Safety
	403-3 Occupational health services	Pages 70-71: Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 70-71: Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Pages 70-71: Occupational Health and Safety
	403-6 Promotion of worker health	Pages 70-71: Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 70-71: Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Pages 70-71: Occupational Health and Safety
	403-9 Work-related injuries	Pages 70-71: Occupational Health and Safety
	403-10 Work-related ill health	Pages 70-71: Occupational Health and Safety
<b>Training and Education</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 30: Materiality Analysis, 66-68: Talent Acquisition and Management
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Pages 66-68: Talent Acquisition and Management
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 66-68: Talent Acquisition and Management
	404-3 Percentage of employees receiving regular performance and career development reviews	Pages 66-68: Talent Acquisition and Management



GRI Standard/Other Source	Disclosures	Page, Source and/or Explanation
<b>Diversity and Equal Opportunity</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 66-68: Talent Acquisition and Management
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 66-68: Talent Acquisition and Management
	405-2 Ratio of basic salary and remuneration of women to men	Pages 66-68: Talent Acquisition and Management
<b>Non-discrimination</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 66-68: Talent Acquisition and Management
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	During the reporting period, there were no incidents of discrimination.
<b>Freedom of Association and Collective Bargaining</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 30: Materiality Analysis
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	During the reporting period, there were no incidents restricting freedom of association.
<b>Child Labor</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 66-68: Talent Acquisition and Management
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	During the reporting period, there were no incidents of child labor.
<b>Forced or Compulsory Labor</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 66-68: Talent Acquisition and Management
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	During the reporting period, there were no incidents of forced or compulsory labor.
<b>Security practices</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 27: United Nations Global Compact Signature
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Page 27: United Nations Global Compact Signature
<b>Rights of Indigenous Peoples</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 66-68: Talent Acquisition and Management
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	During the reporting period, there were no cases of violations of the rights of local people.
<b>Local Communities</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis: 72-75: Corporate Social Responsibility
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 72-75: Corporate Social Responsibility
	413-2 Operations with significant actual and potential negative impacts on local communities	Pages 72-75: Corporate Social Responsibility

GRI Standard/Other Source	Disclosures	Page, Source and/or Explanation
<b>Supplier Social Assessment</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 42-43: Supply Chain Management
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Pages 42-43: Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	Pages 42-43: Supply Chain Management
<b>Marketing and Labeling</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis, 44: Customer Relations, 45: Quality Management
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Pages 44: Customer Relations, 45: Quality Management
	417-2 Incidents of non-compliance concerning product and service information and labeling	During the reporting period, there were no incidents of non-compliance regarding product and service information.
	417-3 Incidents of non-compliance concerning marketing communications	During the reporting period, there were no incidents of non-compliance regarding marketing communications.
<b>Customer Privacy</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 30: Materiality Analysis
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 incidents of breach of customer confidentiality.



#### Headquarter and Sakarya Facility

Sakarya 2nd OSB Road No: 18  
54300 Hendek, Sakarya, Türkiye  
Telephone: +90 264 323 3031  
Fax: +90 264 323 3032  
E-Mail: akcoat@akcoat.com

#### Akcoat Spain Facility

C/Ceuta, 13 - Pol. Ind. El Colomer P.O Box 375  
12200 Onda, Castellón, Castellón, Spain  
Phone: +34 964 776 629  
Fax: +34 964 776 634  
E-Mail: sales@akcoat.com

#### Istanbul Office

Akasya AVM Kent Phase  
A3 Block, Floor: 7, No: 9  
Üsküdar, Istanbul, Türkiye  
Telephone: +90 216 380 1701  
Fax: +90 216 380 1709  
E-Mail: akcoat@akcoat.com

#### Beijing Office

Room No: 101, Unit No: 1, Building No: 11  
Ruidu Gongyuan Shijia North District  
101121, Liyuan Area, Tongzhou District  
Beijing, China  
Telephone: +86 10 6054 1337  
Fax: +86 10 8954 8366  
E-Mail: akcoat@akcoat.com



For more detailed information about the  
Akcoat Sustainability Report and to submit  
your comments and suggestions:

[sustainability@akcoat.com](mailto:sustainability@akcoat.com)

**DISCLAIMER:** The Akcoat 2022 - 2023 Sustainability Report (Report) is for informational purposes only, and the content and information contained in the report have been created using information and sources believed to be accurate and reliable at the time the report was prepared. The information and content contained in the report cannot be interpreted as any statement, guarantee and/or commitment, nor is it guaranteed that the information and content are complete and unchangeable. The Company, its directors, employees and all other individuals and institutions that have contributed to the production of this report cannot be held liable for any damages that may arise from the use of the information contained in this report. All rights of the Report belong to Akcoat.

Sustainability and Reporting Consultancy

**Metsims Sustainability Consulting**

[info@metsims.com](mailto:info@metsims.com)

[www.metsims.com](http://www.metsims.com)

Report Design

**Editorial**

[editorial@editorial.com.tr](mailto:editorial@editorial.com.tr)

[www.editorial.com.tr](http://www.editorial.com.tr)