



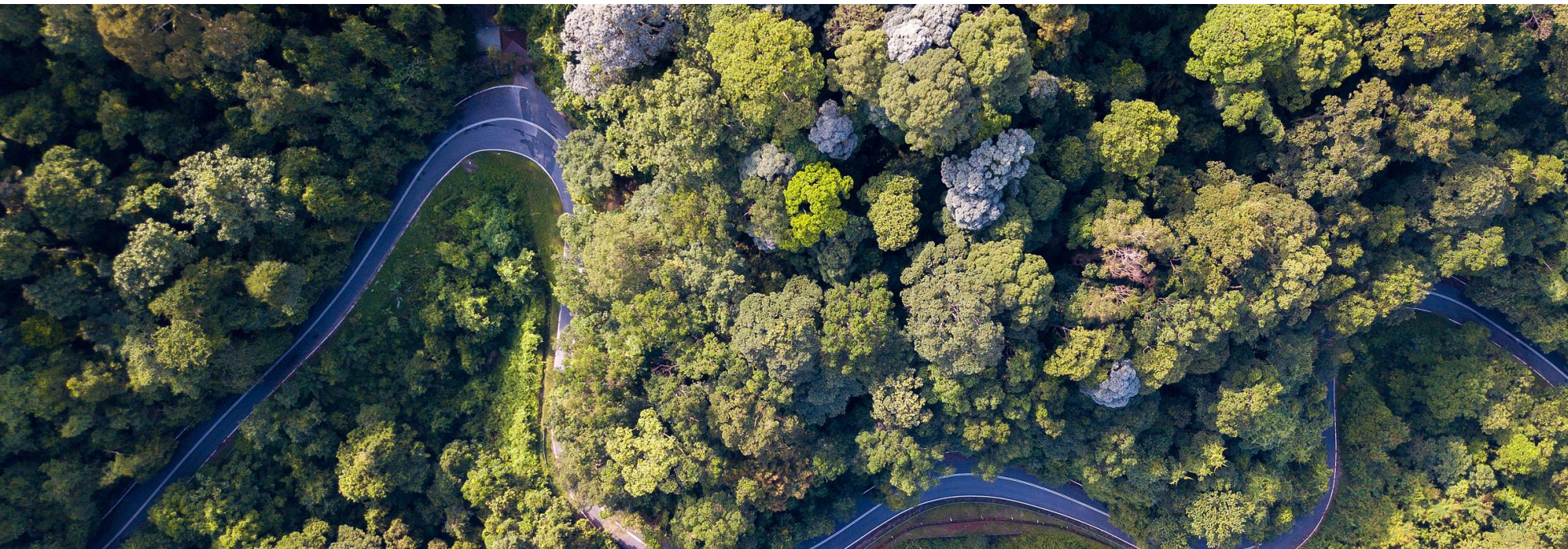
SUSTAINABILITY PROGRESS REPORT

INITIATIVES IN
ENVIRONMENTAL RESPONSIBILITY
AND
SUSTAINABILITY

2026



REPORT HIGHLIGHTS



- 01** INTERNAL CORPORATE ACTIVITIES
- 02** OUR CIRCULAR ECONOMY APPROACH
- 03** IMPLEMENTATIONS FOR CIRCULAR ECONOMY
- 04** OUR SUSTAINABILITY INITIATIVES
- 05** SUPPLIER ENGAGEMENT AND INCLUSIVE SUSTAINABILITY APPROACH
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INTRODUCTION

As AKON, we are an organization that acts with a strong sense of environmental responsibility and aims to set an example in this field. In line with our corporate values, we integrate environmentally friendly practices into our business processes and guide all our employees with this mindset.

At AKON, we regard environmental responsibility not merely as an obligation, but as a fundamental corporate value that will continue to guide our actions and strategy.



E&S ORIENTATION TRAINING

All newly onboarded personnel receive comprehensive orientation training on their first day, covering key topics such as environmental management, proper waste handling, water efficiency, and sustainability. These initial sessions are reinforced through regularly scheduled group trainings throughout the year, aiming to foster lasting awareness and behavioral change

Waste generated within our operations is managed in accordance with the principle of on-site source separation. Our employees are educated and empowered to properly segregate waste and contribute effectively to recycling and recovery processes. This approach not only minimizes environmental impact but also aligns with the principles of a circular economy.



WATER STEWARDSHIP & ENVIRONMENTAL COMPLIANCE



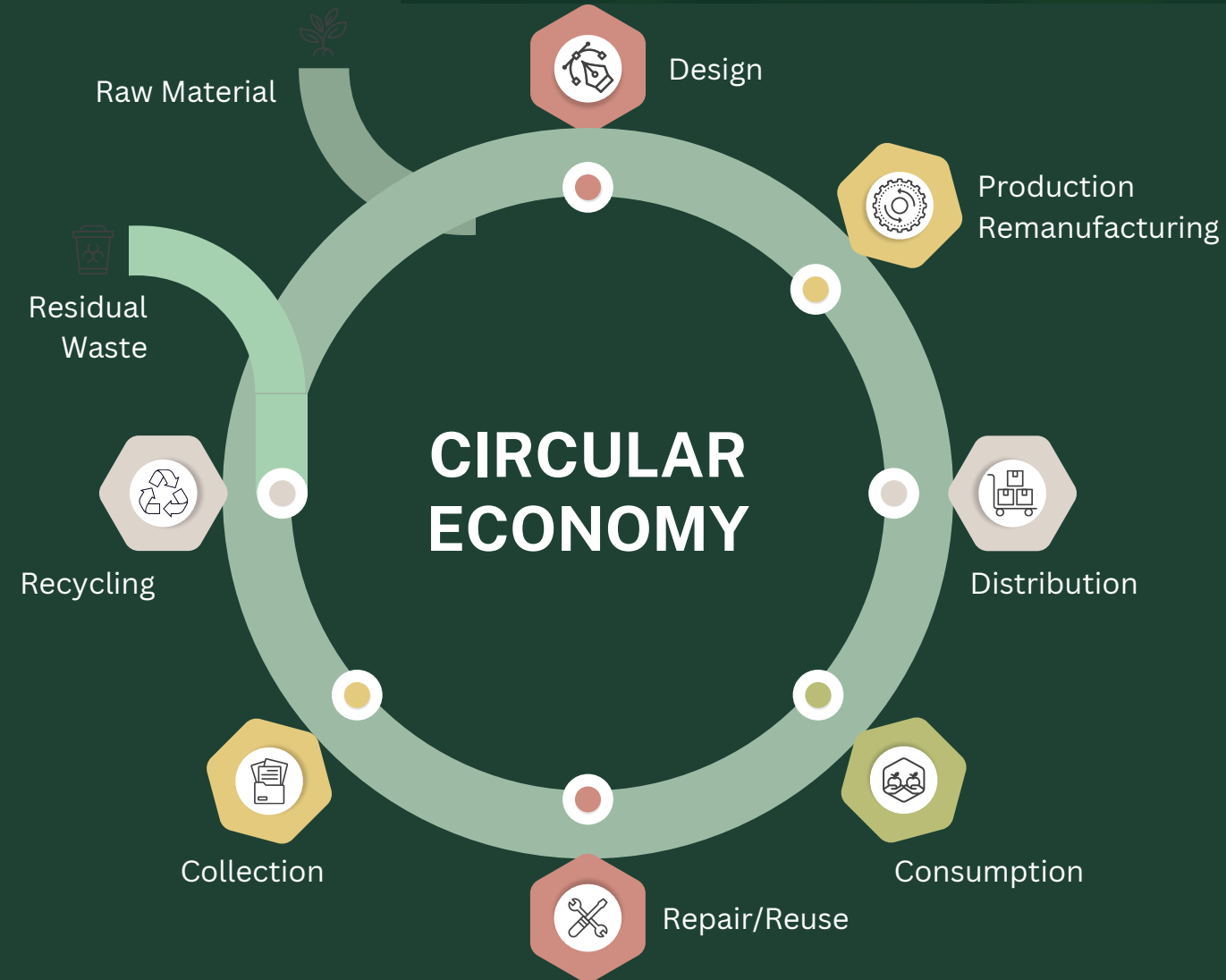
In addition to our ongoing efforts to reduce our carbon footprint, water efficiency remains a key strategic priority across our operations. At our ALOSBI Plant, a rainwater harvesting system has been implemented to support sustainable water management, with collected rainwater utilized for landscape irrigation purposes.

We promote environmental awareness among our employees through targeted initiatives, encouraging responsible water use both at work and in daily life.

Our organization has successfully passed all environmental audits to date without incurring any penalties or sanctions. This achievement reflects our strong compliance with environmental regulations and demonstrates our consistent commitment to sustainability and responsible manufacturing practices.



OUR CIRCULAR ECONOMY APPROACH



At AKON, we shape our production processes within the framework of the Circular Economy model, where resources are used more efficiently and waste generation is minimized.

In line with this model, the principles of reuse, recycling, and resource efficiency are at the core of our product and process designs.

INDUSTRIAL SYMBIOSIS & CIRCULAR COLLABORATION

Our company places great emphasis on industrial symbiosis practices, actively developing collaborations with other industrial organizations in the Izmir region and participating in various workshops to facilitate knowledge sharing.

Through these partnerships, we implement projects aimed at preventing waste at the source or repurposing generated waste as secondary raw materials.



SOME OF OUR PRACTICES IMPLEMENTED UNDER THE CIRCULAR ECONOMY FRAMEWORK

Where do you go from here? Sustainability reports are not just about looking back, but also looking forward.

01

Utilization of scrap material in casting processes

By replacing virgin raw materials with scrap, we contribute to both natural resource conservation and waste recovery.

02

Use of secondary sand

In our foundry operations, molding sand is sourced from materials that are considered waste by other companies, thus repurposing waste into secondary products and integrating them into the production cycle.

03

Reutilization of waste foundry sand in the cement industry

We are working to make the waste foundry sand generated in our facility compliant with relevant technical standards to enable its reuse in cement production.

SOME OF OUR PRACTICES IMPLEMENTED UNDER THE CIRCULAR ECONOMY FRAMEWORK

At AKON, we regard the principles of the circular economy not only as an environmental responsibility but also as a core element of our sustainable production strategy, and we continue to develop innovative solutions in this direction.

04

Prevention of oil leakage

To prevent potential oil leaks in production machinery, we have intensified periodic maintenance, inspections, and cleaning activities. This not only extends equipment lifespan but also reduces environmental risks.

05

Recovery of boron oil

Boron-based lubricants used in our production lines are reintroduced into the manufacturing cycle after use, thereby minimizing waste oil generation.

06

Redirecting waste to recovery facilities

Instead of sending the waste generated in our facility for disposal, we ensure its transfer to licensed recovery facilities, in compliance with applicable regulations and standards. In doing so, we both minimize the environmental impact of waste and contribute to the reuse of economically valuable materials.



OUR SUSTAINABILITY INITIATIVES



Since 2023, AKON has been systematically measuring and reporting its corporate carbon footprint. In line with our sustainability vision, we have initiated the development of a comprehensive Green Transformation Roadmap to better manage our environmental impacts, assess our current performance, and define our long-term objectives.

Within the scope of the TUBITAK 1831 Green Transformation Roadmap Project, we conducted an in-depth assessment of our company's environmental, economic, and social dimensions. Areas such as energy and resource efficiency, emission management, circular economy practices, and supply chain sustainability were examined in detail, identifying our strengths, areas for improvement, opportunities, and associated risks.

CORPORATE CARBON FOOTPRINT



Since 2023, AKON has been systematically measuring and reporting its corporate carbon footprint. In line with our sustainability vision, we have initiated the development of a comprehensive Green Transformation Roadmap to better manage our environmental impacts, assess our current performance, and define our long-term objectives.

The insights and strategies developed throughout the project have been embedded across our operational processes, ensuring that our sustainability management system remains effective, traceable, and continuously improving.

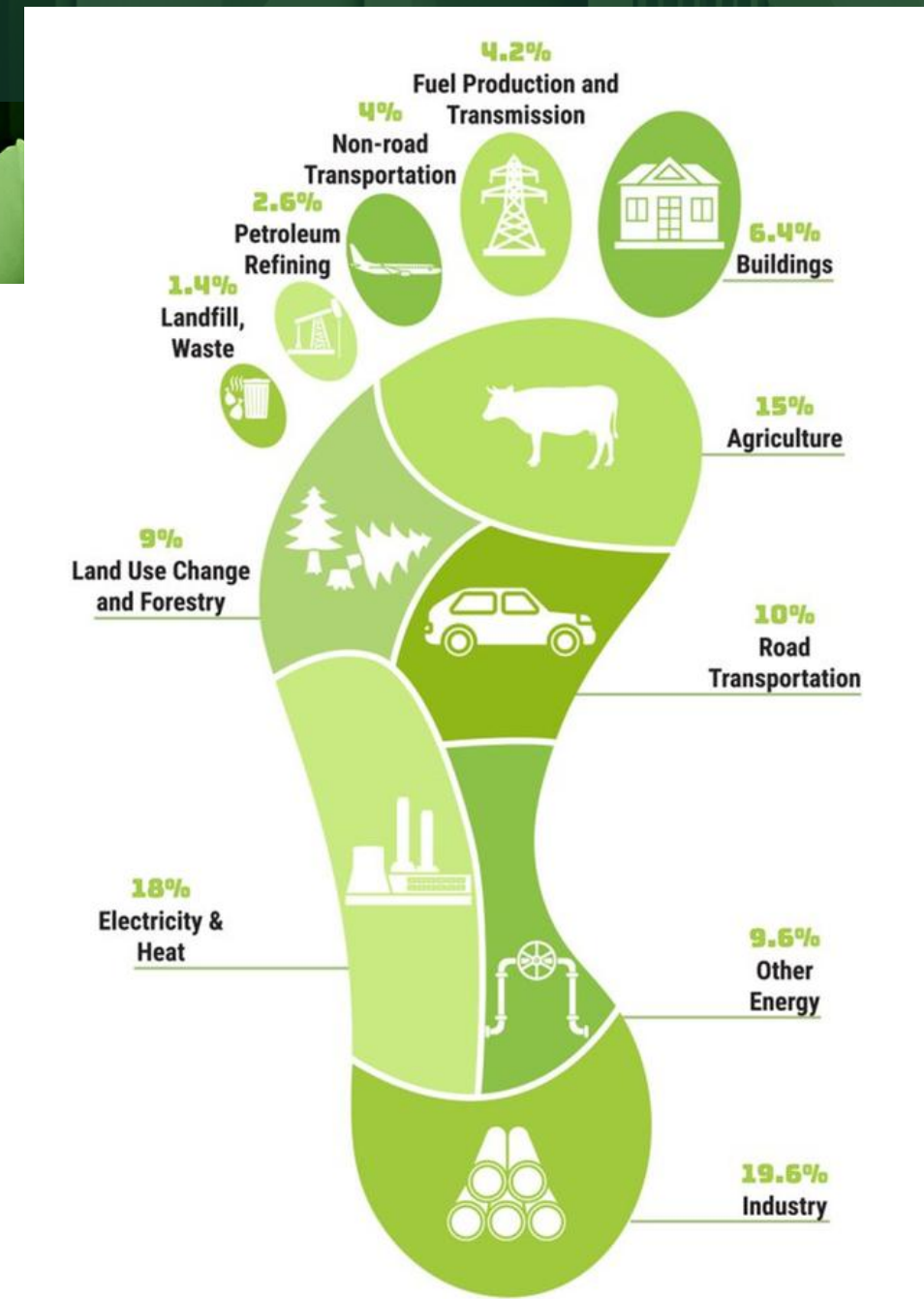
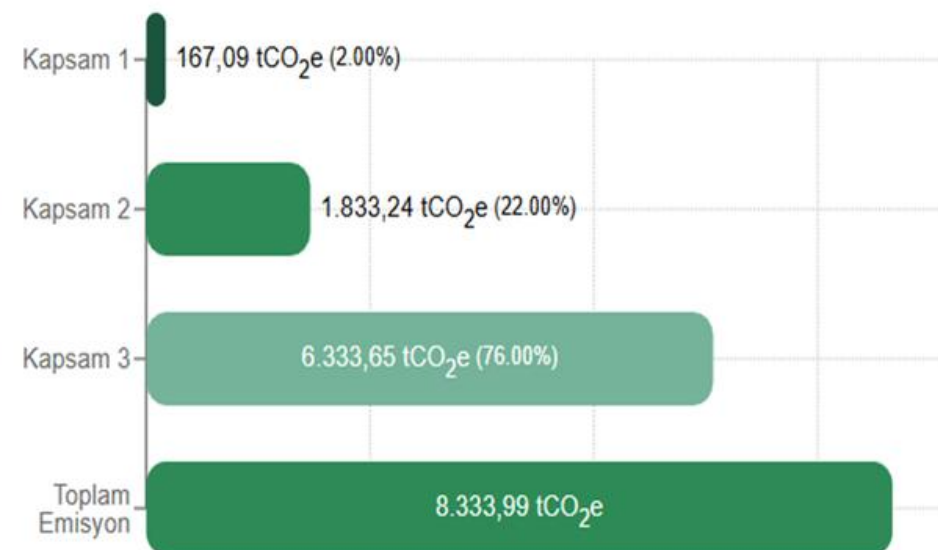
MEASURING PROGRESS

As a result of our three-year Corporate Carbon Footprint Calculation and Reporting program, we have successfully achieved an approximate 20% reduction in emissions. This success can be attributed to:

- Enhancing the accuracy and quality of collected environmental data,
- Controlling activities that contribute to greenhouse gas emissions,
- Implementing environmentally focused improvements in procurement processes.



■ Kapsam 1 ■ Kapsam 2 ■ Kapsam 3





To further advance our sustainability journey, we have launched a second TUBITAK-1831 supported project, initiating the calculation and reporting of Product Carbon Footprint in accordance with the ISO 14067 standard. The primary goal of this initiative is to evaluate the carbon footprint of our products, identify high-emission items, and develop product-specific mitigation strategies to reduce emissions.

At AKON, we do not view sustainability efforts as a regulatory obligation, but rather as an integral component of our corporate responsibility and core values. We remain steadfast in our commitment to reducing our environmental impacts and contributing to a more livable future through determined and strategic action.



SUPPLIER ENGAGEMENT AND INCLUSIVE SUSTAINABILITY APPROACH

At AKON, one of the fundamental pillars of our sustainability strategy is embracing an environmental responsibility that extends beyond our own operations to encompass our entire supply chain.

In line with our continuous improvement objectives, we conduct awareness-raising initiatives to encourage our employees, suppliers, and subcontractors to reduce their energy and natural resource consumption.

As part of our Carbon Footprint Reduction efforts, we collaborate closely with our procurement department to assess the environmental performance of our suppliers and monitor their sustainability practices through structured survey-based evaluations. These surveys are designed to analyze our suppliers' current status in key areas such as environmental management systems, emission reduction policies, resource efficiency initiatives, and the use of sustainable materials. The data collected from these assessments is utilized to encourage our business partners to adopt more sustainable practices. Through this approach, we aim not only to reduce our own environmental impacts but also to drive positive transformation throughout our entire supply chain.

OUR SUSTAINABLE PRODUCT APPROACH

In our product design and manufacturing processes, we prioritize minimizing environmental impact. Within this approach, we emphasize the use of recyclable materials to reduce both waste generation and disposal throughout the entire product lifecycle.

The use of recyclable components not only reduces waste during production but also mitigates environmental impacts at the end of the product's life.

By ensuring long product service life, we contribute to preventing a “disposable” mindset. This approach delivers economic value to our customers while supporting sustainable consumption. At the end of their usable life, components are designed for disassembly and integration into recycling processes.

Aligned with our sustainable product development goals, we have carried out R&D initiatives—specifically for our solenoid valves—that focus on energy-efficient innovations. These designs reduce energy consumption while enhancing operational efficiency, thus contributing to the reduction of our environmental footprint.

At Akon, we remain committed to embedding sustainability throughout all stages—from product design to end-user delivery—by addressing environmental, economic, and technological sustainability through a holistic and integrated approach.



CONCLUSION



At Akon, sustainability is not a commitment for tomorrow—it is a responsibility we act on today. By integrating a life cycle perspective into every stage of our operations, we transform environmental challenges into measurable improvements and long-term value.



Through circular economy practices, carbon footprint reduction, and strong supply chain engagement, we are not only minimizing our impact but actively shaping a more sustainable industry.



With data-driven strategies, continuous innovation, and a clear vision, we move forward with one goal: to create products, processes, and partnerships that contribute to a low-carbon and resource-efficient future.



THANK
YOU