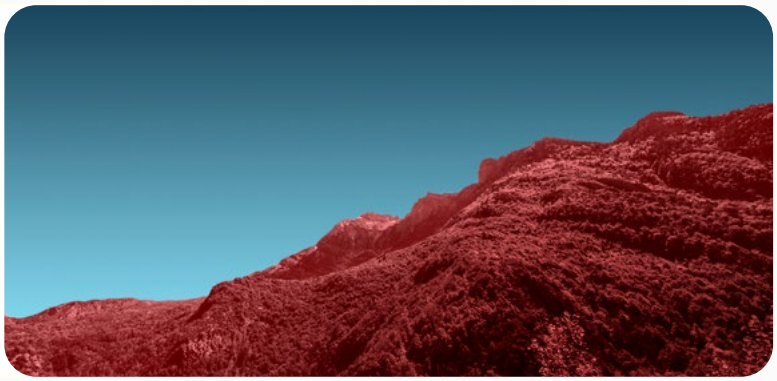


Arkem Chemicals B.V.

Annual Report 2024

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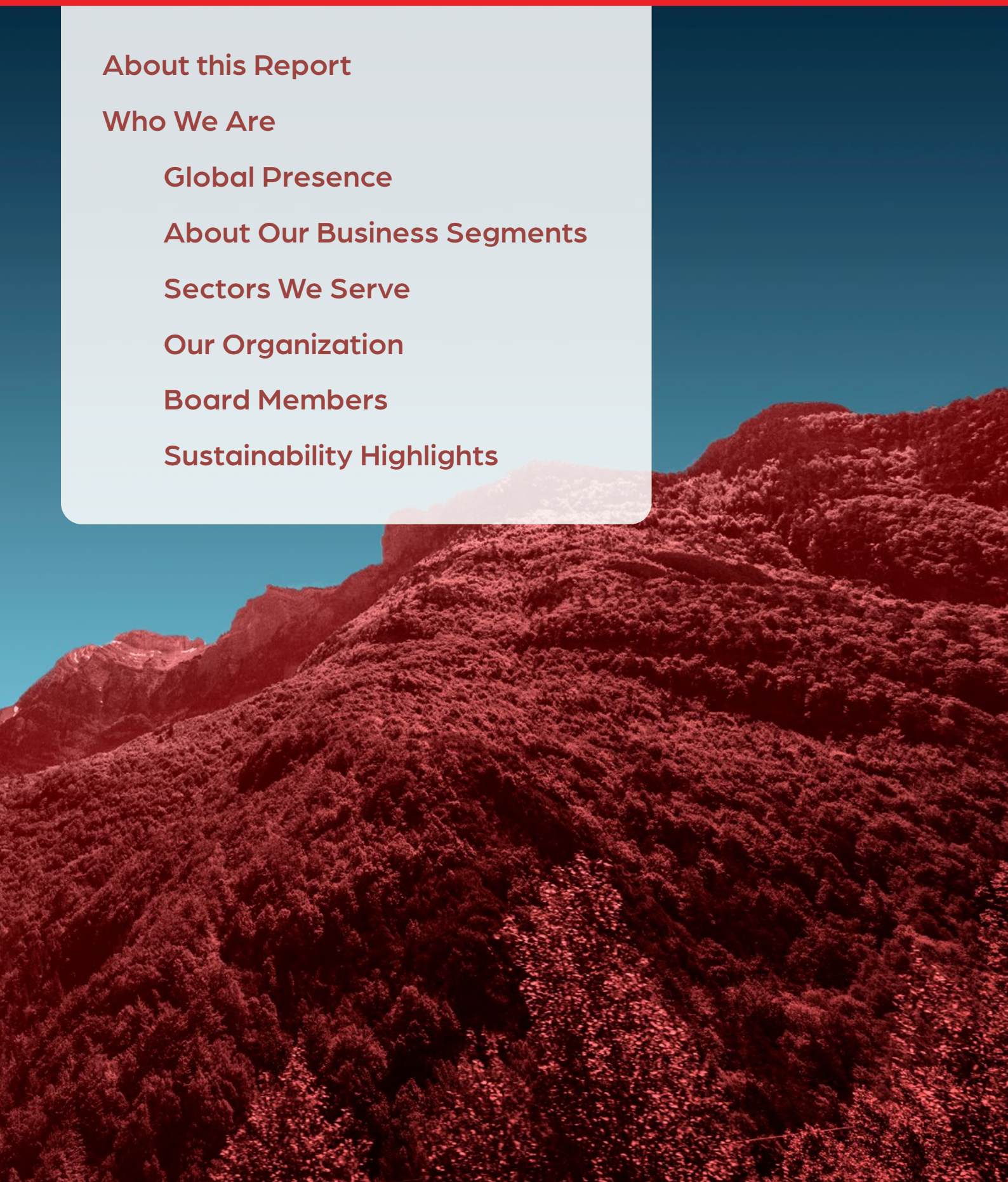
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Introduction



About this Report

Who We Are

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- About Our Business Segments
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ABOUT THIS REPORT

This Annual Report covers the period of January 1 to December 31, 2024. The Annual Report is prepared to comprehensively share with the public our activities and our work in environmental, social and governance (ESG) areas, which we carry out in line with our corporate values.

Our report aims to transparently reveal not only our company structure and commercial activities, but also our sustainability approach and our responsibilities to our employees, society, and the environment. In this respect, this report serves as a preliminary and foundational step for the comprehensive Sustainability Report we plan to publish next year, and aims to better reflect the expectations of our relevant stakeholders and our company's long-term strategic goals.

This report has been developed in line with national and international reporting standards and is an important step towards increasing our corporate transparency and establishing stronger communication with our stakeholders.

WHO WE ARE

316
Unique Suppliers

154
Customers

117
in our enhanced product portfolio

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

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



GLOBAL PRESENCE

EMEA

REVENUE

13,243,570 €

AMERICA

REVENUE

539,147 €

Arkem Chemicals B.V.'s total sales reached 13,782,717 € in 2024

NL	53,3%	FR	5,4%	USA	2,4%
DE	9,5%	BE	4,8%	SE	2,4%
TR	8,3%	ES	3,9%	TT	2,2%

All Other 7,8%



ABOUT OUR BUSINESS SEGMENTS

Essential Chemicals



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

Plastics and Polymers: Key raw materials for polyester, polyurethane, and other types of polymers.

Coatings: Provide durability, corrosion resistance, and aesthetic finishes for various surfaces.

Adhesives: Enhance bonding strength and flexibility for industrial and consumer applications.

Packaging: Support the production of sustainable, lightweight, and durable materials for food, consumer goods, and industrial packaging.

Performance Chemicals



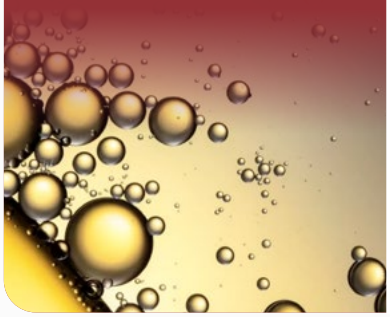
Performance chemicals are high-value-added products designed to meet specific industrial needs. Key application areas include:

Water Treatment: Solutions for cleaner and more sustainable water resources.

Concrete and Construction: Improve durability and contribute to energy efficiency through concrete additives.

Coatings and Paints: Provide surface durability, gloss, and protection through specialized chemicals.

Surfactants



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

Personal Care and Cosmetics: Essential ingredients in shampoos, soaps, liquid hand soaps, body cleansers, and other personal care products.

Household Cleaning: Key components in laundry detergents, dishwashing liquids, and surface cleaners.

Industrial Applications: Used in oil and gas industries as demulsifiers, in the textile industry for dyeing processes, and in the paper industry to facilitate operations.

Agriculture and Food: Employed as additives in pesticide formulations and food processing.

SECTORS WE SERVE









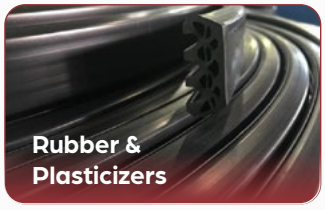




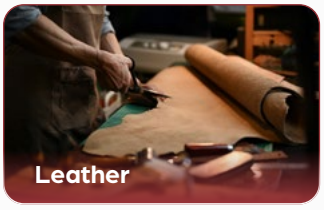








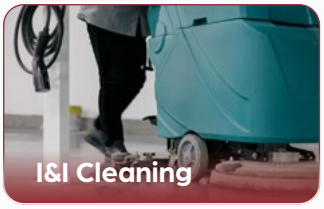














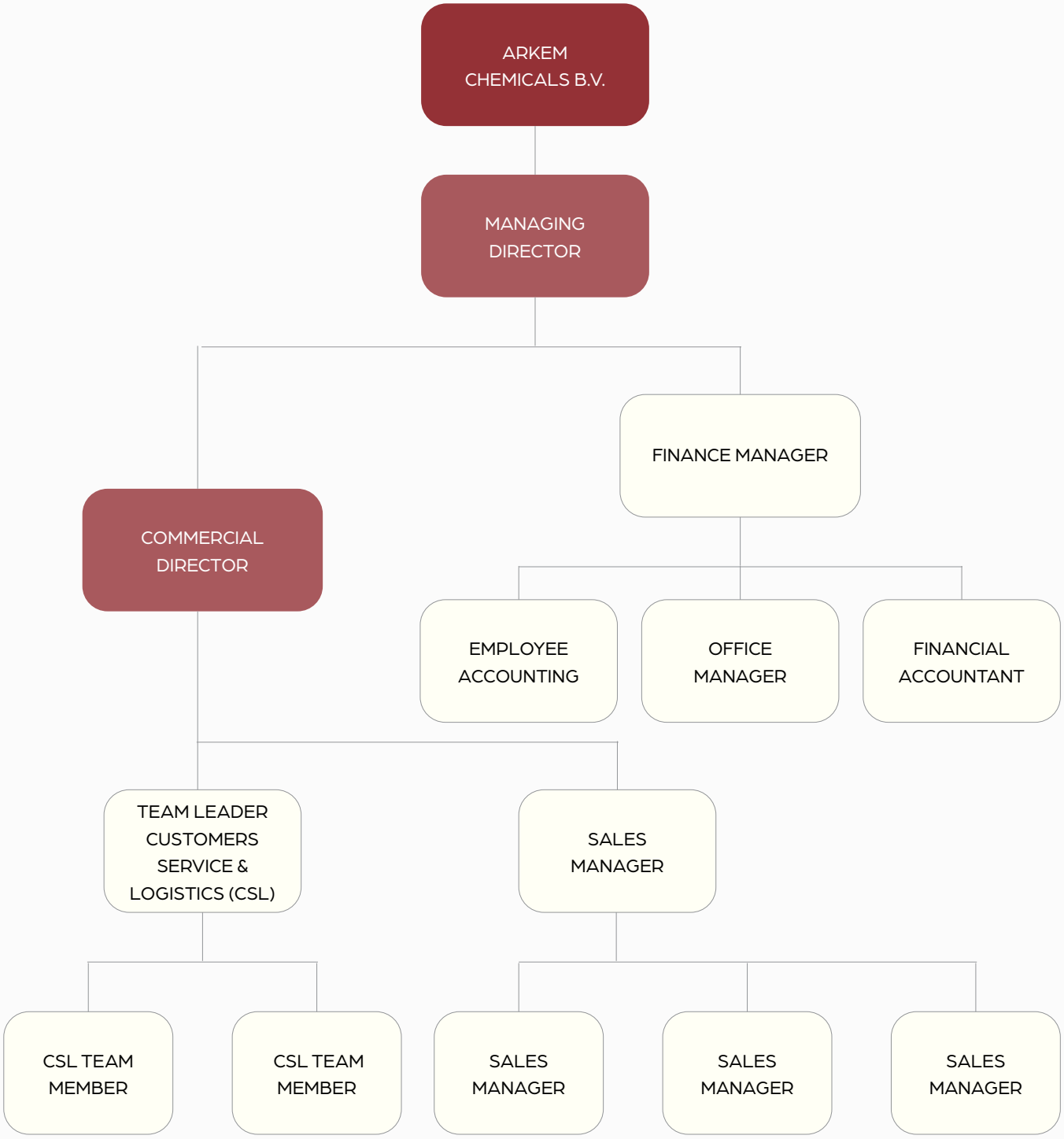
We proudly supply high-quality chemical raw materials to global markets, guided by our commitment to sustainability and environmental responsibility.

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

We conduct our activities in alignment with international sustainability frameworks.

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

OUR ORGANIZATION

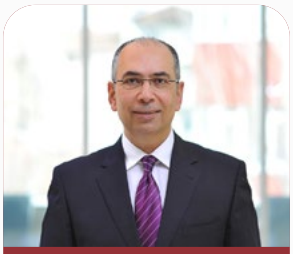


BOARD MEMBERS



Levend Kokuludağ

Algemeen Directeur (General Director)



Tezel Kökdemir

Board Member



Gökhan Kokuludağ

Board Member

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

Arkem Chemicals B.V.'s board of directors consists of 3 members who are experienced in the chemical trade sector. A target ratio and time plan have been determined to not reduce the female member ratio in our board of directors below 25%. This target is among our short-term strategic plans.

SUSTAINABILITY HIGHLIGHTS 2024

OUR TARGETS

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

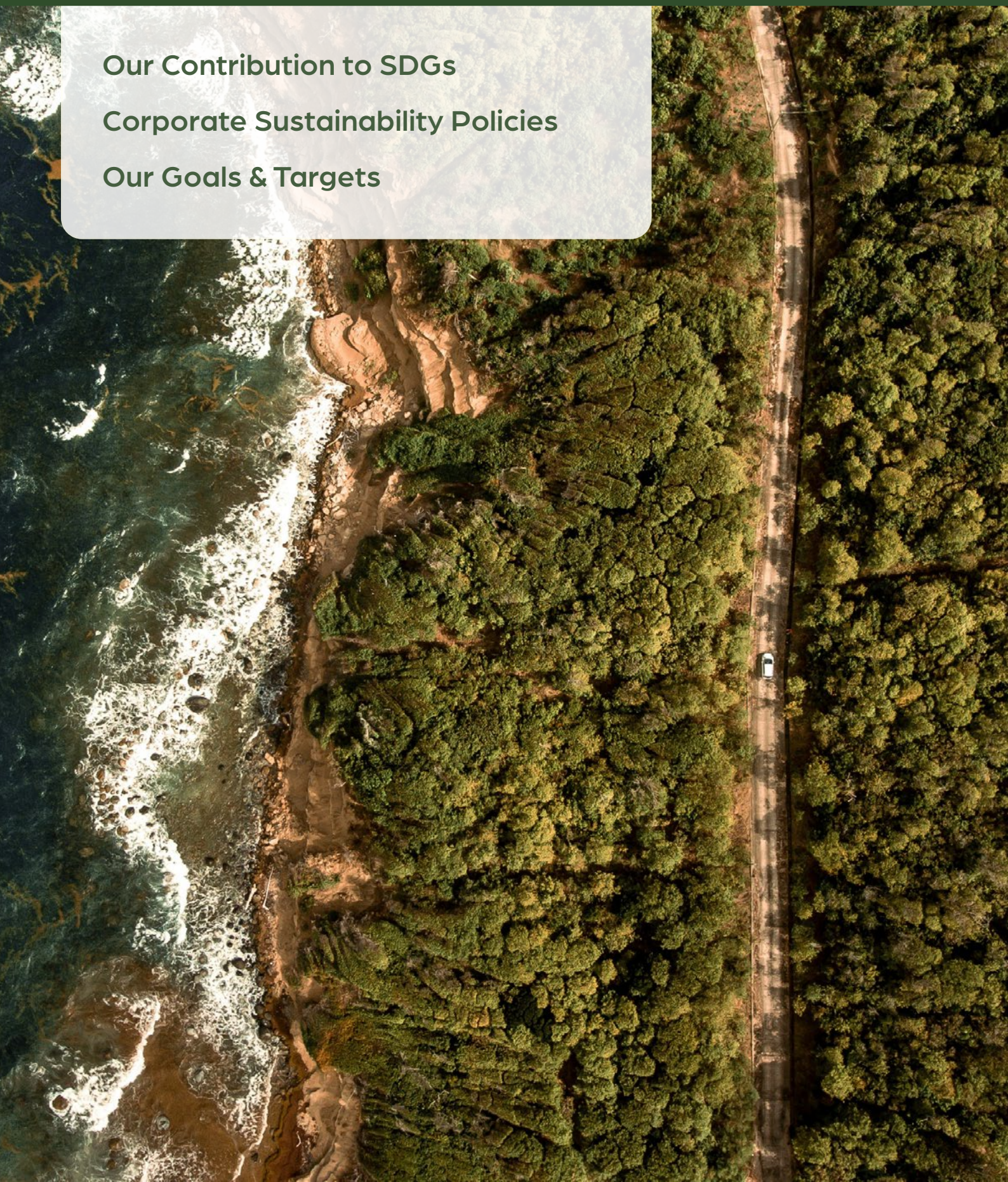
ECOVADIS GOLD

SUSTAINABILITY RATING*

SME B for CLIMATE

SME QUESTIONNAIRE*

Approach to Sustainability



Our Contribution to SDGs

Corporate Sustainability Policies

Our Goals & Targets

OUR CONTRIBUTION TO SDGS

Our Contribution to the United Nations Sustainable Development Goals (SDGs)

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

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

















SUSTAINABLE DEVELOPMENT GOALS



SDG 3 – Good Health and Well-being

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



SDG 4 – Quality Education

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



SDG 5 – Gender Equality

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



SDG 8 – Decent Work and Economic Growth

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



SDG 10 – Reduced Inequalities

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



SDG 12 – Responsible Consumption and Production

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



SDG 13 – Climate Action

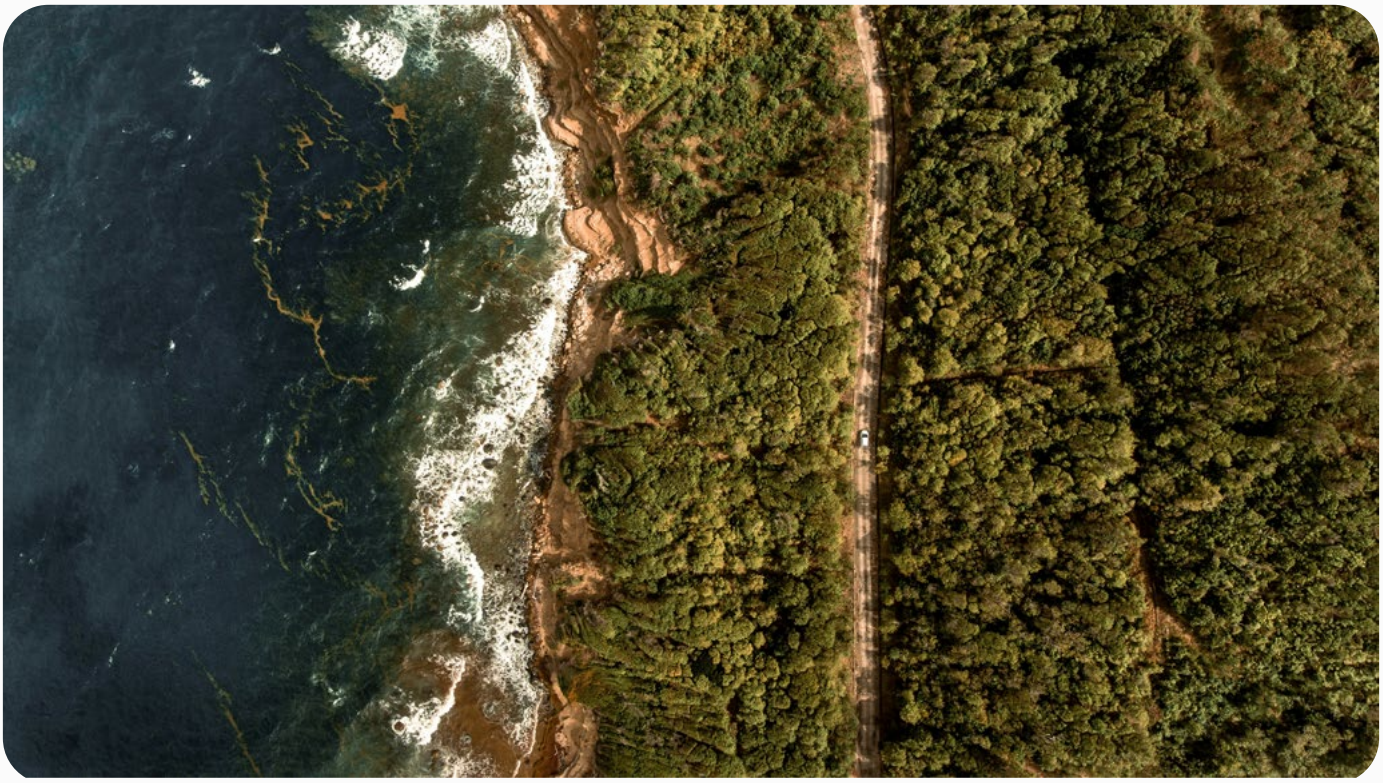
We are implementing targets and action plans to reduce our carbon footprint, enhance climate resilience, and promote low-carbon operations through emission reductions and resource efficiency.



SDG 17 – Partnerships for the Goals

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

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



OUR CORPORATE SUSTAINABILITY POLICIES

At Arkem Chemicals B.V., sustainability is integrated into the foundation of our business strategy. As a distribution company, we recognize our responsibility to operate in a way that respects the environment, safeguards human rights, promotes occupational health and safety, and upholds ethical standards across our entire value chain.

To ensure our operations are sustainable and responsible, we have established a comprehensive set of corporate policies. These include our Environmental Policy, Occupational Health and Safety (OHS) Policy, Information Security Policy, Human Rights Policy, and Sustainable Procurement Policy. Each policy outlines our specific commitments and guiding principles designed to minimize our environmental impact, protect our people, and contribute positively to society.

- **Environmental Policy:** We are committed to combat climate change and reduce our environmental footprint by improving resource efficiency, minimizing waste, and supporting practices that promote a low-carbon future.
- **Occupational Health and Safety Policy:** We prioritize the safety and well-being of our employees, contractors, and visitors. Our proactive approach ensures compliance with OHS regulations and the continuous improvement of workplace conditions.
- **Information Security Policy:** As part of our digital responsibility, we safeguard company and stakeholder information through robust data protection measures, ensuring confidentiality, integrity, and availability.
- **Human Rights Policy:** We uphold and promote internationally recognized human rights standards throughout our operations and supply chain, including fair labor practices, non-discrimination, and zero tolerance for forced or child labor.
- **Sustainable Procurement Policy:** We are committed to responsible sourcing and work closely with suppliers who share our values. Our procurement practices consider environmental, social, and ethical criteria alongside traditional factors such as price and quality.

These policies are not static documents; they are living frameworks that guide our decision-making and daily operations. We regularly review and update them to reflect evolving global standards, stakeholder expectations, and our own continuous improvement goals. We also publish our policies on our website. **https://arkem.eu/policy** and make them accessible to all our stakeholders.

By embedding sustainability into our corporate culture, we aim to create long-term value for our stakeholders while contributing to a more resilient, equitable, and sustainable future.

Quantitative targets related to our sustainability policies are determined in the Strategic Sustainability Goals and published on our website. **https://arkem.eu/strategic-sustainability-goals**

OUR TARGETS & GOALS

Time Horizons

Short	Medium	Long
1-5 Years	6-10 Years	>10 Years

Strategic Area	GOAL	KPI or Target	Time Horizon	Baseline (2024)	Progress (2025)	SDG Alignment
GOVERNANCE AND REPORTING	Being on prestigious sustainability scoring platforms and constantly improving sustainability performance	Having Platinum Medal in Ecovadis	Short	Gold medal	In progress	
		Having A level in CDP	Medium	SME B for climate	In progress	
		Sign the SME Climate Commitment (Climate Change, Energy)	Short	Not started	No progress	
	Demonstrate that we meet high standards of verified environment and social performance, accountability and transparency	To obtain ISO 14001 and ISO 45001 certificates	Short	Not started	No progress	
		To obtain ISO/IEC 27001 Information Security Management System (ISMS) certification	Short	Not started	No progress	
	Adopting the European standard reporting format by fulfilling the requirements	Preparation of sustainability reporting in accordance with international standards (GRI, CSRD, IFRS, ESRS, SAAB etc).	Short	Not started	No progress	
	Ensure long-term business viability to contributing to the global fight against the important issues all over the world.	Increasing diversity in terms of gender, age, culture and areas of expertise in board and leadership positions.	Medium	Not started	No progress	
	Improve data quality and have advanced analytical capabilities	Use of digital tools to improve data collection, analysis and reporting processes	Long	Not started	No progress	
	To support our sustainability goals and reduce environmental impact by building "green financial partnerships "	Use green bonds and sustainability-linked loans	Medium	Not started	No progress	
SUSTAINABLE PRODUCTS AND SERVICES	Managing the value chain with suppliers with high sustainability performance	Evaluating 100% of suppliers regarding their CSR performance	Short	Not started	No progress	
		Having 100% of suppliers' signature for Supplier Code of Conduct	Short	0%	3%	
		Reducing supply chain emissions by 20% by 2030	Medium	Not started	No progress	
		Auditing 10% of suppliers through third-party independent audits	Long	Not started	No progress	
		At least 50% of our logistic services from the companies which has Green or Sustainable Logistics Certificate	Long	Not started	No progress	
	Raising awareness among our stakeholders while pursuing good practices and new collaboration opportunities	Promotion of best practice and awareness in the value chain by collaborating at least 3 TOP suppliers	Medium	Not started	No progress	
		Educating/informing at least 10 customer on environmental sustainability and customer health and safety	Short	Not started	No progress	
		Joining at least 2 industry networks on sustainability to share resources and discuss best practices and collaborative opportunities with other businesses	Short	Not started	Meetings with TFS and SiGreen has been initiated	
	Supporting women's empowerment in all areas, including our stakeholders	Increasing the proportion of women-led entrepreneurs in the supply chain by 20%	Long	0.6%	0.6%	
	Expanding the portfolio with green product and service suppliers while meeting customer expectations	At least 10% of total purchased products with certified materials (eco friendly, eco-label etc.)	Long	Not started	No progress	
	Improving sustainable procurement performance by increasing the competencies of the purchasing team	Aim to train 100% of employees in the procurement and logistics team on environmental&social issues in the supply chain	Short	Not started	No progress	
		Training all relevant department managers and other levels about Sustainable Supply Chain	Short	Not started	No progress	

Time Horizons

Short	Medium	Long
1–5 Years	6–10 Years	>10 Years

Strategic Area	GOAL	KPI or Target	Time Horizon	Baseline (2024)	Progress (2025)	SDG Alignment
ENVIRONMENT	Engage and support ecosystem restoration and long-term protection	At least two voluntary workshops related to conservation projects (including reforestation, afforestation and ecosystem restoration)	Short	Not started	No progress	
		Attending at least three volunteering activities in environmental and biodiversity projects	Short	Not started	No progress	
		All packaging materials purchased for storage operations are made from recycled sources and contain 100% recycled content	Long	Not started	No progress	
	Enhance the resilience of facilities against physical climate risks	All packaging materials purchased for storage operations are made from recycled sources and contain 100% recycled content	Medium	Not started	No progress	
		To launch at least one climate change adaptation project	Short	Not started	No progress	
	Combat climate change by reducing emissions with developed strategies	By 2030, we aim to reduce gross Scope 1 and Scope 2 greenhouse gas emissions by 50% compared to the 2024 baseline.	Medium	"Scope 1: 38.57 tCO2e Scope 2: 2.92 tCO2e"	Will be calculated at the end of the year	
		Reduction of gross Scope-1 operational emissions by %20 compared to the 2024 baseline.	Medium	Scope 1: 38.57 tCO2e	Will be calculated at the end of the year	
		Provide 100% of electricity consumption by renewable energy sources (I-REC, GOs etc.)	Short	Not started	Planned for 2026	
		Calculate downstream and upstream transportation and distribution Scope-3 GHG emissions	Short	Not started	No progress	
	Enhanced water and waste management performance to reduce environmental impact of our operations	By 2030, achieve a 25% reduction in total water withdrawn compared to the 2024 baseline.	Short	48.7 m3/m2	13.2 m3/m2 (Jan-Feb-Mar)	
		Achieve zero destruction of returned products on an annual basis	Short	0	0	
	Strengthen internal knowledge and practices	To increase company-specific training hours provided to employees on the management of toxic and hazardous substances by 20%	Medium	1 h/employee	No training	
		At least 1 hour environmental training per employee every year.	Short	0%	100%	



Time Horizons

Short	Medium	Long
1–5 Years	6–10 Years	>10 Years

Strategic Area	GOAL	KPI or Target	Time Horizon	Baseline (2024)	Progress (2025)	SDG Alignment
SOCIAL	Increase and diversity the social responsibility projects we are involved in	Being a partner of at least 1 children's educational institutions to support equal opportunity and qualified education	Short	Not started	Planned for 2026	
		Increasing sink areas by planting 50.000 trees	Medium	Not started	Planned for 2026	
	Increase the value our employees add to the company and high engagament level	Total training hours at least 30 h per employee by 2030.	Short	14 h/employee	4 h/employee	
		Evaluation of employee's satisfaction level.	Short	Not started	In progress	
		"Achieve an employee satisfaction score of 90% by improving workplace culture, engagement, and support"	Medium	Not started	No progress	
		Achieve a 30% increase in the proportion of training programs offered to employees to enhance their job-related knowledge and career development skills	Medium	Not started	No progress	
		Conducting regular performance reviews	Short	Started	Completed	
	Providing a physically and mentally healthy working environment for our employees	Preserving our valued employee's physical health by giving an ergonomy trainings	Short	Started	Completed	
		At least 1 h OHS training per employee per year	Short	Started	Completed	
		100% of employees participating in awareness trainings about diversity, inclusion, discrimination and harassment	Short	Started	Completed	
		10% of suppliers in critical operations audited about human rights impact by external third parties	Medium	0%	No progress	



Time Horizons

Short	Medium	Long
1–5 Years	6–10 Years	>10 Years

Strategic Area	GOAL	KPI or Target	Time Horizon	Baseline (2024)	Progress (2025)	SDG Alignment
GOVERNANCE	Supporting women's empowerment in all areas	Increasing the rate of women in Senior Management up to 50%	Medium	0%	No progress	
		Being a member of UN Women	Short	Not started	Planned for 2026	
	Building a strong sustainability structure to improve our performance day by day	Establishment of a Sustainability Committee and its working principles	Short	Not started	Completed	
		Provide at least one ESG training to 100% of the board of directors annually	Short	Not started	No progress	
	Ensure long-term business viability to contributing to the global fight against the important issues all over the world.	Being a member of TFS	Short	Not started	Planned for 2026	
		Having "Responsible Care" certificate	Short	Not started	Planned for 2026	
		Determining the effects of physical climate related risks on business processes	Short	Completed (CDP)	100%	
	Build a strong and functional structure to support diversity and ensure an ethical working environment	Increasing diversity in board and leadership positions	Medium	Not started	No progress	
		Resolve 90% of reported ethical violations or complaints within 30 business days	Short	No violation report	No violation report	
		Establish a whistleblower protection program with 100% employee awareness and engagement	Short	Not started	Planned for 2026	
	Increase awareness and involvement by planning training activities from the board of directors to employees at all levels	Participation 100% of managing boards in ethics and sustainability training	Short	0%	100%	
		Achieve 100% employee completion of anti-corruption and ethical conduct trainings	Short	0%	100%	
	Strengthening commitment to ethical principles, increasing transparency and accountability in business processes, contributing to the prevention of illegal activities	100% of employees working in the company's high-risk areas receive annual training on combating bribery and corruption, conflict of interest, fraud awareness, anti-money laundering etc.	Short	0%	100%	
		All employees receive at least one session of Business Ethics and Compliance Training (including recognizing and reporting unethical behavior) per year.	Short	0%	100%	
	Fostering a culture of transparency and continuous improvement through our value chain	At least 75% participation rate in stakeholder surveys on ethics and sustainability	Medium	Not started	Planned for 2026	
		Establishing continuous communication and feedback mechanisms with stakeholders	Medium	Not started	No progress	
		Include environmental and social criteria in 100% of contracts	Short	0%	No progress	
	Ensuring the resilience and integrity of our operations by strengthening information security and sustainable digital environment.	Provide at least 1 hour training per employee about Information Security Management System	Short	0%	100%	
		Resolve 95% of IT related customer complaints within 10 business days through effective and lasting solutions to enhance customer satisfaction	Short	No complaints	No complaints	
		"Ensure that 100% of suppliers receive data processing and information security protocols, accompanied by awareness and engagement initiatives to support their implementation."	Short	Not started	No progress	

Environment

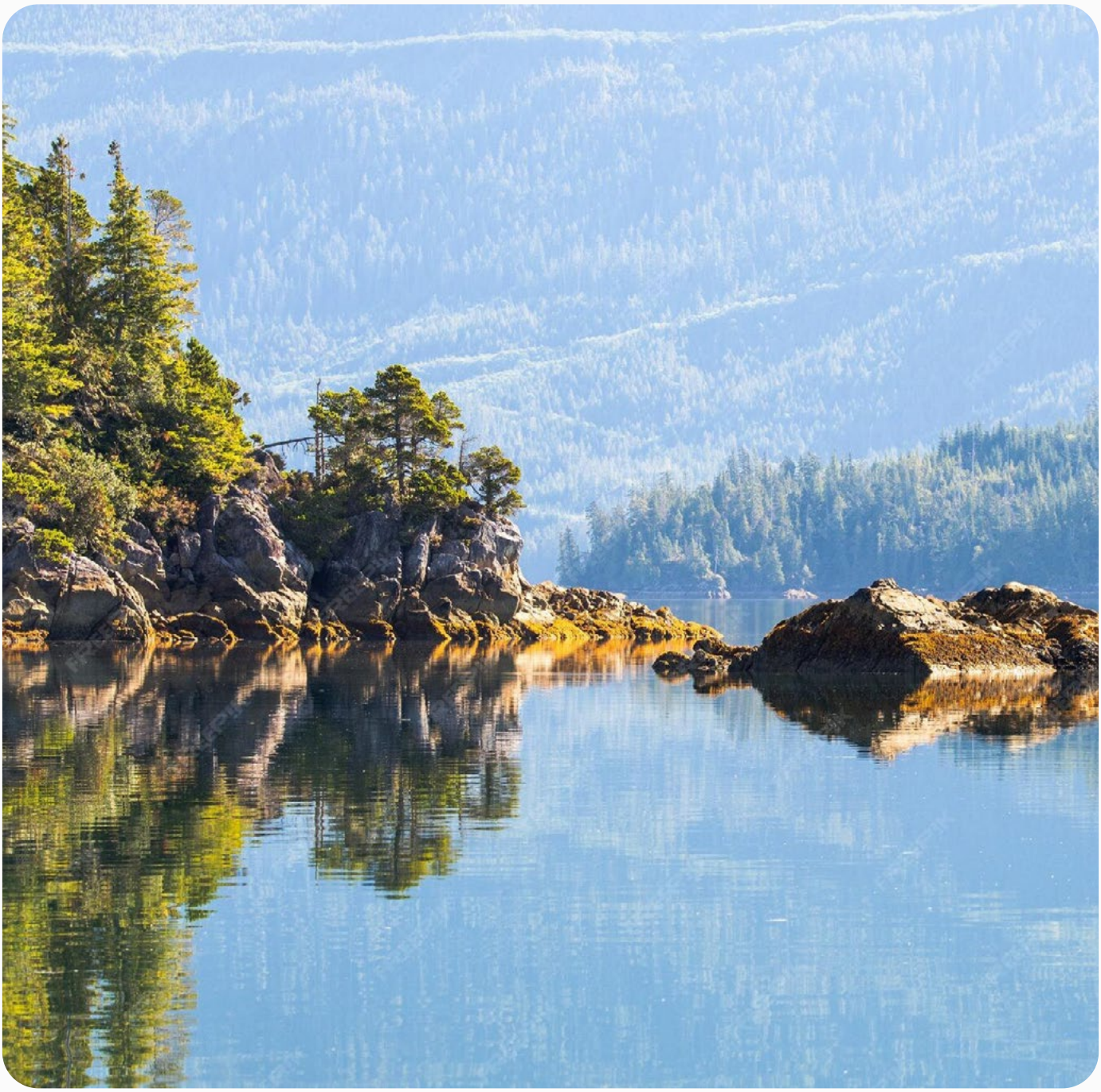


Climate Change & GHG Emissions

Energy Management

Water&Wastewater Management

Waste Management & Circular Economy



GHG EMISSIONS AND CLIMATE CHANGE

OUR APPROACH

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

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

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

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

OUR TARGETS

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

- By 2030, we aim to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 50% compared to the 2024 baseline.
- Reduction of own Scope-1 operational emissions by %20 compared to the 2024 baseline.
- Calculate downstream and upstream transportation and distribution Scope-3 GHG emissions by 2030.
- Provide 100% of electricity consumption by renewable energy sources (I-REC, GOs etc.)

In accordance with the Paris Agreement,

Our greenhouse gas reduction strategy focuses on transitioning from fossil fuel-based activities to a low-carbon economy using cleaner, sustainable energy sources. We are taking multiple steps to reduce both Scope 1 and Scope 2 emissions, identifying opportunities and aiming to reduce multiple environmental impacts in addition to reducing greenhouse gas emissions.

As of the base year 2024, we have calculated our Scope 3 carbon emissions arising from three key categories: business travel, waste generated in operations, and employee commuting.

We organize environmental and sustainability trainings every year to increase the environmental awareness of our employees and strengthen their sustainability consciousness. These trainings cover the subjects of reducing carbon footprint, energy and resource efficiency, circular economy practices and combating climate change, enabling our employees to contribute to conscious and effective sustainability practices and changing their daily life habits.

As part of our ongoing efforts to advance and monitor our decarbonization initiatives, we remain committed to measuring and disclosing annual Scope 3 carbon footprints. This practice allows us to effectively address and reduce the most significant emissions in our Scope 3 categories. We aim to measure our downstream and upstream logistics—transportation and distribution—Scope 3 greenhouse gas emissions by 2030

Aware of the critical role played by SMEs in combating climate change, we aim to sign the SME Climate Commitment by participating in the SME Climate Hub initiative. (Short-term strategic goal for 2026) Within the scope of our cooperation with SME Climate Hub, it is aimed to achieve significant gains in areas such as strengthening climate risk management, increasing stakeholder confidence, improving access to sustainability-focused financing, and integration into global sustainability platforms.

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

- Implementing science-based emission reduction steps,
- Measuring, reporting and transparently sharing our emissions annually,
- Making our business model, value chain and decision-making mechanisms climate compatible in this process.

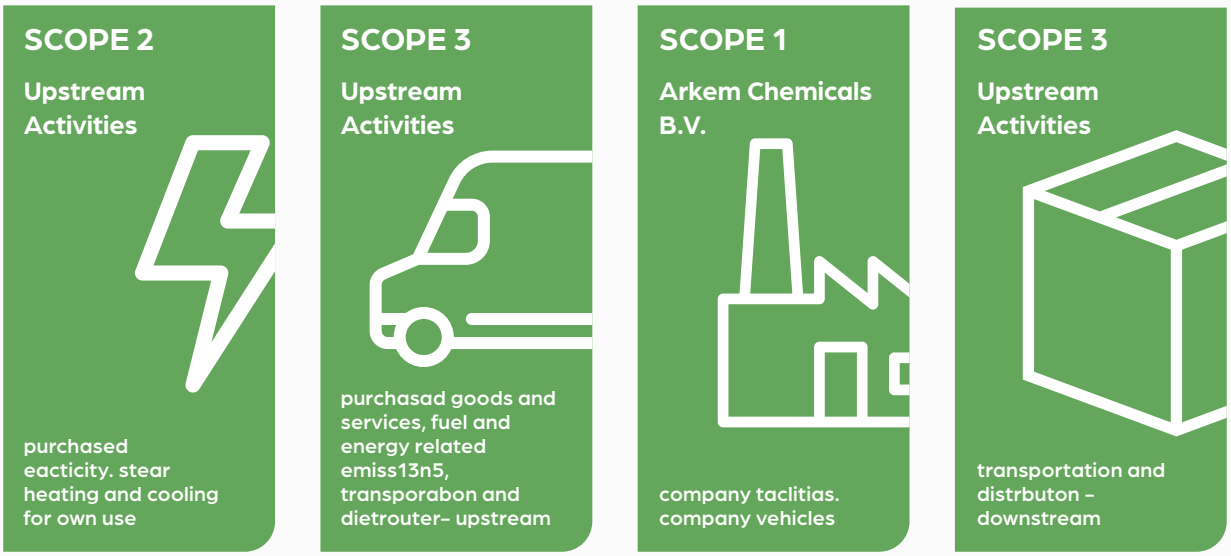
Our Emission Reduction Roadmap (Summary)

Target Area	2030 Target
Scope 1	50% reduction
Scope 2	100% Provide by renewable energy sources (I-REC, GOs etc.)
Scope 3 (Downstream and upstream T&D)	Calculate and Report
Total Emission Intensity tCO_2e/our turnover	Net zero approach

MONITORING

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

We regularly measure and monitor greenhouse gas emissions from our operations. The data obtained within this scope is systematically collected and monitored.



OUR PERFORMANCE

In line with our strategy to reduce climate impacts and greenhouse gas emissions, we have created programs covering all our companies to reduce carbon emissions in all our operations. Reduction target rates for all Scope 1,2 & 3 greenhouse gas emissions compared to the 2024 reference value have been determined.

GHG Emissions (tCO_2e)

Emission Category	Value (tCO_2e)	Market Based Emission (tCO2e)
Scope 1 Emissions	38.57	38.57
Scope 2 Emissions	3.68	2.92
Scope 3 Emissions	0.09	0.09
TOTAL	42.34	41.58

Percentage of Market-Based Carbon Emissions by Scope

Emission Category		Value (tCO_2e)	Market Based Emission (tCO2e)
Scope 1 Emissions	Mobile Combustion	38.57	38.57
Scope 2 Emissions	Electricity	3.68	2.92
Scope 3 Emissions	District Heating	0.09	0.09
TOTAL	Business Travel (Category 6)	42.34	41.58
TOTAL GREENHOUSE GAS EMISSIONS		41.58	100.00%

GHG INTENSITY

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

GHG Intensity (tCO_2e / K USD)

0.003 Scope 1+2 GHG intensity (Location-Based)

0.003 Scope 1+2 GHG intensity (Market-Based)

CLIMATE REPORTING AND STAKEHOLDER ENGAGEMENT

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

2024 SME B for climate
Arkem Chemicals B.V.

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

We aim to improve our CDP Climate score from the current level of "SME B for Climate" to "SME A for Climate" by 2030.

ENERGY MANAGEMENT

OUR APPROACH

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

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

- By 2030, we aim to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 50% compared to the 2024 baseline.
- Reduction of own Scope-1 operational emissions by %20 compared to the 2024 baseline.
- Calculate downstream and upstream transportation and distribution Scope-3 GHG emissions by 2030.
- Provide 100% of electricity consumption by renewable energy sources (I-REC, GOs etc.) in the regions where we operate.

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

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

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

Strategic Sustainability Goals

In this context, we carry out effective studies to reduce natural resource consumption in all regions where we operate; we systematically implement energy efficiency and savings practices. In addition, with the environmental and sustainability training we organize, we contribute to our employees acquiring sustainable habits in their business and daily lives and making these habits permanent.

OUR TARGETS

We committed to significant climate action targets. By 2030, we aim to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 50% compared to the 2024 baseline, including a 20% reduction in our own Scope 1 operational emissions. Additionally, we are committed to calculating downstream and upstream transportation and distribution-related Scope 3 emissions by 2030.

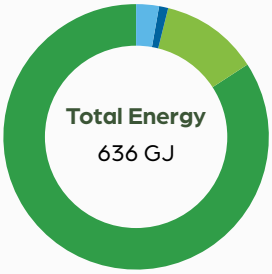


OUR PERFORMANCE

The Energy Consumption (GJ) data of our office where we carry out our operations are given in the table below.

Energy Consumption (GJ)

Energy Category	Value (GJ)
Electricity	19.11
Electricity for Hybrid Cars	8.54
District Heating	74.47
Company Vehicles Fuel Usage	534



Company Vehicles Fuel Usage 3%

District Heating 1%

Electricty for Hybrid Cars 12%

Electricity 84%

ENERGY INTENSITY

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

0.046 | Energy Intensity (GJ/employee)

MONITORING

We track electricity, natural gas and vehicle fuel consumption data. These data have been comprehensively evaluated on EcoVadis and CDP platforms.

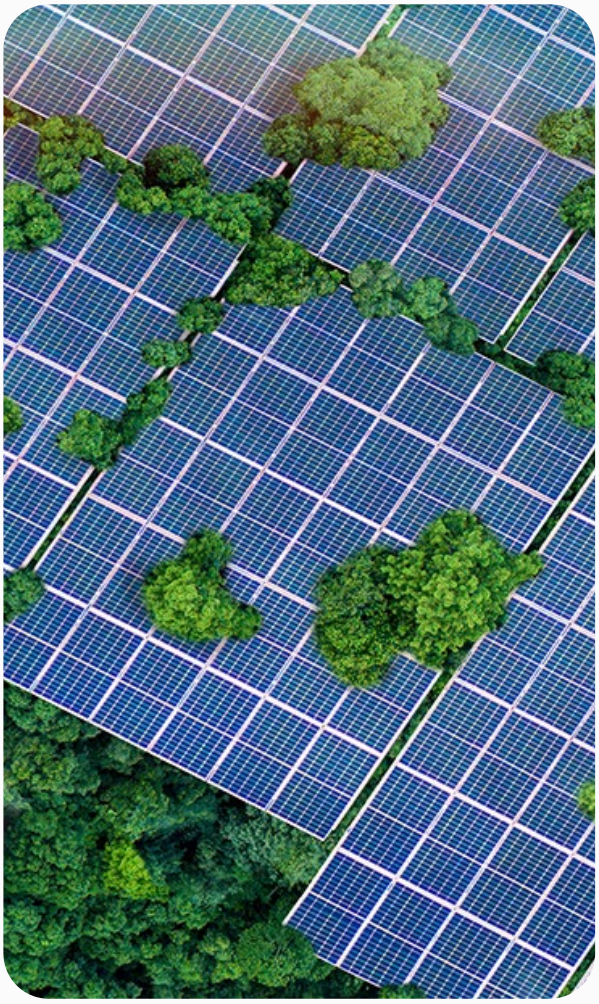
In line with our energy consumption data for our office, we calculate greenhouse gas emissions (Scope 1 and Scope 2) resulting from office-related activities.

COMPLIANCE

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

In addition, to implement the best practices in sustainable management, we are committed to obtaining ISO 14001.

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



CHANGING ENERGY SOURCES

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

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

ENERGY EFFICIENCY

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

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

WATER AND WASTEWATER MANAGEMENT

OUR APPROACH

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

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

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

- Organizing training courses to increase awareness by conveying simple but effective methods to employees regarding water saving
- By 2030, achieve a 25% reduction in total water withdrawn
- Planning activities to support good environmental practices and NGOs

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

OUR PERFORMANCE

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

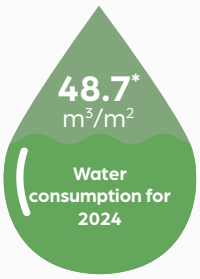
Assessing our water footprint impact from our office activities and determining reduction targets accordingly are among our short-term sustainability goals.

WATER MANAGEMENT AND USAGE

In our office, we use tap water provided by local regulatory authorities. Within the scope of in-house Environment and Sustainability face-to-face / distance training programs, our employees are regularly informed about the efficient and responsible use of water.

MONITORING, TRANSPARENCY AND DISCLOSURE

Water supply is managed by the Plaza Management, and we monitor our consumption on monthly basis. In our sustainability journey, transparency is key to effectively aligning and engaging with our stakeholders. We voluntarily report on our water risks and opportunities using the EcoVadis platform. We improved our EcoVadis score in 2024 and won the "Gold" medal.



WASTEWATER

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

We calculate our water outlet monitoring studies by accepting the annual water bill consumption. Wastewater monitoring is not carried out at the connection points of domestic wastewater to the sewer. Our offices do not have a legal obligation to monitor water outlet water.



*Arkem Chemicals B.V. has offices within a plaza. Water consumption for Arkem Chemicals B.V.'s offices is calculated approximately based on the square footage of the entire plaza and offices, as there are no separate meters.

WASTE MANAGEMENT

OUR APPROACH

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

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

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

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

- Achieve zero destruction of returned products on an annual basis

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

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

WASTE MANAGEMENT HIERARCHY

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

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

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

OUR TARGETS

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

Our Waste Management Hierarchy

1. Eco-design to prevent waste formation
2. Reducing waste through the circular economy
3. Recycling
4. Waste-to-energy usage
5. Landfilling

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

OUR PERFORMANCE

The waste management processes in our office are centrally handled by the Plaza Management in line with their sustainability efforts. Waste collection, segregation, and disposal are carried out by a licensed waste management company contracted by the plaza management. Within our office, recyclable and non-recyclable wastes are separated and collected in accordance with the environmental management procedures implemented throughout the building.

0

Product destruction/repair in 2024

However, as waste management is organized centrally by the plaza, annual net waste figures specific to our company are not reported separately and cannot be directly measured.

Therefore, estimated annual waste quantities for our company have been calculated based on Plaza Management's waste report which includes all tenants in the plaza. These estimated figures have been broken down by waste type and are presented in the table below.

Waste and Hazardous Waste by Disposal Method (off-site)

Waste Category	Waste Amounts (ton) Reuse	Energy Recovery	CO2 emissions
Paper and cardboard	0,12	0,00	33
Industrial	0,00	1,32	538,5
Total	0,12	1,32	571,5

This approach serves as a temporary solution to help monitor our environmental impact and improve our sustainability performance under the current circumstances.

Going forward, our company aims to collaborate with the plaza management to obtain more transparent and detailed waste data in the future.

COMPLIANCE

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

In addition, in order to implement best practices in sustainable management, we are determined to obtain ISO 14001 certificates for our office.

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



Social

People & Culture

Diversity & Inclusion

Employee Health & Safety

Community Impact & Giving

Our Responsible Supply Chain



PEOPLE & CULTURE

OUR HUMAN RESOURCES POLICIES

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

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

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

To adapt to the changing world, we act by placing our employees, our most important stakeholders, at the center of the growing and developing Arkem Chemicals B.V.

Our number of employee is given in the table below.

White Collar		Blue Collar	
Female	Male	Female	Male
2	6	-	-

Working hours per employee (h)	Total working hours (h)	Overtime per employee (h)
2.259	18072	0

Our female employee rate is 25%. We aim to increase our female employee rate and we have set our target in the scope of our Strategic Sustainability Goals.

OUR RECRUITMENT PROCESSES

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

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

PRICING POLICY

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

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

EMPLOYEE ENGAGEMENT

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

96%
Employee Satisfaction Rate in 2024

COMPREHENSIVE BENEFITS AND SUPPORTIVE POLICIES FOR OUR EMPLOYEES

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

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

We aim to increase the productivity of our employees at work with these side benefits and to maintain their work-life balance. Each side benefit supports the personal and professional lives of employees, strengthens their commitment to the company and contributes to creating a long-term sustainable workforce.

LEAVE POLICY AND PARENTAL LEAVE

Policies That Support Employees' Work-Life Balance

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

9,5%
Sick Leave in 2024

Annual Leave and Flexible Leave Rights

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

Parental Leave

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

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

TRAINING

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

Arkem Chemicals B.V. Training list

Category	Trainings
OHS	Occupational Health and Safety
	Ergonomics
Environment & Sustainability	Environmental Training
	Assessment of Environmental and Social Impacts During Purchasing Processes
	Sustainability Awareness
Ethics	Anti-Corruption & Bribery
	Diversity, Discrimination and Awareness About Harresment
Regulations	ADR-CLP-IMDG
Quality	QDMS User

In 2024, we provided our employees with different development opportunities with a total of 9 different training topics under 5 main categories in Arkem Chemicals B.V.

8
employees

In 2024, a total of 8 employees were trained.

14
hours

An average of 14 hours of training was provided per employee.

112
hours

The total training time given to our employees is 112 hours.

PERFORMANCE MANAGEMENT

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

100%
Employee performance evaluation rate in 2024

The evaluation process is structured based on the individual performance of our employees, and both performance and career development elements are taken into consideration. These evaluations, which are carried out to ensure that our employees achieve their individual goals and to determine their areas of development, play a decisive role in the professional journey of each employee.

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

DIVERSITY & INCLUSION

Our company has adopted the principle of providing equal opportunities to all employees regardless of religion, language, race, gender, age, ethnicity, disability and other personal characteristics. We strictly adhere to the principles of justice and transparency in our recruitment, promotion and compensation processes; we create opportunities in line with the talents and performance of each individual. With our policies that support diversity and inclusiveness, we accept the differences of our employees as a strength and transform this diversity into innovation and creativity.

100%
Trained employee rate regarding discrimination and harassment in 2024

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



EMPLOYEE HEALTH AND SAFETY

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

We take care to design our business processes not only in accordance with legal regulations, but also in accordance with international standards, especially ISO 45001, with a zero accident approach. We aim to complete the ISO 45001 Occupational Health and Safety Management System certificate in medium term.

RISK MANAGEMENT

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

0
Accident in 2024

Our Plaza Management carries out the processes of identifying, evaluating and preventing potential risks, and reviews and re-evaluates the Risk Analysis at least once a year with their OHS Risk Assessment Team. The Plaza Management shares the analysis report with us and we also evaluate the identified risks.

OHS TRAININGS

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

2024 OHS Training Hours (h/per employee)

Female	Male
2	6

MONITORING, MEASUREMENT AND PERFORMANCE EVALUATION

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

COMMUNITY IMPACT & GIVING

At Arkem Chemicals B.V., we believe that true sustainability goes beyond our operations—it includes how we engage with our communities and contribute to meaningful causes. In line with our commitment to social responsibility, we continue to support non-governmental organizations (NGOs) that drive long-term impact in environmental, social, and community well-being.

One of the highlights of this year was our contribution on June 5th, World Environment Day, when we made targeted donations to support environmental initiatives focused on conservation, climate action, and sustainable development. These efforts were designed not only to support immediate needs, but also to foster long-term partnerships with NGOs that share our vision for a more sustainable future. On behalf of our employees, we have made a donation to Re:wild in 2024.



Through these collaborations, we aim to amplify our impact, raise awareness, and take collective steps toward a healthier planet and more resilient communities. As we move forward on our sustainability journey, our commitment to community impact and giving will remain a central pillar of our corporate responsibility strategy.

OUR RESPONSIBLE SUPPLY CHAIN

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

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

We continue our efforts to implement the principles we have determined in line with our "Sustainable Supply Chain" approach and responsible purchasing principles throughout our entire value chain. Our "Sustainable Procurement Policy", which includes the principles we have adopted within the scope of Sustainable Supply, is available to all our stakeholders on our website **https://arkem.eu/policy**

Another expectation from our suppliers is to ensure that they work in accordance with these principles for their own supply chains.

OUR SUSTAINABLE PROCUREMENT APPROACH

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

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

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

- Green logistics: In order to achieve our long-term goals, we plan to make our logistics processes more sustainable. In this direction, we aim to supply at least 50% of our logistics services with green logistics certificates. In this way, we aim to reduce carbon emissions in our supply chain and minimize our environmental impact.
- Use of certified products: We reflect our understanding of environmental sustainability in our product sourcing. We work closely with our suppliers to ensure that at least 10% of the materials we purchase are eco-certified. With this goal, we will reduce our ecological footprint and encourage the use of products from sustainable sources.
- Sustainable raw material sources: We contribute to the sustainable management of forests by purchasing paper from suppliers with EU Ecolabel certification. In this way, we protect forest ecosystems and encourage the conscious and sustainable use of natural resources.
- Preferring energy efficient products: We prefer products with high energy efficiency when purchasing electrical and electronic equipment.

OUR SUPPLIER SELECTION AND EVALUATION PROCESS

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

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

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

As of 2024, our company has expanded its supplier portfolio in line with sustainability criteria; It has started to cooperate with a total of 68 new suppliers, 24 product suppliers and 44 service suppliers. As of the end of the year, our total number of suppliers is 316, and the ratio of new suppliers is 22%

0.6% of our new service providers are 100% women-owned enterprises. This reflects our company's commitment to promoting gender equality not only within the organization but also throughout the supply chain. In line with our approach that aims to encourage more active participation of women entrepreneurs in private sector supply processes, we are committed to providing cooperation opportunities to women-owned businesses that have this competence or are in the process of development.

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

Supplier numbers in Arkem Chemicals B.V. in 2024.

Category	Number of Supplier
Product supplier	143
Service supplier	173
Total supplier	316
New product supplier	24
New service supplier	44
Total new supplier	68

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

2%
of our suppliers has signed Supplier Code of Conduct

0%
Number of corrective actions requested from suppliers

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

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



Governance



Corporate Governance

Ethics, Integrity and Complience

Customer Health, Safety & Satisfaction

Information Security & Privacy Protection

CORPORATE GOVERNANCE

WE ADOPT CORPORATE GOVERNANCE PRINCIPLES

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

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

Our effective and ethical management structure not only provides sustainable performance; it also forms the basis of a healthy corporate structure and a strong governance system. With our solid governance system and principles, we aim to go beyond meeting the expectations of our stakeholders. We aim to create an ethics violation hotline as a short-term strategic goal, in order to strengthen the implementation of our ethical work.

Our Board of Directors is responsible for ensuring sustainable growth in the chemical trade and directing our operations in line with our corporate goals. In order to effectively manage our activities in global markets, we are continuously improving our corporate governance practices in line with the principles of transparency, accountability, fairness and responsibility.

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

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

OUR BOARD OF DIRECTORS

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

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

Arkem Chemicals B.V.'s board of directors consists of 3 members who are experienced in the chemical trade sector. A target ratio and time plan have been determined to not reduce the female member ratio in our board of directors below 25%. This target is among our short-term strategic plans.

OUR BOARD MEMBERS

Arkem Chemicals B.V. Board of Directors sees social responsibility as a fundamental element of its business strategy and conducts its activities within the framework of environmental, social and ethical values. While fully complying with legal regulations regarding the environment, consumer rights and public health, it adopts ethical business conduct as an integral part of its corporate culture. At the same time, it supports universal human rights and is committed to respecting these rights.

Our company adopts business ethics and transparency as one of its fundamental principles and prioritizes the fight against corruption and bribery. In this context, our ethical procedures and supplier code of conduct (Supplier Code of Conduct) have been prepared and published on our website, accessible to all stakeholders. Our board members regularly review the governance practices of our organization using their deep sectoral knowledge and experience and continuously evaluate the changing needs and expectations of our stakeholders as well as the business world.

OUR MEETINGS

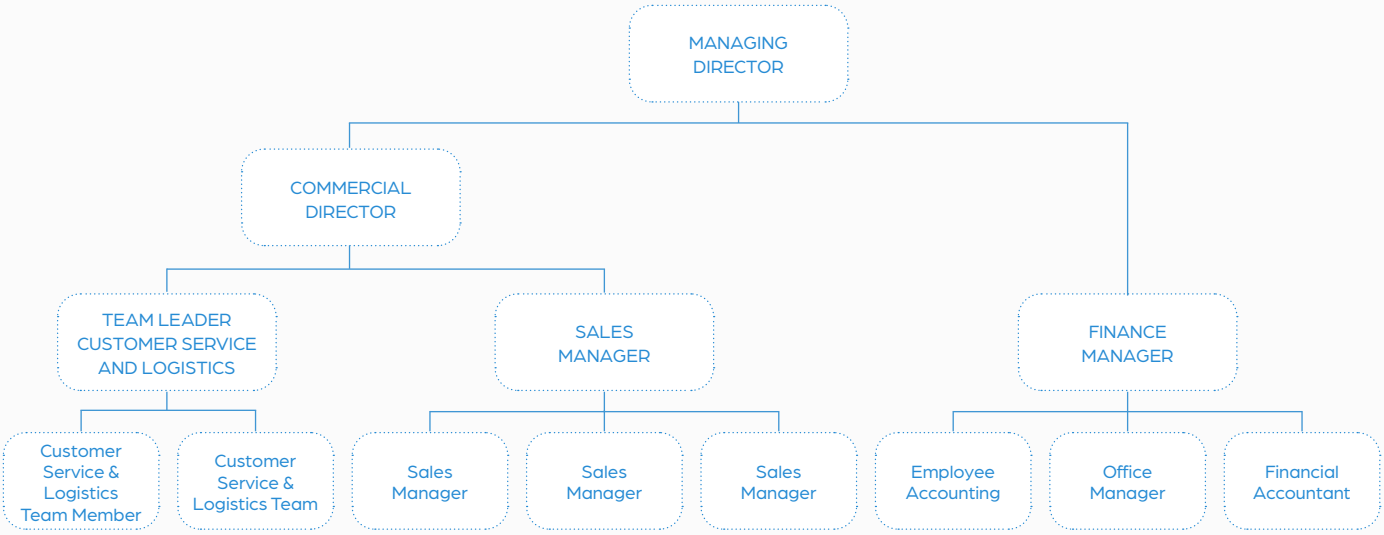
Our Board of Directors, which is the highest management body, carries out the effective governance approach we have created within the framework of corporate governance principles, and the Board of Directors meets as frequently as it can effectively fulfill its duties.

As Arkem Chemicals B.V. is a private limited company, it is not legally required to hold regular Board meetings. Nevertheless we have regular meetings, weekly and monthly to discuss company management and strategy.

Our Board of Directors comprehensively evaluates developments in the sector, risks and opportunities, operational processes, financial performance reports, human resources policies, ongoing and future investment projects in its regular meetings.

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

OUR ORGANIZATION CHART





ETHICS, INTEGRITY AND COMPLIANCE

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

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

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

During the reporting period, "Fight Against Corruption" training was carried out for all our employees.

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

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

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

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

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complaint & notifications
on ethics topics

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CUSTOMER HEALTH, SAFETY & SATISFACTION

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

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

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

Our company, which operates in the fields of chemical wholesale trade and logistics, fully complies with international regulations such as REACH (European Union), TSCA (United States) and GHS (Globally Harmonized System).

Safety Data Sheets (SDS) for supplied chemical products are systematically managed by the Quality Management Systems Unit through a central master list. Safety data sheets are prepared in multiple languages and shared with customers, prioritizing customer health and safety. In addition, information on the potential effects of the products we supply on human health and the environment and related documentation are provided to our customers in a timely, complete, and transparent manner. All our products and logistics services are supplied in full compliance with the applicable local and international legislation and our activities are carried out in this direction.

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

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complaint & notifications
on ethics topics

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

Customer satisfaction and feedback processes are systematically and continuously monitored by Quality Management Systems and sales departments, and necessary improvement actions are implemented in line with the data obtained. In this context, survey methodology is used to objectively evaluate customer satisfaction every two years in a row. During the years that survey is not been conducted, Customer Satisfaction Analysis Report is prepared. This report includes every positive/negative feedback from customers, notes from customer visits, customer complaints and all other information which can be related to our customer's satisfaction level.

Customer satisfaction survey results are examined in detail in Management Review meetings. In addition, issues and actions related to customer satisfaction management are reviewed in 3rd party audits (ISO 9001) within the scope of Integrated Management Systems.

Customers can easily provide feedback by calling the website contact number, e-mail or contacting via social media accounts. This diversity offers customers the opportunity to communicate according to their own preferences and provides a flexible platform to receive their feedback.

INFORMATION TECHNOLOGY AND PRIVACY PROTECTION

INFORMATION SECURITY AND CYBER SECURITY

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

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

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

We aim to give trainings to all our employees to increase information security awareness, and security awareness was strengthened with practical applications such as simulations against cyber threats, especially phishing attacks.

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

TECHNICAL MEASURES AND SECURITY SOLUTIONS

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

1. Microsoft 365 (M365) Business License

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

2. TrendMicro Security Agent

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



3. FortiGate Advanced Malware Protection (AMP)

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

4. FortiGuard IPS Service

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

5. AntiSpam and Email Security

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

6. Layer 7 DDoS Protection and Firewalls

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

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

7. VLAN Structure (Port and Application Security)

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

8. Data Backup and Disaster Recovery Solutions

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

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

9. VMWare Virtualization and Isolation

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

10. Zabbix Monitoring and Management

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



11. Cloud Hosting and Data Security

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

12. Microsoft Intune and Mobile Device Management

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

13. Microsoft Defender and Access Control

Microsoft Defender blocks malware by protecting all endpoints, detects security threats, and notifies users about any malicious activity on the system.

With Access Control policies, only authorized users can access certain data and systems.

14. FortiGuard URL, DNS & Video Filtering

FortiGuard URL Filtering blocks malicious websites and ensures that users only access safe sites. DNS Filtering blocks malicious domain names through DNS queries.

Video Filtering is a solution implemented to ensure safe viewing of video content, and ensures that risky content is blocked, especially in education and business environments.

SAP S/4HANA CYBER SECURITY ARCHITECTURE AND USAGE

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

- Data Encryption:

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

- Role-Based Access Control (RBAC): With the roles and authorization levels defined for users, only authorized persons have access to sensitive data.
- Auditing and Logging:

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



- Security Monitoring and Incident Management:

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

- Backup and Disaster Recovery:

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

- Patch Management and Updates:

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

- Network Security:

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

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

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

CONCLUSION AND STRATEGIC APPROACH

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



Arkem Chemicals B.V.

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