

SASA



SASA Turkish Sustainability Reporting Standard (TSRS) Compliant Sustainability Report

(Convenience Translation of Independent Practitioner's Limited Assurance Report Originally Issued in Turkish)

**INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON SASA POLYESTER SANAYİ
ANONİM ŞİRKETİ AND ITS SUBSIDIARIES SUSTAINABILITY INFORMATION IN
ACCORDANCE WITH TÜRKİYE SUSTAINABILITY REPORTING STANDARDS**

To the General Assembly of SASA Polyester Sanayi Anonim Şirketi;

We conducted a limited assurance engagement on SASA Polyester Sanayi A.Ş. (the "Group") and its subsidiaries (collectively referred to as the "Group"), sustainability information for the year ended December 31, 2024 in accordance with Türkiye Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Türkiye Sustainability Reporting Standards 2 "Climate Related Disclosures" ("Sustainability Information").

Our assurance engagement does not cover prior period information or other information linked to the Sustainability Information (including any images, audio files, website links or embedded videos).

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the procedures performed as the basis for the assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group's Sustainability Information for the year ended December 31, 2024 is not properly prepared, in all material respects, in accordance with Türkiye Sustainability Reporting Standards published in the Official Gazette dated December 29, 2023, and numbered 32414(M) and issued by Public Oversight Accounting and Auditing Standards Authority (the "POA") . We do not express an assurance conclusion on prior period information or on any other information associated with the Sustainability Information (including any images, audio files, website links, or embedded videos).

Inherent Limitations in Preparing the Sustainability Information

Sustainability Information is subject to inherent uncertainty because of incomplete scientific and economic knowledge. Greenhouse gas emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge. Additionally, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts

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Responsibilities of Management and Those Charged with Governance for the Sustainability Information

The Group Management is responsible for:

- Preparation of the sustainability information in accordance with Türkiye Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error
- The Group Management is also responsible for the selection and implementation of appropriate sustainability reporting methods, as well as making reasonable assumptions and developing estimates in accordance with the conditions.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Responsibilities of the Independent Practitioner Regarding the Limited Assurance of Sustainability Information

Independent Practitioner is responsible for:the following:

- Planning and performing the engagement to obtain limited assurance whether the Sustainability Information is free from material misstatement due to fraud or error;
- Conducting an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- Reporting conclusion to the Group Management.

Since independent practitioner is responsible to provide an independent conclusion on the Sustainability Information prepared by Group management, we are not permitted to be involved in the preparation process of the Sustainability Information in order to ensure that our independence is not compromised.

Professional Standards Applied

We conducted our limited assurance engagement in accordance with Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements", issued by POA.

Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk management specialists. We have used the work of our expert team to assess the reliability of the information and assumptions related to the Group's climate and sustainability-related risks and opportunities. We remain solely responsible for our audit opinion

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Summary of Procedures Performed as a Basis for the Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

- Inquiries were conducted with the Group's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period.
- The Group's internal documentation was used to assess and review the information related to Sustainability.
- Considered the presentation and disclosure of the Sustainability Information.
- Through inquiries, obtained an understanding of Group's control environment, processes and information systems relevant to the preparation of the Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Group's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Group's estimates.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Cem Uçarlar, SMMM
Partner

September 18, 2025
İstanbul, Türkiye

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1 Introduction

1.1 Drafting of the Report (About)

The Turkish Sustainability Reporting Standards (TSRS) entered into force after its promulgation in the Official Gazette No. 32414 (R) of 29 December 2023. It applies to accounting periods beginning on or after 1 January 2024. To this end, sustainability reporting in accordance with TSRS 1 'General Requirements for Disclosure of Sustainability-Related Financial Information' and TSRS 2 'Climate-related Disclosures' standards has become mandatory for organizations that meet certain criteria.

Since SASA (SASA Polyester Sanayi A.Ş.) is subject to the regulation and supervision of the Capital Markets Board and meets the criteria of exceeding the threshold values of at least two of the specified criteria in two consecutive reporting periods, it is obliged to report in accordance with TSRS.

This report has been prepared in accordance with the requirements of TSRS 1: General requirements for disclosure of sustainability-related financial information and TSRS 2: Climate-related disclosures.

Unless otherwise stated, all information and disclosures in this report cover SASA and the entirety of its subsidiaries. The report also utilizes the Sustainability Accounting Standards Board (SASB) Standards by the International Sustainability Standards Board (ISSB).

In identifying sustainability-related risks and opportunities that could reasonably be expected to affect SASA's future financial adequacy, the report refers to the TSRS as well as the issues set out in the TSRS 'Volume 47 - Chemicals' derived from the SASB Standards maintained by the ISSB and assesses the applicability of the metrics and targets.

In addition, the report presents data such as greenhouse gas emissions, energy management, water management, product design for use phase efficiency and production data by reportable segment, which are among the activity metrics expected in the 'Volume 47-Chemicals' guide.

1.2 Link to Financial Disclosures

The sustainability-related and climate-related disclosures in this report have been prepared for SASA and should be read in conjunction with the consolidated financial statements. The report covers a 12-month period ending 31 December 2024, and the consolidated financial statements are consistent with the reporting period.

Relevant financial information is available at [https://www.sasa.com.tr/content/files/SASA%20-%2031.12.2024%20-%20ENG%20\(F%C4%B0NAL\)%20%C4%B0mzal%C4%B1.pdf](https://www.sasa.com.tr/content/files/SASA%20-%2031.12.2024%20-%20ENG%20(F%C4%B0NAL)%20%C4%B0mzal%C4%B1.pdf).

1.3 Time of Reporting

SASA reports for the first time in accordance with TSRS as part of the annual reporting period between 1 January - 31 December 2024 and applies TSRS 1 and TSRS 2 standards simultaneously in this process.

1.4 Implementation of Transitional Provisions

Some transition exemptions apply pursuant to TSRS 1 Articles E3, E4, E5 and E6 and TSRS 2 Articles C3, C4 and C5. The transition exemptions applied by SASA under this report are as follows:

In the first annual reporting period, an entity is only allowed to disclose information about climate-related risks and opportunities (pursuant to TSRS 2) and therefore solely apply the requirements in TSRS S1 to the extent that they relate to disclosing information about climate-related risks and opportunities. The governance and strategy chapters in this report cover all sustainability topics including climate change, while the risks and opportunities chapter includes only climate change issues.

In accordance with TSRS 1 E5, only disclosure of information on climate-related risks and opportunities (pursuant to TSRS 2) is allowed in the first annual reporting period. This report focuses solely on climate-related risks and opportunities. Under TSRS 1 E3 and TSRS 2 C3, entities are not required to present comparative information in the first reporting period of applying TSRS. Accordingly, this report for the first reporting period of 2024 does not include any information for comparison with the previous period(s). Similarly, pursuant to the provisions of TSRS 1 Annex E6 (a) and (b), disclosures about risks and opportunities relate only to the first reporting year.

If, in the annual reporting period immediately preceding the date of initial application of the standard, an entity used a method other than the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004), the entity is permitted to continue to use the other method. SASA is included in the Annex-1 list under the Regulation on Monitoring of Greenhouse Gas Emissions in Türkiye, which entered into force in 2015, and drafts an emission report every year within the framework of the Communiqué on Monitoring, Reporting and Verification (MRV) (SGIT). SASA has been subject to this communiqué since 2015. The Company calculates greenhouse gas emissions in accordance with the legislation and submits them to the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change. In 2024, SASA's Scope 1 emissions were calculated within the scope of SGIT. In addition to this legal obligation, SASA calculates its greenhouse gas emissions and has them verified its greenhouse gas emissions every year in accordance with the rules of the GHG Protocol and ISO 14064-1:2019 standard. The emission data in the TSRS report includes data calculated and verified according to ISO 14064-1 standard.

Under the 'Board Resolution on the Scope of Application of Turkish Sustainability Reporting Standards - Provisional Article 3', entities are not required to disclose Scope 3 greenhouse gas emissions in the first two reporting periods in which they apply the TSRS. In this report, the Company has not included Scope 3 greenhouse gas emissions information for 2024.

In accordance with Provisional Article 2 of the 'Board Resolution on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)' and with TSRS E4(b), entities may publish their sustainability reports for the first annual reporting period in which they apply TSRS after they publish their financial reports for the relevant period. Accordingly, SASA Polyester A.Ş. TSRS Compliant Sustainability Report is published after the interim financial reporting date in October 2025.

SASA publishes this report in September 2025, after sharing its financial statements for the period 1 January - 31 December 2024.

This report provides a comprehensive overview of SASA's sustainability and climate-related management structure, strategy, risk and opportunity identification and management processes, performance metrics and targets.

1.5 Reporting Limits and Measurement Approach

All information contained in this report covers the production facility of SASA Polyester Sanayi A.Ş. located in Adana province where it carries out all its activities as well as its subsidiaries. 'SASA Uluslararası Finansal Yatırım A.Ş.', a subsidiary of SASA, is not currently engaged in any production activity. It was not engaged in any activity in 2024, either. SASA established its subsidiary 'SASA Uluslararası Finansal Yatırım A.Ş.' ('Subsidiary') with a capital of TL 20,000,000 in accordance with the Board Resolution No. 55 of 8 November 2022 to provide an effective structure to the Company's activities to access financial resources. During the drafting of sustainability and climate-related financial disclosures, SASA Polyester A.Ş. has assessed the entire value chain including the Company's subsidiaries as well as its own operations. SASA has applied the equity approach in setting its organizational boundaries for reporting GHG emissions. The Company has included Scope 1 and Scope 2 greenhouse gas emissions of its subsidiaries 'SASA Dış Ticaret A.Ş.' and 'SASA Uluslararası Finansal Yatırım A.Ş.' in the calculations and applied the consolidation method employed in the financial statements to the reporting of greenhouse gas emissions data.

2 About SASA

2.1 General Information

Boasting an installed polymerization capacity of approximately 1.5 million tons per year in polyester fiber, filaments and polymers as of the date of this report, SASA constitutes a significant portion of the relevant total production capacity in Türkiye.

As of 31 December 2024, 'Erdemoğlu Holding A.Ş.' is the largest shareholder of the company with 56.58% of shares, while the capital shares of 'Erdemoğlu Global Gayrimenkul A.Ş.' and other shareholders stand at 20.12% and 23.30% respectively.

Driven by R&D activities, the Company closely monitors market trends, particularly in specialty polymers and chemicals, and offers tailored solutions for various sectors in the polyester industry. SASA's main product groups and the fields of application for these products are listed below:

Fiber

With products in different segments, SASA Fiber Division produces for 3 different sectors.

Textile: Polyester staple fiber products are used for the production of 100% polyester and/or blended (cotton, viscose, acrylic, wool, nylon) yarns, which are subsequently turned into fabric following the weaving and knitting processes.

In the textile industry, SASA draws attention with its high strength and modular products as well as fibers that feature a high level of whiteness and robust dye take-up capacity. The Company also stands out in the market with its black fiber products, the production technology of which is entirely a trademark of SASA. These black fibers have a deeper black tone and a superior color stability and enables easier processing compared to competitors' products. They also make a difference by providing process advantages to customers thanks to their structure favoring blending.

Comfort and Fiberfill Sector: Fibers are subjected to combing, beading or fiber bonding processes and are then made into pillows, toy stuffing, quilts, all kinds of coats, furniture fillings, mattresses and decorative cushions. SASA has the highest capacity in bicomponent fiber production in Europe thanks to its uniquely own technology and provides washable, durable and long-lasting filling raw materials to its customers through conjugated fibers that underpin spring properties.

Technical Textiles: Through different fiber bonding methods (mechanical, hydroentanglement and chemical), polyester fibers are used as the main raw material for hygiene (wet wipes, pads, cosmetic wipes), medical (bandages, surgical drapes, masks), automotive (ceiling, floor and rear parcel shelf carpets, insulation materials), artificial sub-leather carriers, filter (liquid-gas), cleaning cloths, all kinds of garment interlining, plush, geotextile (asphalt primer stabilizers, drainage, underground, garden), construction (acoustic insulation, roof insulation, floor coverings) and similar products. SASA creates value for its customers with tailor-made solutions and specialty products in the 'Technical Textile' sector, which serves various niche sectors. SASA is the leader in polyester fiber production for multiple sectors in Türkiye, Europe and the Middle East.

Filament

SASA Filament Division mainly produces POY and textured yarns for knitting and weaving.

Synthetic filament yarns made of 100% polyester are produced for the textile sector (Home Textile, Carpet, Underwear and Outerwear, Denim and Socks) and for the packaging, health, automotive sectors that are supplied directly or indirectly by the textile sector.

While textured yarns are similar to natural fibers in terms of their appearance and properties, they are also used to add superior properties to the final product such as flexibility, softness and heat retention. POY yarns are semi-drawn and plain but are later textured and thus rendered drawn and crimped. SASA manufactures semi-dull ecru and black yarns with excellent dye take-up and color stability. The product portfolio includes yarns with different intermingling levels and multi-ply (x2, x3, x4) options. Prioritizing quality in its production processes, SASA guarantees customer satisfaction by subjecting its yarns to tension, strength, color, intermingling and denier tests in its own laboratories.

PET Resin & PET Chips

SASA is one of the leading PET (Polyethylene Terephthalate) Resin and PET Chips producers in Europe with a growing production capacity. These products are among the most widely preferred packaging materials thanks to their versatile use.

PET Resin and Chips Division operates with a vision to develop environmentally and human-friendly products in its region of operation. To this end, the Division serves the following sectors:

Bottle and Sheet Industries: SASA PET Resin products are used in food and beverage packaging, plastic bottles, containers, blood tubes and many other applications. PET Resin is also recognized as an environmentally friendly material due to the small amount of energy consumption and environmental impact during its production processes.

Textiles Industry: Standard and high viscosity polyester polyethylene terephthalate polymer products are initially processed into yarns and fibers and then into woven and knitted fabrics and non-woven textile surfaces.

Industrial Sectors: High viscosity polyester polyethylene terephthalate polymer products are used in industrial applications requiring high strength depending on their end use.

Film and Packaging Industry: Polyester polyethylene terephthalate polymer products specially produced for the purpose of end use are used in the production of film and packaging materials that may or may not come into contact with food. Antimony-free film-type polyester polymers, which are particularly important for food contact, are also included in the product portfolio.

PTA

Boasting an annual capacity of 1.75 million tons, the PTA Production Facility is a key step to strengthen SASA's strategic position in the petrochemical sector, reducing import dependency and increase export potential. The Facility was commissioned on 3 March 2025.

SASA has completely transformed its production operations to PTA (Purified Terephthalic Acid) based processes as of 2024. This approach not only contributes to reducing environmental impacts, but also allows for more efficient use of resources. In PTA-based production, PTA is processed together with Monoethylene glycol (MEG) in polymerization plants to obtain liquid polymer.

2.2 SASA Value Chain

Integrating sustainability values into all its operations and value chain, SASA aims to minimize its ecological footprint. To this end, it continues to work on combating climate change, efficient resource use, water conservation, access to reliable energy, prioritizing efficiency technologies and supporting circular economy principles.

Value Chain		Description and Definition	Geographical Location
Upstream Value Chain	Suppliers	Raw materials, auxiliary materials, packaging materials	Türkiye, Saudi Arabia, South Korea, China, Spain, India, USA, Germany, UK, France, Ireland, Italy, Japan, Colombia, Poland, Netherlands, Switzerland
	Other Functions	Energy-Water (Electricity-Natural Gas)	Adana, Istanbul, Ankara
Operations	Logistics	Raw materials, auxiliary materials, packaging materials, product	Suppliers and customers Türkiye, Saudi Arabia, South Korea, China, Spain, India, USA, Germany, UK, France, Ireland, Italy, Japan, Colombia, Poland, Netherlands, Switzerland Austria, Azerbaijan, Belgium, Bosnia and Herzegovina, Brazil, Bulgaria, Algeria, Czech Republic, Denmark, Estonia, Finland, Georgia, Sweden, Kosovo, North Macedonia, Latvia, Libya, Hungary, Mexico, Egypt, Portugal, Romania, Serbia, Slovakia, Slovenia, Tunisia, Turkmenistan, Greece
	Production	SASA Adana Plant	Adana
	Subsidiaries	SASA Dış Ticaret A.Ş.	Adana
		SASA Uluslararası Finansal Yatırım A.Ş.	Adana
Downstream Supply Chain	Customers		Germany, Italy, Spain, Slovenia, France, Belgium, Romania, Poland, USA, Netherlands, Greece, Türkiye, Brazil, UK, Finland, Azerbaijan, Sweden, Denmark, Portugal, Mexico, Latvia, Egypt, Switzerland, Czech Republic, Algeria, Libya, Bulgaria, Austria, China, Serbia, Slovakia, North Macedonia, Estonia, Ireland, Saudi Arabia, Tunisia, Georgia, Bosnia and Herzegovina, Hungary, Turkmenistan, Kosovo, Lithuania, Honduras, South Korea, Morocco, Sierra Leone, Canada, Croatia, Thailand

3 Governance

3.1 Board of Directors and Senior Management Responsibility

SASA is aware that long-term success and sustainability are possible through a responsible corporate governance approach that considers the expectations of all stakeholders. To this end, it adopts the fundamental principles of corporate governance such as accountability, transparency, equity and responsibility and strengthens its corporate sustainability culture and policies by integrating elements such as environmental sensitivity, ethical management, strategic planning and risk management into these principles.

SASA considers effective and open communication between senior management and stakeholders as one of its basic principles. This allows for providing accurate, reliable and timely information to all stakeholders. SASA's senior management body consists of the Board Chairman, General Manager, Deputy General Managers and Group Managers.

The majority of the Board of Directors is composed of non-executive members while four members are independent members. All members are elected by the General Assembly within the framework of Corporate Governance Principles and perform their duties within an effective governance approach based on the values of the Company. While evaluating SASA's operations and performance, the Board of Directors also shapes corporate strategies in consideration of the interests of all stakeholders. Accordingly, the Board of Directors is also responsible for overseeing SASA's sustainability and climate change strategy. The Board of Directors is informed about developments regarding sustainability and climate change at different periods throughout the year.

The SASA Board of Directors is the body responsible for overseeing the processes regarding subsidiaries and making final decisions in such processes. The main responsibility and approval power for relevant sustainability and climate efforts ultimately rest with the SASA Board of Directors.

3.2 Committees of the Board of Directors

Committees reporting to the Board of Directors fulfil oversight and audit functions throughout the Company. The structure and functioning of these committees are regularly reviewed, and necessary measures are taken and recorded for the efficient execution of processes. The committees of the Board of Directors currently operating at SASA are as follows:

- Corporate Governance Committee
- Audit Committee
- Early Detection of Risk Committee
- Sustainability Committee

As of 2024, the Nomination Committee and the Remuneration Committee are not separately defined, and these duties are undertaken by the Corporate Governance Committee.

3.2.1 Corporate Governance Committee

The Corporate Governance Committee is established to support the Board of Directors in order for the latter to effectively fulfil its duties and responsibilities. The Committee makes recommendations to determine the corporate governance principles to be applied at SASA in line with the regulations of the Capital Markets Board (CMB) as well as internationally recognized corporate governance principles.

Meetings are held at least four times a year, at a time and place deemed appropriate by the Committee Chairperson.

In 2024, the Committee held 8 meetings and submitted 8 reports to the Board of Directors.

Since the Nomination Committee and Remuneration Committee are not defined as separate units in SASA's current governance structure, the duties and responsibilities of these committees are undertaken by the Corporate Governance Committee.

3.2.2 Audit Committee

The Audit Committee operates in line with the CMB Corporate Governance Principles and is responsible for providing information on SASA's accounting system, financial reporting processes, publicly disclosed financial information, and the functioning of independent audit and internal control mechanisms. Furthermore, it contributes to ensuring compliance with the relevant laws, regulations and corporate governance principles, particularly the capital markets legislation, and is responsible for performing audit duties on these matters. During the Committee meetings, the work of the internal audit unit and the presentations made to the Board of Directors are evaluated, and the audit processes by the independent audit firm as well as the financial statements are reviewed in detail. In addition, possible violations of business ethics and code of ethical conduct and the review processes of such violations are also included among the agenda items.

In 2024, the Audit Committee held 7 in-person meetings with the participation of all members. 6 separate reports from these meetings were submitted to the Board of Directors, including the findings and evaluations on the issues falling within the Committee's mandate and authority. The agenda of the meeting included the selection of the independent audit firm and evaluation of the services to be provided, review of the independent audit processes, review of the financial statements, evaluation of the work of the internal audit unit and review of the presentations made to the Board of Directors.

3.2.3 Early Detection of Risk Committee

The Early Detection of Risk Committee (EDRC) was established to be in charge and authorized on the basis of the resolution of 15 August 2013 by SASA Board of Directors and pursuant to Article 378 of the Turkish Commercial Code No. 6102 and the provisions of the Communiqué on Corporate Governance Principles by the CMB.

The Committee aims at the early detection of all kinds of strategic, operational, financial and other risks that may endanger the existence, development and continuation of SASA, the implementation of necessary and relevant measures and remedies, and the management of risks.

During the 2024 operational year, SASA's strategic, operational and financial risks were evaluated by the EDRC, and the planned investments, strategic plans and actions for the control, management and minimization of possible risks were discussed. Climate risks, which are assessed as part of strategic risks, have also been assessed and also brought to the agenda of the Sustainability Committee.

3.2.4 Sustainability Committee

SASA Sustainability Committee was established with the resolution no. 64 of 13 December 2021 by the Board of Directors to create the sustainability strategy of the Company by increasing the value it generates in the field of environmental, social and corporate governance, to determine the Company's sustainability policies and science-based targets and to carry out, monitor and supervise the Company's relevant practices.

The Sustainability Committee consists of a minimum of 12 (twelve) and a maximum of 24 (twenty-four) members. It is essential that at least 1 (one) member of the Board of Directors is among the members of the Committee. Sustainability goals, strategies and policies set in line with the Committee decisions are deemed as data for SASA's sustainability reports. Working Groups implement the decisions made by the Sustainability Committee. Coordination of the Working Groups and their communication with the Committee are managed by the Committee Coordinator. During the term, new members can be appointed to the committee through the decision of the existing committee and without a Board of Directors resolution.

SASA Board of Directors provides all necessary resources and support for the Sustainability Committee to fulfil its duties. The Sustainability Committee is responsible for reporting its decisions to the Board of Directors through the Committee Chairman/Deputy Committee Chairman/General Manager.

SASA Sustainability Committee has the following roles and responsibilities in line with the United Nations (UN) Sustainable Development Goals (SDGs).

- Perform work and develop projects to integrate sustainability into the Company structure,
- Follow national and international developments on sustainability and climate change,
- Establish sustainability strategy, goals, roadmaps and policies,
- Steer the Company's sustainability strategy and policy by proactively managing social, environmental and corporate governance risks,
- Support the development and realization of projects aimed at reducing carbon emissions in business operations as part of combating climate change,
- Follow the Company's sustainability and climate-related roadmap and practical developments, set targets, determine relevant performance criteria, monitor performance against targets, and ensure the active participation of all relevant units of the Company in the process,
- Authorize and coordinate the Working Groups established at the Company as part of the relevant studies and cooperate with the Climate Change Working Group for monitoring common matters,
- Regularly review, reorganize, implement, monitor and audit the sustainability policy, goals, practices, working principles and management systems and, where necessary, submit them to the Board of Directors for approval,

- Ensure that all Company employees are informed in line with the Company's sustainability policy and goals, and work to make sure employees internalize these policies,
- Ensure stakeholder engagement for all stakeholders regarding the Company's sustainability strategy, policy, sustainability and climate change practices,
- Ensure that the work outputs overlap with the Company's sustainability policies and Company expectations.

During its meetings in the 2024 operational year, the Sustainability Committee made decisions on matters such as updating the reports (such as GRI, CDP and TSRS) and the third-party ratings (by Sustainalytics, Ecovadis, LSEG, etc.) regarding sustainability and climate change that SASA plans to submit and on updating sustainability goals and strategic carbon roadmap.

The Sustainability Committee informs the Board of Directors about its activities and outputs at least once a year. The Company ensures that all stakeholders are informed in line with the sustainability policy and goals set by the Sustainability Committee.

Sustainability and Early Detection of Risk Committees Competencies and Qualifications

The competencies and qualifications of SASA's committee members are summarized below.

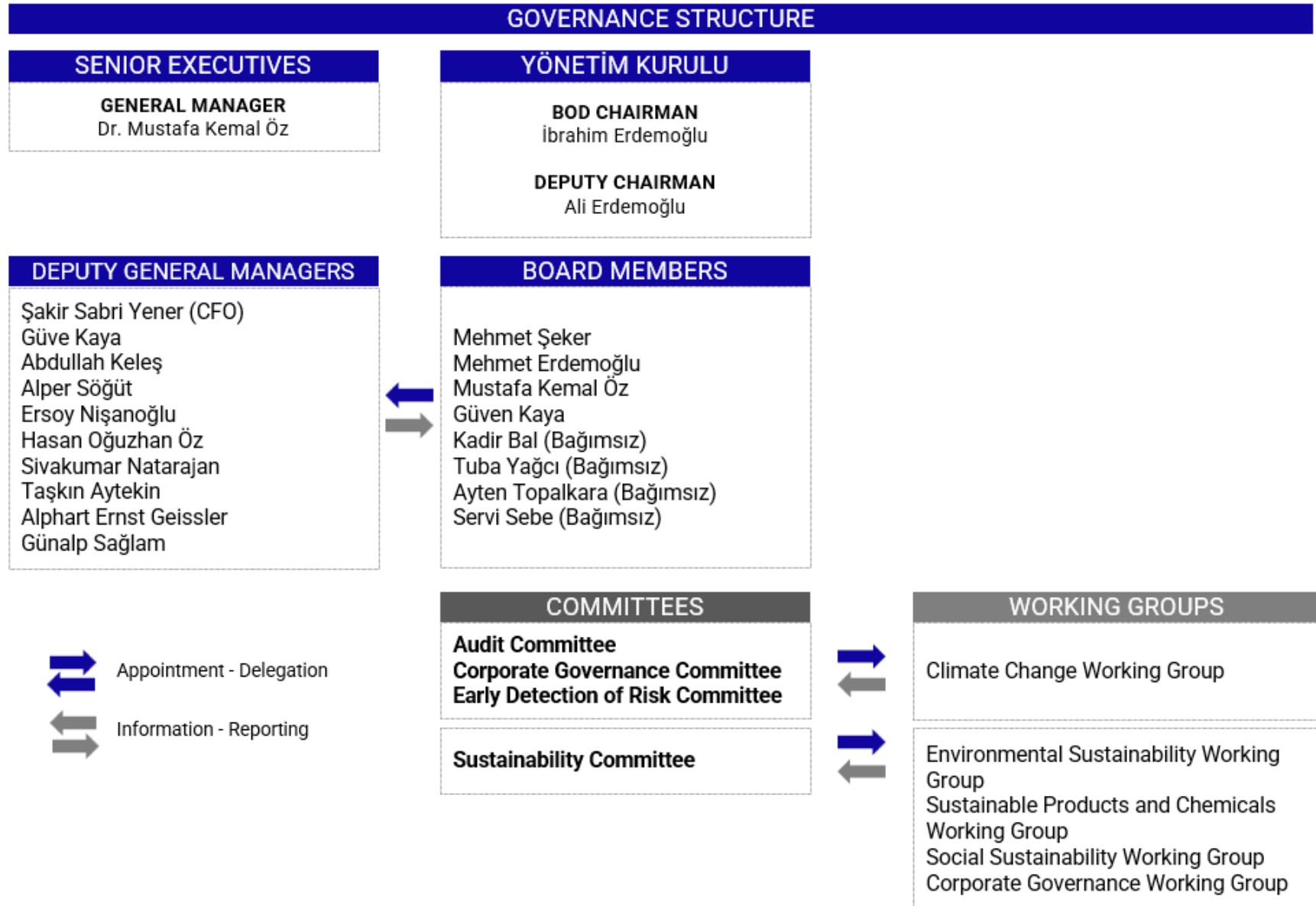
Table of Sustainability and Early Detection of Risk Committees Member Competencies	
Competence Areas	Number of Members
Strategy	5
Risk Management - Internal Audit	4
Economy - Finance	4
Sales - Marketing - Trade	5
Management Sciences & Human Resources	3
Humanities	3
Sustainability	5

3.3 Remuneration

SASA Remuneration Policy defines the remuneration system and practices regarding the Board members and senior executives with administrative responsibilities under CMB regulations. A fixed remuneration applying to all Board members is set each year at the ordinary general assembly meeting. Payment plans based on the Company's performance are not used in the remuneration of independent Board members. Executive members of the Board of Directors are paid in two components: fixed payment and performance-based payment.

A performance-based and variable remuneration policy is applied for all employees, including senior management, to keep the organizational targets above a certain level, to direct employees towards a common goal of success and to create a fair rewarding mechanism based on business results. Variable remuneration is calculated based on both individual performance and the actual performance of the Company. The criteria used in this calculation are evaluated by comparing the level of achievement of the financial and operational goals set for the Company at the end of the year. Corporate goals are set to ensure SASA's sustainability and improvement against previous years, including achievements in the fields of sustainability and climate change. In

addition to organizational goals, individual performance is determined by taking into account factors such as finance, customer satisfaction, processes, technology, long-term strategies and sustainability. In parallel with organizational performance, the individual performance of senior management is measured according to the principle of long-term sustainable development in non-financial areas such as sustainability and climate change performance.



3.4 Governance Structure on Sustainability and Climate

At SASA, risks are handled systematically within the framework of corporate governance. Committees and working groups have been established for sustainability and climate risks, and various tasks have been assigned to these governance bodies.

The Early Detection of Risk Committee performs work and makes decisions on sustainability and climate risks under TSRS S1, S2 and TCFD (Task Force on Climate-related Financial Disclosures). This Committee has been established by the Board of Directors to early detect and manage all kinds of strategic, operational, financial and climate-related risks that may jeopardize the existence, growth and sustainability of the Company. The members of the Committee are appointed by SASA Board of Directors, and these appointments are publicly disclosed. The Committee consists of a chairman and maximum two members appointed by the Board of Directors. The term of office of the Committee members is determined in parallel with that of the Board members. The members of this Committee consist of a chairman, a rapporteur and a member, who are elected from among the independent board members, thus ensuring that risks are analyzed at the highest level.

The agenda, meeting items and meeting schedule of the Early Detection of Risk Committee are determined by the Committee chairman. The Committee meets at least six times a year to analyze the agenda items. When necessary, relevant executives may be invited to Committee meetings or independent experts may be consulted. The decisions of the Committee are advisory to the Board of Directors and are communicated in writing.

Corporate risks including sustainability and climate risks are managed by the Early Detection of Risk Committee based on specific criteria. This process consists of the following steps:

- Identifying risks
- Developing pre-crisis intervention strategies
- Establishing effective management systems
- Early diagnosis and detection of risks
- Taking and managing appropriate measures against identified risks
- Fulfilling legal requirements

SASA's main objective is to minimize legal, financial, strategic, operational and unexpected risks in order to deliver the highest value to all stakeholders. The Company's corporate risk management is delivered within the framework of the [Corporate Risk Management Policy](#), which is shaped in the light of past knowledge and experience in accordance with the ISO 31000/Risk Management - Principles and Guidelines Standard. The Board of Directors is committed to the fulfillment of the requirements set out in this policy and expects the same commitment to be fulfilled by all employees.

The Early Detection of Risk Committee reports to the Board of Directors and is the cornerstone of the Company's risk management system. The Committee ensures the continuity of the risk management cycle by managing the processes of identification, assessment and mitigation of risks. The main purpose of the Committee is to identify strategic, operational and financial risks

that may threaten the existence, growth and sustainability of the Company at an early stage, to take the necessary measures and to implement solution strategies for these risks.

The Committee provides regular updates and reports on risk developments, trends and implementation of risk mitigation strategies on an annual basis. In addition, risks and opportunities in the sector are monitored through periodically published Annual Reports by the Board of Directors. These reports include sectoral analyses and reveal how the Company evaluates sectoral dynamics and how it responds to them strategically.

3.5 Sustainability Committee Working Groups

SASA recognizes that sustainable development requires a multi-stakeholder and interdisciplinary approach. To this end, 5 separate working groups reporting to the Sustainability Committee are established to realize sustainability goals:

- Climate Change Working Group
- Environmental Sustainability Working Group
- Social Sustainability Working Group
- Corporate Governance Working Group
- Sustainable Products and Chemicals Working Group

These groups include representatives from different departments and play an important role in identifying priority areas for sustainability, assessing progress and implementing necessary improvements. Each group carries out its activities in line with the strategic goals of the committee to which it reports, contributing to the integration of sustainability into the entire organizational structure. This structure encourages collaboration around common issues, creates synergy between departments and increases the impact and scope of sustainability efforts.

The Working Groups Coordinator coordinates the activities of the working groups. This role includes managing communication and information flow between the groups and the relevant committees, as well as regular attendance to meetings, recording of decisions made and electronic documentation. Thus, processes become more transparent and traceable, and the principle of accountability is reinforced. To ensure the continuity of sustainability performance, the activities of the working groups are regularly reviewed by the committees to which they report. This oversight and feedback cycle improves the effectiveness of the actions taken and enables a rapid identification of areas for improvement. In addition, critical sustainability issues identified by the groups are communicated to the Board of Directors through committees, and strategic guidance is provided accordingly.

By 2025, SASA plans to create a new working group that will focus on water and wastewater management and water efficiency and report to the Sustainability Committee. This group aims to serve SASA's strategic objectives of effective management of water resources and mitigation of environmental impacts.

3.5.1 Climate Change Working Group

The Climate Change Working Group under the Early Detection of Risk Committee carries out various studies on SASA's adaptation to a low carbon economy, management of carbon emissions from operations and analyzing risks and opportunities related to climate change.

The Climate Change Working Group operates within a multidisciplinary structure. Such a structure is critically important for correctly identifying and addressing climate risks and opportunities at large corporations like SASA, which are influential in all areas in terms of environmental, social and governance (ESG) criteria.

While the SASA Machinery Energy and Technology Department steps in to ensure the continuity of the work on energy use, the Machinery Energy and Technology and Environment Departments work in coordination for concerns related to water use such as the risk of drought in the region, the Occupational Safety and Human Resources Departments for social risks, and the Financial Affairs Department to analyze the financial dimensions of the planned actions.

The main tasks of the Group are as follows:

- Provide leadership in identifying, assessing and managing climate risks and opportunities,
- Report the potential financial impacts of climate risks and opportunities to the Early Detection of Risk Committee,
- Manage necessary processes to integrate climate risks into SASA's corporate risk management system,
- Monitor the management of climate risks and oversee the effectiveness of this process.

The Climate Change Working Group convenes at least twice a year and submits a comprehensive report evaluating the Company's climate risks and opportunities to the Sustainability Committee and the Early Detection of Risk Committee.

SASA Climate Change Working Group Actions

Carbon Management	Developing the SASA Carbon Roadmap, setting and monitoring carbon targets
	Managing the financial preparation process related to carbon trading
Water Management	Monitoring water use and wastewater data
	Monitoring water intensity and setting mitigation targets
	Calculating and verifying the corporate carbon and water footprint every year in accordance with ISO standards
	Investigating the effects of potential water pollutants on aquatic ecosystems
	Conducting studies specific to water risks under the leadership of the Early Detection of Risk Committee
	Determining the total water withdrawal, discharged water quality in SASA's water use and metering phases and conducting the process with third parties
	Establishing a separate Water Policy within the Company
Climate Change Management	Minimizing steam loss and leakage through water efficiency studies
	Identifying physical climate risks and planning relevant actions
	Developing climate goals and strategies
	Assessing transition risks and financial impacts, planning relevant measures and actions
	Integrating climate risks into the corporate risk database
CDP	Reporting the progress of climate goals and the actions to achieve these goals to senior management in accordance with internal control functions (taking into account COT realizations)
	Addressing gaps to attain a better score in CDP reporting

As a result of the reports submitted during the 2024 operational year, climate change risks and opportunities were evaluated, and actions and responsible persons were designated for monitoring compliance with climate change and sustainability targets, closely tracking national and international legislation and other regulations, continuously reviewing and updating opportunities and risks in the risk and opportunity assessment system, ensuring that the necessary budget and resource allocation plans are available for risks and opportunities of significant importance to the Company by taking into account their term and impact levels, adding financially material risks and opportunities to the financial statements, and developing systems for their monitoring.

3.5.2 Environmental Sustainability Working Group

The Environmental Sustainability Working Group operates in areas such as energy efficiency, renewable energy applications, carbon reduction projects and carbon roadmap preparations. In addition, evaluation of the developments in the Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading System (ETS), ISO management systems, digitalization processes, water and wastewater management, water efficiency, waste reduction, biodiversity projects, integration of sustainability risks into corporate processes, project development studies for climate change, and circular economy approaches are other items on the Group's agenda. The Working Group held seven meetings in 2024.

3.5.3 Sustainable Products and Chemicals Working Group

The Sustainable Products and Chemicals Working Group works on R&D projects for renewable and recycled raw materials, industrial accident prevention and hazardous substance management, and compliance with standards such as REACH, Oeko-Tex and INDITEX. In addition, preparation of chemical inventories and declarations, management of safety data sheets, green labelling and Environmental Product Declaration (EPD) processes, green chemistry applications, product design and life cycle management, monitoring of customer expectations (through platforms such as EcoVadis) and circular economy projects are among the Group activities. Market analyses for R-PET, updating of environmental labelling and product safety certificates, and monitoring of R&D activities are also part of the Group's work. The Group convened four times in 2024 and supports SASA's sustainable production approach.

3.5.4 Social Sustainability Working Group

The agenda items for the Social Sustainability Working Group include emergency preparations for climate crisis scenarios, human and employee rights, ethical business principles, combating bribery and forced labor, OHS practices, social responsibility projects, employee trainings, suggestion systems, diversity and equality policies, survey practices, monitoring sustainability indicators, interagency cooperation and digitalization practices. These activities support SASA's steps to improve employee welfare, ethical business practices and social contribution by strengthening the Company's social responsibility culture. The Group held four meetings during 2024.

3.5.5 Corporate Governance Working Group

The Corporate Governance Working Group works on developing sustainable supply chains and investments, monitoring stakeholder expectations, sustainable communication and social media management, compliance with relevant legislation, cooperation with civil society organizations, circular economy and digitalization strategies. In addition, auditing sustainability reports, monitoring climate targets, participation in international evaluation and rating processes (such as Sustainalytics, EcoVadis and LSEG), reporting gap analyses and increasing management diversity are among the Group's activities. Convened eight times in 2024, the Group strengthens SASA's sustainability goals on the governance axis and contributes to the creation of a transparent and accountable corporate structure.

4 Strategy

4.1 Sustainability Strategy and Goals

SASA recognizes that sustainability is not only an environmental issue but also a multidimensional concept that simultaneously affects all operations and business relations. Through large scale investments, SASA aims to offer a broad range of employment opportunities, improve the quality of life for its stakeholders and boost social welfare. To this end, the Company has placed the goal to contribute to sustainable development at the heart of all operations and decision-making processes.

SASA's sustainability strategy is based on a holistic approach that respects the right to life of future generations while meeting the needs of the present, is based on responsible production models and prioritizes the use of clean energy and the effective management of resources. SASA is aware of the global threats such as increasing global population, degradation of natural resources and ecosystems, climate crisis, social and economic challenges, food security problems and loss of biodiversity and has restructured its business model to combat these issues.

In line with its sustainability vision, SASA has set targets in three key areas of sustainability: environment, social and corporate governance, and continues to work to achieve these targets.

SASA SUSTAINABILITY VISION AND FOCUS AREAS		
ENVIRONMENTAL	SOCIAL	COPROPRATE GOVERNANCE
Climate Crisis and Carbon Management Reducing carbon footprint and achieving zero net emissions.	Rights, Equity and Ethics Highlighting equity, justice and ethics in the working environment.	Corporate Governance Structure Establishing a transparent and ethical governance structure.
Circular Economy Effective use of resources and minimizing wastes	Health and Safety Taking required measures to protect employee health and safety.	Stakeholder Engagement Ensuring active stakeholder engagement in processes and taking stakeholder opinions into consideration.
Sustainable Product Management Managing products in line with sustainability principles from design to disposal.	Corporate Social Responsibility and Collaborations Making social contributions and actively participating in social responsibility projects.	Sustainability Governance Integrating sustainability topics into management processes.
Environmental Responsibility Preserving natural resources and reducing environmental impacts.		

4.2 Climate Risks and Opportunities

Climate change is not only an environmental crisis but also a global one making a deep impact on economic and social structures. SASA acts responsibly in combating climate change, all the while developing strategies to generate value in the long term.

Within the framework of SASA's Integrated Risk and Opportunity Management procedure, climate risks are assessed in the light of a methodology similar to that employed for financial, economic, social, technological and legal risks, and they are monitored together with other corporate risks in the risk inventory. In the latest update, transition risks (regulatory harmonization under the EU CBAM and national ETS, water supply, and increase in energy and raw material costs) and physical risks (water stress, flood risk) are classified as medium material risks. These risks are regularly reviewed by the Early Detection of Risk Committee and the Sustainability Committee and are handled within the same holistic approach as other corporate risks. Their degree of materiality is gradually rising due to increasing regulatory developments and financial impacts.

In line with its sustainability and climate strategy, SASA categorizes climate risks as transition and physical risks and addresses these risks comprehensively within the framework of potential impacts on its business model, business strategies, value chain and financial performance. These risks are assessed in timeframes labeled as short, medium and long term and are integrated into strategic planning processes and operational activities. This section includes findings regarding the Company's exposure to climate risks as well as the practices in place for the management of these risks. Detailed information on the risk management approach is provided in Section 5.

Current and anticipated changes in SASA's business model (such as plans to manage or phase out carbon, energy or water intensive operations, resource allocations as a result of demand or supply chain changes, resource allocations as a result of business development through capital expenditure or additional expenditure on R&D, and acquisitions or divestments) are also considered in addressing risks and opportunities.

4.2.1 Definitions of Terms and the Related Justification

SASA's climate change risk management strategy is based on an accurate and comprehensive identification of climate risks. SASA prioritizes these risks by taking into account their probability of occurrence and their potential financial impacts. In order for this process to yield healthy results, the duration and term of the risks are defined in detail, which plays a critical role in terms of the accuracy of the analyses. Climate risks and opportunities that can be expected to impact the primary users of SASA's financial and TSRS reporting in accordance with the requirements of TSRS 2 are defined and assessed for the short, medium and long term along with their materiality.

According to the Integrated Risk and Opportunity Management Procedure established under SASA's Corporate Risk Assessment Procedure, the impact and probability levels of sustainability and climate risks are categorized as 'very high', 'high', 'medium' and 'low'. Term definitions are labeled as 'long', 'short' and 'medium'. The risk methodology is demonstrated below:

Risk Materiality Methodology				
	Impact Level			
Probability Level	Low	Medium	High	Very High
Low	Low	Medium	Medium	Medium
Medium	Medium	Medium	Medium	High
High	Medium	Medium	High	High
Very High	Medium	High	High	Very High

The Company defines the short, medium and long term in line with its strategic planning processes. Accordingly, short term refers to operational plans covering 1 to 3 years, while medium term refers to strategic goals of 3 to 10 years, and long-term horizon refers to projections of 10 years or more. These maturities are integrated with capital investments, risk management practices and the development of climate strategies.

Term Definitions	
Short-term risks	Risks that are likely to occur within 3 years
Medium-term risks	Risks that may occur over a 3 to 10-year period
Long-term risks	Risks that may occur in 10 years or within a longer period of time

Impact Definitions	
Very High	-It leads to failure to achieve strategic objectives. -It leads to the Company's inability to do business. -It leads to loss of customers. -It leads to the disclosure of the Company's highly confidential information assets/personal information. -It causes serious damage to the brand image and a related loss of brand value. -It causes a loss of reputation. -It weakens the competitiveness of the Company. -It leads to a legal weakness. -It leads to cases that make an irreversibly and irreparably destructive impact on the environment. -It causes multiple cases of death. -It leads to severe energy losses. -It leads to a large impact of energy cost on production cost. -It causes great material losses.
High	-It impacts the business/process performance of the Company negatively. -The process is a major obstacle to achieving performance targets. -It impacts customer satisfaction negatively. -It leads to a risk of exposure to legal weaknesses. -It causes partial damage to the brand image and a decrease in brand value. -It leads to the disclosure of the Company's highly confidential information assets/personal information. -It disrupts internal operations. -It leads to a risk of injury. -It leads to loss of production and quality. -It inflicts additional costs. -It adversely affects environmental safety.

Medium	It is required to partially change the current functioning.
Low	There will be no noticeable change in the current functioning.
Probability Definitions	
Very High	The probability of the risk occurring is once or more times per month or an almost certain, imminent risk.
High	The probability of the risk occurring is once or multiple times every 6 months or a frequently expected risk.
Medium	The probability of the risk occurring is once every 5 years or a less frequently expected risk.
Low	The probability of the risk occurring is once every 10 years or a rare risk.

Risk definitions are one of the most critical steps of the risk management process at SASA. To address risks within a comprehensive approach, SASA not only assesses risks from a financial or occupational health and safety perspective but also takes into account environmental impacts and climate-related factors.

SASA analyzes climate risks under two main categories, namely physical risks and transition risks. These risks are assessed in line with the regional conditions in which SASA operates.

Physical risks are categorized into two main groups according to the way they occur and the duration of their impacts: acute and chronic risks. Acute risks are associated with climate events that develop suddenly and make their impact in a short time. Such risks arise during cases such as weather-related disasters. They can be anticipated through accurate climate projections and managed using appropriate preventive strategies. Chronic risks, on the other hand, are risks that have a longer-term impact, increase gradually over time and arise from conditions specific to the region where operations are handled. Such risks are linked to the long-term impacts of climate change and are key elements to consider in sustainability planning.

Transition risks are associated with SASA's climate adaptation requirements in the context of combating climate change, the transition to a low carbon economy and the challenges that this process brings. Such risks include reputational and market risks arising from policy changes, legal regulations and technological developments as well as related risks, rather than direct physical impacts. Transition risks cannot be assessed in isolation from each other. To the contrary, such risks often impact one another and make knock-on effects.

SASA determines the degree of materiality of these risks following the risk definitions while creating climate strategies. Accordingly, a materiality analysis was performed, and the analysis process started with a bottom-up ranking in line with the survey results. Then, an assessment matrix was prepared by taking into account the probability of occurrence of these risks.

In the process of identifying sustainability and climate risks and opportunities as well as their potential impacts, not only SASA's subsidiaries included in the consolidated financial statements but also the Company's entire value chain operations are assessed. This also includes a thorough assessment of the current and expected impacts of the said risks and opportunities on the business model, value chain, financial standing/performance, cash flows and decision-making processes in addition to regions where such risks, opportunities and impacts are concentrated, and how the identified risks and opportunities are responded to.

The physical and transition climate risks that stand out for the organization following the existing controls performed as part of risk assessment have been assessed to be moderately (medium)

material risks in terms of their impact and probability levels according to the SASA assessment matrix.

4.2.1.1 Materiality Threshold and Justification

The 'materiality' framework in paragraphs 17-19 of the TSRS requires entities to disclose material information about sustainability-related risks and opportunities that could reasonably be expected to have an impact on their future financial adequacy. To use definitions that are consistent with the conceptual framework of the TSRS, the materiality threshold selected for SASA Polyester A.Ş. has been set in a way not to exceed a certain percentage of the turnover amount in line with the expectations in paragraphs B13 to B37 of the TSRS.

4.2.1.2 Climate Risks Term Definitions and Justification

SASA's Climate Risks Term Definitions are in compliance with the Integrated Risk and Opportunity Management Procedure established under the Corporate Risk Assessment Procedure. The risk methodology in question is explained in Article 4.2.1.

4.2.2 Climate-related Transition Risks

4.2.2.1 Transition Risk #1 - Carbon Border Adjustment Mechanism (CBAM)

Risk Category	Risk Subcategory	Value Chain Impact
Transition	Policy and Legal - Financial	Downstream
Risk Definition		
It is anticipated that SASA may be affected if the EU CBAM is extended to cover chemicals and polymers.		
Term	Probability	Impact
Medium	High	Medium
Risk Level with Existing Controls:		Medium
Risk Impacts		
The EU announced the 'Fit for 55' package in 2021 within the framework of the European Green Deal and has aimed to harmonize the goal of reducing greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels with existing policies and legislation. PET (Polyethylene Terephthalate) production is considered as a carbon intensive process due to the use of high energy as well as fossil fuel-based raw materials (PTA and MEG). Although it remains uncertain when the chemical sector will be affected by the CBAM implementation schedule, it is expected to have a significant impact on the financial standing, financial performance and cash flows of PET exporters to the EU, such as SASA, in the coming period. On the other hand, it is also anticipated that low emission producers will gain a competitive edge and the EU importers will prefer to work with suppliers whose emission reporting is transparent and who have adopted low carbon strategies to minimize the cost of CBAM. In addition, companies that produce low carbon PET are expected to enjoy a higher demand in the EU market thanks to the 'green' product perception. The need to comply with CBAM regulations may also lead to increased operating costs and capital expenditures as an entity invests in emission reduction strategies and technologies. This could strain cash flows and require careful financial planning to manage additional costs while remaining competitive in international markets.		
Potential Financial Impact - Calculation Method		Management Response / Actions Taken
SASA is currently commissioning new technology plants along with the PTA plant. These investments affect the energy use at the plant and thus the greenhouse gas data, which causes a change in the product emission intensity trend compared to previous years. In addition, the CBAM calendar does not yet cover the chemical sector, free allocation rates cannot be calculated due to the lack of product 'benchmark' values published by the EU Commission for the Polyester Chips & Polyester Fiber products that SASA is expected to export to the EU, and there is a lack of clarity regarding the functioning of the mechanism, which all cause a hypothetical uncertainty regarding the quantitative calculation of the financial impact of the CBAM.		SASA plans to minimize its CBAM-related risks and their financial impacts by reducing emission values through renewable energy, energy efficiency and fuel conversion investments in 2023 and beyond. Accordingly, investments are planned for coal-to-biomass transition technologies, steam savings, waste heat recovery, the use of high energy efficiency equipment in offices and production facilities, and increasing the amount of energy from biogas through the integrated wastewater treatment system furculum.
Potential Financial Impact:		
SASA is not able to report the potential financial impact of this risk in the short, medium and long term. SASA will include quantitative calculations in its reports when the uncertainties around CBAM are eliminated and reliable emission intensity results are obtained.		

4.2.2.2 Transition Risk #2 - Turkish Emissions Trading System

Risk Category	Risk Subcategory	Value Chain Impact
Transition	Policy and Legal - Financial	Downstream
Risk Definition		
Turkish ETS Pilot Period is expected to start in 2026. Since SASA's combustion capacity is over 20 MW, it is expected to participate in the system during the full implementation period.		
Term	Probability	Impact
Short	High	Medium
Risk Level with Existing Controls:		Medium
Risk Impacts		
Implementation of the Turkish ETS after 2028, when SASA will be a mandatory participant due to its combustion capacity exceeding 20 MW, is expected to make an impact on the Company's financial standing, performance and cash flows. It is anticipated that the introduction of the ETS will bring along the need to purchase emission allowances or invest in emission reduction technologies. On the other hand, with the introduction of the ETS, it is expected that the carbon costs will be reflected in product prices.		
Potential Financial Impact - Calculation Method		Management Response / Actions Taken
The purchase of allowances from the ETS and investments in emission reduction technologies are expected to increase SASA's operating costs and reduce its profit margins. The reflection of carbon costs on sales prices may affect customer demand and cause profit margins to shrink. The Turkish ETS will cover GHG emissions for the years 2026 and 2027 within the pilot period implementation, and free allowances will be available at a rate of 100%. The first implementation period for ETS is expected to cover the years 2028-2035, with the 1 st sub-period between 2028 and 2030 and the 2 nd sub-period between 2031 and 2035. Although the carbon price under the TR ETS remains uncertain, SASA has carried out a study to determine the possible financial impacts of the TR ETS.		SASA is included in the Annex-1 list under the Regulation on Monitoring Greenhouse Gas Emissions in Türkiye, which entered into force in 2015, and drafts an emission report every year pursuant to the Monitoring, Reporting and Verification (MRV) Communiqué. Being subject to this communiqué since 2015, SASA has been calculating its greenhouse gas emissions as per the legislation and submits the values to the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change. SASA plans to minimize the financial impact of risks through investments in energy efficiency and fuel conversion in 2023 and beyond. Planned investments include coal-to-biomass transition technologies, steam saving, waste heat recovery, the installation of an integrated wastewater treatment system and increasing the amount of energy to be generated from biogas. In addition, SASA monitors and evaluates the Turkish ETS requirements.
Potential Financial Impact:		
A study conducted by using SASA's thermal energy consumption and emission data for the period 2022-2024 in the light of the European Union thermal energy 2021-2025 'benchmark' values has calculated that, with different carbon price assumptions (10 Euro/ton CO ₂ e - 30 Euro/ton CO ₂ e), a 40% free allowance rate in 2028 and beyond would lead to an annual cost increase of approximately TL 100-250 million. This amount is below the financial threshold. SASA will include quantitative calculations in its reports in the coming period in parallel with the developments in the Turkish ETS pilot period.		

4.2.2.3 Transition Risk #3 - Legal Water Withdrawal Limits / Changes in Water Allocation

Risk Category	Risk Subcategory	Value Chain Impact
Transition	Policy and Legal - Financial	Upstream - Other Functions
Risk Definition		
It is anticipated that water withdrawal limits could restrict the pace of growth at SASA, leading to changes in the scale or timing of planned expansions.		
Term	Probability	Impact
Medium	Medium	Medium
Risk Level with Existing Controls:		Medium
Risk Impacts		
Türkiye is among the high-risk regions in terms of climate-related impacts, and these risks adversely affect both the quantity and quality of water resources. Climate impact assessments for the 21st century indicate that, as a result of increasing temperatures and changing precipitation regimes, there will be a significant decrease in the country's water potential compared to the reference period. According to 2022 data, approximately 11% of the total 57 billion m³ water consumption in Türkiye is for industrial use. This reveals the vulnerability of the industrial sector to the risk of water scarcity due to climate change. Projections based on RCP4.5 and RCP8.5 scenarios covering the period 2015-2090 by the General Directorate of Meteorology (MGM) reveal that Adana province will experience a significant increase in average temperatures in the coming years. When the precipitation parameters are analyzed, the expectation for a decrease in the amount of precipitation for both scenarios stands out. Although regional differences and anomalies are observed, it is predicted that the driest period will be experienced in the Ceyhan Basin between 2071-2080. In the central parts of the basin, the expectation for a precipitation decrease is higher. According to the model results, precipitation decreases up to 22% are possible. The impacts of climate change at this scale will bring up the need to make amendments in water withdrawal limits and water allocation plans in and around Adana province. These amendments may have restrictive consequences on water supply at industrial plants, such as SASA, with water-dependent processes and agricultural irrigation.		
Potential Financial Impact - Calculation Method		Management Response / Actions Taken
It is assessed that a restriction in SASA's legal water withdrawal limits and allocations could have a material impact on its financial standing, performance and cash flows. Such a restriction could limit the pace of growth, leading to changes in the scale or timing of planned expansions. It is also estimated that the investments required for the provision of alternative water sources and compliance with new regulations could increase capital expenditures.		In performing its operations, SASA recognizes that clean water resources are limited and water scarcity can have negative impacts on both daily life and industrial processes. The Company plans its water supply, process water consumption and wastewater treatment operations within the framework of sustainable water management strategies. To this end, water consumption data are monitored monthly and regular controls are carried out to detect and prevent water leakages. Through modeling studies on the project site, a Digital Elevation Model (DEM) is created, flow directions in the field are determined, and cumulative flow calculation and basin area determination techniques are used. SASA aims to reduce its water intensity by 2026, when the water recovery unit will be fully commissioned and the PTA Production Plant will switch to a continuous production model. Accordingly, a dedicated Water and Wastewater Working Group reporting to the Sustainability Committee is due for formation to monitor risks, goals and performance in water consumption and wastewater management more effectively. It is expected that this organizational structure will contribute to increasing reuse rates and keeping water withdrawals within the specified limits.
Potential Financial Impact:		
There are hypothetical uncertainties in the calculation of the financial impacts of legal withdrawal limits and restrictions on allocations. As of 2025, the Water and Wastewater Working Group, which is planned to report to the Sustainability Committee, is expected to conduct studies to calculate the possible financial impact of this risk.		

4.2.2.4 Transition Risk #4 - Increasing Costs of Polyester Raw Materials

Risk Category	Risk Subcategory	Value Chain Impact
Transition	Market	Upstream - Raw Material Suppliers
Risk Definition		
SASA is expected to face transition risks due to both the increase in raw material product costs associated with climate change and the changes in customer expectations.		
Term	Probability	Impact
Medium	Medium	Medium
Risk Level with Existing Controls:		Medium
Risk Impacts		
It is anticipated that SASA may face increasing pressure to adapt its products as energy and raw material costs continue to rise and customer expectations and behavior continue to change. Moreover, market uncertainty is likely to increase volatility in demand and cause constraints in the supply of raw materials due to climate-related factors.		
Potential Financial Impact - Calculation Method		Management Response / Actions Taken
SASA anticipates that the climate-related market risks will have a specific impact on its financial standing, performance and cash flows. The expected increase in raw material and energy costs may also increase production costs depending on climate-related factors. Over time, these factors will require the delivery of strategic efforts to maintain competitiveness and financial stability in an increasingly climate-conscious market environment to prevent a weakening of SASA's financial performance.		At SASA, annual contracts are signed with suppliers to manage the increase in raw material prices. Raw material prices are set according to formulations based on data from reporting companies that publish internationally recognized base prices. On the other hand, the raw material stock level is kept at a level corresponding to one month of consumption and it is ensured that it does not fall below this level. In addition, since 2023, the Company has had plans to continuously increase the use of renewable energy both through the 16.4 MWp rooftop SPP at the plant and the land SPP projects that it continues to invest in by increasing their capacities, which will further reduce energy costs. SASA aims to minimize its risks in raw material supply in the medium term thanks to the facility it has commissioned for the production of PTA, which is the raw material of polyester and fiber. In the long term, the Company plans to reduce imports and foreign dependency by producing raw materials and high value-added products together with the refinery having an annual capacity of 13 million tons as well as an integrated port to be built in the Special Industrial Area in Adana's Yumurtalik district.
Potential Financial Impact:		
When SASA completes full integration with the Yumurtalik investment, it will improve its efficiency, thus securing a stronger competitive edge. Under the current circumstances, the financial impact of these investments cannot be calculated due to uncertainties. In the following reporting periods, SASA will perform detailed qualitative and quantitative studies on the foregoing impact.		

4.2.3 Climate-related Physical Risks

4.2.3.1 Physical Risk #1 - Flood Risk

Risk Category	Risk Subcategory	Value Chain Impact
Physical	Chronic	Operations
Risk Definition		
Flood risk is expected at the SASA Production Facility located in Adana's Seyhan district as a result of sudden changes in rainfall regimes or excessive rainfall.		
Term	Probability	Impact
Medium	High	Medium
Risk Level with Existing Controls:		Medium
Risk Impacts		
Adana is located to the north of the Mediterranean Region, one of the regions of Europe expected to be most affected by climate change. According to Adana Metropolitan Municipality's Sustainable Energy and Climate Change Action Plan (SECAP) for 2024-2025, actions to address the climate crisis are rendered inevitable by the fact that the city is a coastal city with a high vulnerability to climate-related hazards such as floods, droughts and urban heat island effect, coupled with the effects of the rapid urbanization process. In recent years, Adana has experienced floods due to rainfall and temperatures above seasonal norms. Although these floods were generally observed in the central districts, they had more severe impacts particularly in Seyhan and Yüreğir districts due to elevation difference and irregular urbanization. On the other hand, it was observed that floods mostly affected roads and agricultural lands in Aladağ, Saimbeyli, Feke, Ceyhan and Karataş districts.		
Potential Financial Impact - Calculation Method		Management Response / Actions Taken
Flood risk is expected to have a more significant impact on the organization's financial standing, performance and cash flows. As climate patterns change and the likelihood of extreme weather events increases, flood risk may lead to significant operational disruptions, potentially resulting in plant closures, loss of production capacity and increased costs associated with repairs and asset protection. There could also be an increase in capital spending to improve flood defenses and infrastructure resilience, which could further impact financial performance in the medium term.		SASA has a block insurance policy in place to compensate for damages that may occur during the transportation of raw materials or products and in production facilities in the event of floods or any natural/climate-related disaster.
Potential Financial Impact:		
As a result of benchmark assessments and evaluations with insurance companies, SASA expects an increase of less than 10% in insurance policy premiums in the coming periods due to the impact of climate change. The amount expected to arise from the increase is below the financial threshold.		

4.2.3.2 Physical Risk #2 - Water Stress

Risk Category	Risk Subcategory	Value Chain Impact
Physical	Chronic	Operations
Risk Definition		
When WRI Aqueduct water stress projections are analyzed, it is concluded that SASA's Adana plant is under extremely high water stress according to the worst case scenario (RCP 8.5 ¹) for 2030.		
Term	Probability	Impact
Short	High	Medium
Risk Level with Existing Controls:		Medium
Risk Impacts		
The risk of extreme water stress in Adana is expected to have a significant impact on the organization's financial standing, performance and cash flows in the medium to long term. If water scarcity is exacerbated, there is a high likelihood of shutting down operations, which may lead to the loss of productive capacity and reduced revenues. Costs associated with securing alternative water sources or implementing water-saving technologies could increase capital expenditures, further straining cash flows. Furthermore, potential disruption to operations could reduce overall profitability and require more robust risk management strategies. The organization prepares for these scenarios by investing in infrastructure and technologies to improve water efficiency and developing contingency plans to ensure business continuity in the face of worsening water scarcity.		
Potential Financial Impact - Calculation Method		Management Response / Actions Taken
The risk of extreme water stress in Adana is expected to have a significant impact on the organization's financial standing, performance and cash flows in the medium to long term. If water scarcity is exacerbated, there is a high likelihood of shutting down operations, which may lead to the loss of production capacity and reduced revenues. Costs associated with securing alternative water sources or implementing water-saving technologies could increase capital expenditures, further straining cash flows.		In performing its operations, SASA recognizes that clean water resources are limited and water scarcity can have negative impacts on both daily life and industrial processes. The Company plans its water supply, process water consumption and wastewater treatment operations within the framework of sustainable water management strategies. To this end, water consumption data are monitored monthly and regular controls are carried out to detect and prevent water leakages. Through modeling studies on the project site, a Digital Elevation Model (DEM) is created, flow directions in the field are determined, and cumulative flow calculation and basin area determination techniques are used. SASA aims to reduce its water intensity by 2026, when the water recovery unit will be fully commissioned and the PTA Production Plant will switch to a continuous production model. Accordingly, a dedicated Water and Wastewater Working Group reporting to the Sustainability Committee is due for formation to monitor risks, goals and performance in water consumption and wastewater management more effectively. It is expected that this organizational structure will contribute to increasing reuse rates and keeping water withdrawals within the specified limits.
Potential Financial Impact:		
There are hypothetical uncertainties in the calculation of the financial impact of water stress risk. As of 2025, the Water and Wastewater Working Group, which is planned to report to the Sustainability Committee, is expected to conduct studies to calculate the possible financial impact of this risk.		

¹ SSP5 - RCP8.5: This represents a future in which temperatures increase by 3.3°C to 5.7°C by 2100. SSP5 describes fossil fuel-based development: rapid economic growth and globalization supported by carbon-intensive energy, strong institutions with high investment in education and technology, but a lack of global environmental concern and a peaking and declining population in the 21st century.

4.2.4 Climate Opportunities

4.2.4.1 Opportunity #1 - MTR Chips Production Capacity Increase

Opportunity Category		
Products/Services		
Opportunity Definition		
The product being produced at the existing plant equipped with UIF technology and to be produced at recently-commissioned MTR chips plants utilizing the same technology offers environmental and energy consumption benefits for customers compared to SSP (Solid State Polymerization). - Reduced crystallinity leads to lower melting temperatures, thus saving customers up to 10% energy in the drying and extrusion process. - Less dust formation ensures homogeneous drying conditions and also minimizes preform defects. - Finally, when compared in terms of natural gas and electric energy, MTR technology provides an advantage of approximately 30% over the conventional SSP technology.		
Term	Probability	Impact
Short	Very High	Very High
Opportunity Value:		Very High
Potential Financial Impact		
In 2024, the revenue generated from the sale of MTR chips accounts for 23% (approximately TL 11.4 billion) of the Company's turnover in 2024. This amount is above the financial threshold.		

4.2.4.2 Opportunity #2 - SPP Investments

Opportunity Category		
Energy Resource		
Opportunity Definition		
In parallel with the Strategic Carbon Roadmap, SASA increases the renewable ratio in total electricity consumption each day. Although SASA's 2024 goal for renewable energy utilization rate in total electricity consumption was set at 4%, the actual rate stood at 3.5% in 2024 due to operational delays, with 14,559 MWh (52,411 GJ) of electricity being generated by the rooftop SPP. SASA's medium-term goal is to increase the share of renewable energy in electricity consumption to 50% by 2030.		
Term	Probability	Impact
Medium	High	High
Opportunity Value:		High
Potential Financial Impact		
In 2024, SASA achieved financial savings of over TL 38 million from the SPP. This amount is below the financial threshold. The increase in the share of renewable energy in the medium term is expected to take the amount of savings to the range of TL 400-500 million annually. This amount is above the financial threshold.		

4.2.4.3 Opportunity #3 - PTA Plant

Opportunity Category		
Resource Efficiency		
Opportunity Definition		
PET production takes place using DMT and PTA, the two main raw materials in the industry. DMT-based production produces methanol as a by-product, which is considered a risky substance due to its high volatility, flammability and environmental hazard potential. In contrast, only water is released in PTA-based production, and such water is reused in the production process, ensuring resource efficiency. To this end, PTA-based production offers a safer and environmentally friendly alternative in terms of environmental sustainability. SASA has completely transformed its production operations to PTA (Purified Terephthalic Acid) based processes as of 2024. This approach not only contributes to reducing environmental impacts, but also allows for more efficient use of resources. The new PTA Production Plant is due for commissioning in 2025 to support transformation and is a concrete indicator of the Company's sustainable production vision. The plant has a production capacity of 1.75 million tons and an investment cost of approximately USD 1 billion 632 million as of 2024 within the existing campus in Adana. It was commissioned in 2025 as a major step that strengthens SASA's strategic position in the petrochemical sector.		
Term	Probability	Impact
Medium/Long	Very High	Very High
Opportunity Value:		Very High
Potential Financial Impact		
SASA expects an average EBITDA contribution of USD 120 million between 2027 and 2036 based on current market conditions, following the full-capacity commissioning of the PTA plant in 2025.		

4.3 Climate Resilience

SASA's sustainability and climate strategy serves as a strategic framework that not only contributes to addressing current operational challenges, but also ensures preparedness for future uncertainties and capitalizes on potential opportunities. This strategy places increasing the Company's flexibility, securing its financial stability and strengthening its operational efficiency among its key priorities.

The main points of uncertainty in climate resilience assessments primarily include the impacts of carbon pricing mechanisms and the impacts of climate change on the value chain.

To this end, SASA's investments focusing on renewable energy and advanced technology, coupled with the recently-commissioned PTA plant and the pending capacity increases for raw material production, form the basis of strategies for a resilient infrastructure against environmental risks. This strategic approach offers a structure supporting long-term growth while maintaining financial stability.

The Company's climate resilience strategy focuses on reducing raw material dependency, curbing emissions in production processes, increasing the use of renewable energy and building resilience against fluctuations in weather conditions and in energy demand. In addition, the Company plans to launch practices that will enhance the resilience of production facilities against future climate risks. These practices include measures for risks such as water stress that may arise in the Company's sites of operation.

Through this holistic strategy, SASA aims to systematically strengthen its corporate resilience against climate change and sustainability risks in line with its sustainable growth targets.

4.3.1 Scenario Analysis

TSRS expects the performance of scenario analyses in assessing the impact of climate risks on corporate strategy on the basis of reasonable effort and supportable information, and without undue cost or effort.

During the reporting period, no climate risk that could have a material impact on the financial statements has been identified. In addition, systemic uncertainties caused by climate change are taken into account in the Company's strategic planning and risk management processes. To this end, the performance of scenario analyses in case of the emergence of risks that may have financial impact in the medium and long term and the integration of analysis findings into decision-making processes are planned.

Although the Company has not yet carried out a comprehensive scenario analysis, it aims to follow and ultimately implement methodologies complying with international best practices and national regulations to manage potential climate risks and opportunities more effectively.

4.3.2 Strategy and Objectives in Combating Climate Change

SASA's strategy for combating and adapting to climate change is shaped in line with its objectives to reduce carbon emissions and is built on three main pillars: 'optimization', 'transition to a green economy' and 'innovation for sustainability'.

4.3.2.1 Optimization

Efficiency Projects: Under optimization efforts, SASA carries out efficiency projects to reduce steam, electricity and natural gas consumption in the process. There are plans in place to save 3,704 tons of water vapor, 74,000 sm³ of natural gas and 91,100,000 kWh of electricity annually by 2025.

Lighting: SASA organizes energy efficiency projects to reduce the energy consumed for lighting. These efforts are expected to secure electricity savings of 466,560 kWh and improve the lifetime of luminaires by 85% by end 2025.

Water Use: SASA engages in activities to reduce the use of water used in the process and aims to recover 55-60% of the water through the ongoing wastewater treatment and recovery facility.

Digitalization: Industry 4.0 practices will be integrated into all processes to improve optimization.

Green Chemistry Practices: The Company plans to continue implementing projects optimizing resource use in line with the principles of 'Waste Prevention' and 'Atom Economy'.

4.3.2.2 Transition to a Green Economy

Fuel Switching: SASA aims to phase out coal in all plants with an ultimate coal exit as of 2026. To this end, new investments will commonly exhibit and implement practices such as energy recovery from natural gas and waste heat.

Use of Renewable Energy: In order to reduce emissions from electricity consumption, SASA aims to increase rooftop and off-road solar power plant (SPP) investments and use biomass energy as an alternative fuel.

4.3.2.3 Innovation for Sustainability

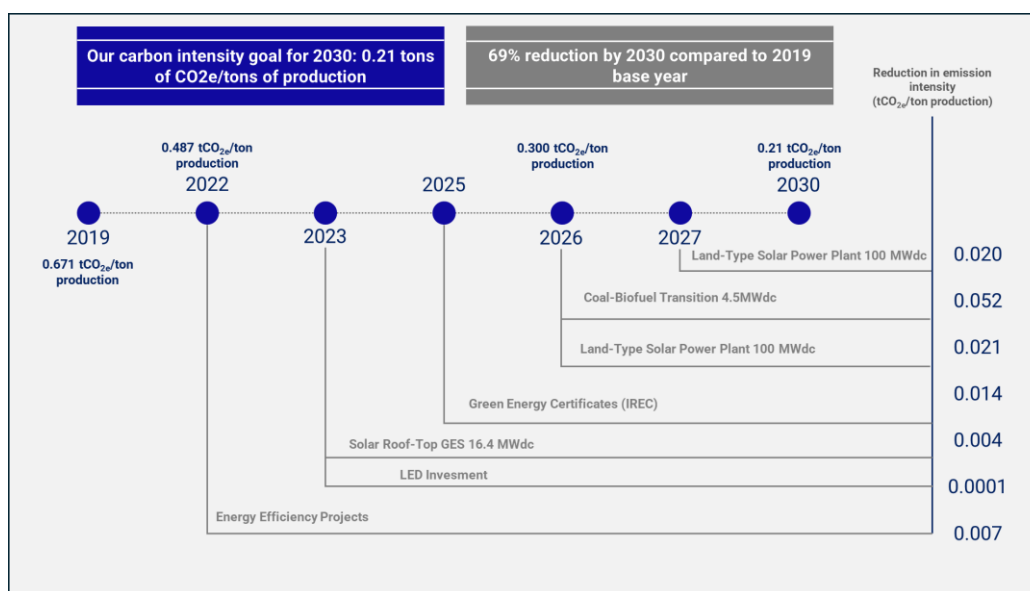
Utilization of Renewable Raw Materials: In addition to the biodegradable polymer groups in the portfolio, the Company aims to continue its R&D studies on the use of bio-based raw materials. Furthermore, the Company plans to employ the life cycle assessment (LCA) methodology to analyze and benchmark environmental impacts from the use of raw materials.

4.3.3 SASA's Strategic Carbon Roadmap

SASA drafted the 'SASA Strategic Carbon Roadmap' to attain the subgoals set under 'Climate Crisis and Carbon Management', build climate resilience and contribute to combating climate change, thus setting the goal to mitigate emission intensity per ton by 2030.

Emission and energy management work is conducted in line with the Strategic Carbon Roadmap covering the Company's entire set of operations. The Roadmap aims to mitigate carbon intensity from Scope 1 and Scope 2 emissions per each ton of production by 69% by 2030 (against the base year of 2019), thus reaching a (gross) value of 0.21 tCO₂e/ton of production. Since SASA increases its capacity every year through continuous investments, an intensity reduction target has been set instead of absolute emission mitigation. Taking into account the sectoral guidance documents to be published for the chemical sector by the Science Based Targets initiative (SBTi), the Company plans to realize SBTi-compliant target updates in the coming periods. Carbon intensity is being steadily reduced every year compared to the base year 2019, when carbon intensity was the highest. To reach 0.21 tCO₂e/ton of production, SASA plans to:

- Obtain an I-REC certificate amounting to 97,655 MWh in 2025
- Make 200 MWp of land-type SPP investment in 2026 and 2027
- Make 4.5 MWp of biomass investment starting from 2026
- Further improve energy savings through energy efficiency projects.



SASA met 3.5% of its total electricity consumption from renewable energy as of 2024 through the Rooftop SPP investment completed in 2023 with an installed capacity of 16.4 MWp. The investment for the 45.7 MWp land-type solar power plant project in Gaziantep's Aril Region started

in 2024 and was completed in 2025. SASA aims to meet 50% of its electricity needs from renewable sources by 2030 thanks to solar power plants with an installed capacity of 216.4 MWp. In addition, through its waste heat recovery system, the PTA plant will meet the entire electricity need for its own production as well as a significant portion of the electrical energy needs at the other facilities of the Company.

With an energy intensity goal of 3.5 GJ/ton in 2030, SASA keeps a goal of 50% energy intensity reduction in 2030 compared to the base year 2019. In addition, SASA's energy intensity decreased by 41% in 2024 compared to 2019, further approaching the goal for 2030.

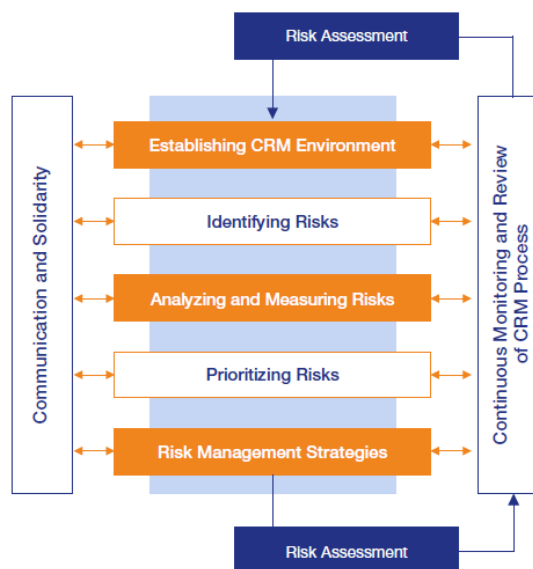
5 Risk Management

5.1 Risk Management Process

SASA attaches great importance to the early identification of potential risks and timely intervention to the identified risks in order to ensure that the corporate strategies and operational processes continue without disruption. Moreover, SASA aims to minimize legal, financial, strategic and operational risks and unexpected risks in order to offer the highest value to all stakeholders. To attain this aim, a management system is implemented in accordance with the requirements of the ISO 31000 Risk Management - Principles and Guidelines Standard and the Corporate Risk Management Policy developed in line with SASA's know-how and experience.

Risks are handled within a sustainability perspective through the Corporate Risk Management Policy, which covers legal, financial, strategic, operational and climate risks. Risks have been formulated with a risk management perspective in line with corporate strategies, operational security and the protection of asset values. Necessary work is carried out for the management, monitoring and continuous improvement of potential risks.

The Board of Directors undertakes to fulfill the obligations defined in the Corporate Risk Management Policy and expects the same from its employees. SASA carries out risk assessments at the senior management level, which is the highest body of the organization. The basic structure of risk management is formed by the Early Detection of Risk Committee (EDRC) reporting to the Board of Directors. EDRC ensures that the risks that may arise in all business processes are identified in advance, the risk assessment is communicated to all relevant parties and the continuity of the risk management cycle is ensured. EDRC is tasked with mitigating risks that may adversely affect SASA's long-term success and with developing and implementing effective solutions to these risks. EDRC reviews and updates its risk management strategies annually and prioritizes transparency and accountability in its general risk management practices.



SASA has established the Corporate Risk Management Procedure based on the Corporate Risk Management Policy to carry out risk management processes in a comprehensive and effective manner. The risk management flow chart in the procedure clearly sets out the functioning of the process as well as responsibilities. Through this process, decisions on matters such as investments, financial decisions and business strategies are made by taking into account SASA's risk appetite, thus minimizing the effects of unexpected cases. The Company aims to minimize potential losses and costs from risks, ensure income stability and support sustainable growth. In addition, enhancing corporate reputation and reliability and ensuring continuous compliance with legislation are among the major achievements of the risk management process.

The steps included in SASA's risk management process are as follows:

- Risk awareness is ensured, and proactive methods are adopted.
- Losses and costs are reduced.
- Corporate reputation and trust is improved.
- Income and sustainable growth are ensured.
- Regulations are complied with.

Effective and sustainable corporate risk management is linked to the successful execution of risk assessment processes. Accordingly, risks at SASA are correctly identified, analyzed, evaluated, prioritized and regularly monitored in accordance with the relevant instructions. The Company assesses potential risks under four main risk categories: financial, operational, strategic and environmental. Environmental, social and governance (ESG) risks, including climate risks, are managed in an integrated manner under these categories.

The impact and probability ranges of risks are defined in the risk impact assessment table created in accordance with the categories, and the relevant business units responsible for taking actions to minimize these risks are also included in the process. Thus, behaviors or actions that are likely to affect the operation and strategies of the company are planned in advance and made manageable with a corporate business management perspective.

The Environmental, Social and Governance (ESG) risk categories that SASA addresses are as follows:

- Environmental Security and Climate Crisis
- Technological Innovation
- Occupational Health and Safety
- Corruption
- Business Interruption
- Employee Satisfaction
- International Impact
- Ethics

A corporate risk cycle has been established to ensure the continuity and effectiveness of the risk management process. The risk management cycle not only ensures a seamless process, but also enables SASA to fulfill its risk management commitments. The risk management plan has been developed for implementation at all levels of the Company. In line with this plan, regular observations are performed on the functionality of the process, and reports are drafted regarding the implementation of the Corporate Risk Management Policy.

Risk management performance is periodically monitored and evaluated within the framework of determined indicators. The findings set the basis for decisions on how to improve the existing framework, policies and plans. Thus, risk management processes are continuously improved, contributing to the sustainable growth targets and corporate reputation of the Company.



5.2 Financial Risk Management

SASA is exposed to various financial risks in its operations. These risks are categorized as market risk (foreign exchange and interest rate risk), credit risk, liquidity risk and funding risk. SASA's risk management system focuses on the uncertainties in financial markets and aims to minimize the possible negative effects of these uncertainties on the Company's financial performance. Financial risks are managed by the Finance Unit in line with the policies set by the management. This unit works in close cooperation with other departments of SASA to ensure that financial risks are identified and analyzed and necessary measures are taken against these risks. The nature and level of risks arising from financial instruments are disclosed in the financial statements at regular intervals.

6 Metrics and Targets

SASA supports its sustainability strategy with measurable performance indicators and targets. To this end, the Company systematically performs an annual monitoring and evaluation of the pre-determined metrics to monitor the environmental and social impacts of its operations and to achieve its sustainability goals.

6.1 Metrics

6.1.1 Operational Metrics (Production by Reportable Segment)

Production	2024 (Tons)
Polyester Chips	395,086
Polyester Fiber	327,400
Polyester Yarn	131.968
POY	222,393
TOTAL	1.076.847

6.1.2 Greenhouse Gas Emissions

SASA's greenhouse gas emission calculations are made in accordance with the GHG Protocol and ISO 14064-1:2019 standard rules and are verified according to ISO 14064-1:2019 standard. Financial control approach has been applied in the calculation of greenhouse gas emissions. To this end, the emissions from all sites of operation where SASA has direct and indirect financial control power are consolidated and reported. The greenhouse gas inventory covers SASA's Adana Plant, the storage site in Iskenderun, and the offices in Istanbul and Ankara. In addition, SASA Dış Ticaret A.Ş. and SASA Uluslararası Finansal Yatırım A.Ş., both being subsidiaries of SASA, are not covered by the consolidated financial statements since they do not have any emission sources.

For Scope 1 emissions, data on fuels used in production (natural gas, coal, LPG and acetylene) as well as fuel consumption and refrigerant gas data for company-owned vehicles were obtained directly from invoices and official consumption and maintenance documents. Emission factors in IPCC AR6 and the intensity values obtained from suppliers were used to calculate Scope 1 emissions. No assumptions were included in the calculations. Calculations are based on actual values.

While calculating Scope 2 emissions reported on a location basis, the national emission factors in the 'Information Form on Electricity Generation and Emission Factors at Electricity Consumption Points in Türkiye (2022)', which was published by Republic of Türkiye Ministry of Energy and Natural Resources in 2024, were taken into consideration.

SASA's gross Scope 1 and Scope 2 greenhouse gas emission data for the 2024 reporting period are provided in the table below. Furthermore, SASA's total (Scope 1 and 2) GHG emission intensity in 2024 is calculated as 0.37 tCO₂e/ton of product.

Location	Emission Amount (tCO ₂ e)		
	Scope 1	Scope 2 (Location-based)	Total
Adana	215,159.10	180,286.79	395,445.89
Iskenderun	9.02	63.60	72.61
Ankara	1.87	0.82	2.69
Istanbul	19.04	16.59	35.63
Total	215,189.02	180,367.80	395,556.82

In accordance with the transitional provisions of TSRS, entities are not required to disclose Scope 3 greenhouse gas emissions in the first two reporting periods.

6.1.3 Energy Management

		Energy Consumption (GJ)	Ratio (%)
From Non-Renewable Sources	Natural Gas	1,764,769	40.02
	Coal	1,099,008	24.92
	Diesel	26,880	0.61
	LPG	3,233	0.07
	Industrial Waste	4,811	0.11
	Total	2,898,701	65.73
From Renewable Sources	Solar	52,411	1.19
	Biomass		-
	Total	52,411	1.19
Electricity Consumption		1,459,110	33.08
Total Energy Consumption		4,410,222	100.00

Energy Intensity (GJ/ton of product)	4.1
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	Reduction in Energy Consumption (GJ)
Reduction in Coal Consumption	42,417
Reduction in Natural Gas Consumption	6,615
Reduction in Electricity Consumption	9,421

6.1.4 Water Consumption

SASA calculates and verifies its water footprint according to ISO 14046 standard. Data for water consumption in 2024 are provided in the tables below.

	Amount of Water Withdrawn by Source (1,000 m ³)	Ratio of Regions Under High and Extremely High Water Stress
Groundwater	3,029	100%
Surface Water	1.5	100%
Total Amount of Water Withdrawn	3,030	-

	Amount of Water Discharge by Discharge Points (m ³)
Surface Water	1,692
Total Amount Discharged	1,692
Total Amount Consumed	1,338

Number of Incidents of Non-Compliance with Water Quality Permits - Standards - Regulations	-
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6.1.5 Products Offering Resource Efficiency in Use

MTR chips contribute to increasing energy and raw material efficiency in customers' processes and enables processing with less energy and resources during final use thanks to its high performance.

With an average daily production capacity of 900 tons, MTR chips can respond to customer demand in high volumes, and the revenue generated from this product line is a key indicator of the Company's efforts to integrate economic growth with environmental sustainability objectives.

Since SASA operates at a single location, the Company's vulnerability to transition risks covers all its assets and business operations. To this end, all assets of the Company are considered to be exposed to climate-related transition risks.

Similarly, due to SASA's single-location operational nature, physical climate risks (flooding, water stress or climate-related disruptions in the supply chain) can have a direct impact on all of its assets and operations. Therefore, all SASA assets and business operations are considered vulnerable to climate-related physical risks.

In addition, all of the Company's assets have been assessed for climate opportunities. Opportunities such as investments in renewable energy and PTA investments, along with investments in MTR chips production capacity increase, can be integrated into all business processes. Therefore, all of SASA's assets and operations bear a potential for transformation in line with climate opportunities.

6.2 Goals

In line with its approach aiming to continuously improve its sustainability performance, SASA has set measurable and time-bound goals in the areas of combating climate change and increasing energy as well as energy efficiency. These goals not only inform and guide the sustainability strategy but also ensure a proactive management of risks and opportunities.

Theme	Goal	Remarks	Unit	Quantity	Starting Year	Target Year	Target (gross)	Validation	Goal Review Period
Greenhouse Gas Emissions	Scope 1+2 Emission Intensity	Scope 1+2 emission intensity reduction per ton of production	tCO ₂ e/ton of production	0.67 (in 2019)	2019	2030	0.21	Carbon intensity stood at 0.37 tCO ₂ e per ton by 2024, representing a 45% reduction compared to 2019.	Once a year
Energy Management	Fossil Fuel	Completing work on decommissioning coal-fired boilers, transitioning to alternative energy sources by 2026 and developing a comprehensive Strategic Carbon Roadmap accordingly	-	-	-	2026	-	In 2024, updates on the Strategic Carbon Roadmap continued. These efforts are planned for completion in parallel with the full capacity commissioning of the PTA Plant and new facilities in 2026.	Once a year
Energy Efficiency	Energy Efficiency - Water Vapor	By the end of 2025; Energy savings of 3,704 tons/year in water steam, 74,000 sm ³ /year in natural gas, 91,100,000 kWh/year in electricity.	tons/year	-	2019	2025	Savings of 3,704 tons/year	As of 2024, 20,430 tons of water vapor were saved annually.	Once a year
	Energy Efficiency - Natural Gas		Sm ³ /year	-			Savings of 74,000 sm ³ /year	As of 2024, 191,499 sm ³ of natural gas was saved annually.	Once a year
	Energy Efficiency		kWh/year	-			91,100,000 kWh/year	As of 2024, 2,616,448 kWh of electricity was saved annually.	Once a year

Theme	Goal	Remarks	Unit	Quantity	Starting Year	Target Year	Target (gross)	Validation	Goal Review Period
	- Electricity								
Water Use	Amount of water consumed	Reducing the amount of water consumed	m ³ /year	1,752,018 (in 2022)	2022	2024	Reduction of 200,000 m ³ /year through efficiency projects	As of 2024, 413,313 m ³ of water was saved annually against the base year 2022.	Once a year
Water Intensity	Amount of water withdrawn per unit of production	Reducing the amount of water withdrawn per unit of production	raw water withdrawn in m ³ /ton of production	5.21 (in 2019)	2019	2026	While the goal before commissioning of the PTA plant was to reduce water intensity to 3.19, the targeted water intensity has been set at 4.40 m ³ /ton of product following the change in production volume in 2025. The main reason for setting this goal at a higher level compared to previous years is that the PTA production operations starting in 2024 are inherently much more water intensive than polyester production. In line with SASA's environmental sustainability strategy, the year 2025 is expected to be the reference year when the highest water intensity value will be observed. SASA aims to reduce its water intensity to 4.0 m ³ /ton by 2026, when the	As of 2024, water intensity based on the total amount of water withdrawn stood at 2.81.	Once a year

Theme	Goal	Remarks	Unit	Quantity	Starting Year	Target Year	Target (gross)	Validation	Goal Review Period
							water recovery unit will be fully operational and the PTA Production Plant will switch to a continuous production model. Accordingly, a dedicated Water and Wastewater Working Group reporting to the Sustainability Committee is due for formation to monitor risks, goals and performance in water consumption and wastewater management more effectively.		

7 Statement on Events After the Reporting Period

The following events and circumstances occurred between the reporting period ending 31 December 2024 and the date of approval of the document for publication:

- The Purified Terephthalic Acid (PTA) Plant built with an investment of USD 1.720 billion and boasting an annual production capacity of 1.750 thousand tons in the Company's Adana campus was successfully completed and started commercial production on 3 March 2025.
- The Company's land-type SPP project with a total installed capacity of 45.7 MWp in Gaziantep's Şehitkâmil district has been commissioned and started electricity generation operations.
- The Textile Chips, Bottle Chips and Pet Chips Production Plant boasting MTR technology in SASA's Adana campus was completed with an investment of approximately USD 230 million and started commercial production on 30 April 2025.
- The Presidential Decree No. 10205 on the declaration of the first phase of the site where the Petrochemical and Refinery Facilities and Port Project investments with a total investment value of USD 25 billion will be located in Adana's Yumurtalık as a 'Special Industrial Zone' was published in the Official Gazette No. 32988 of 16 August 2025.

8 Appendices

TSRS 1 Compliance Table

TSRS 2 Compliance Table

TSRS 1 Compliance Table

Category	Related Standard	Related Standard Description	Description / Related Report Section
Governance	a) Governing body(s) (which may include a board, committee or equivalent body responsible for senior management) or person(s) responsible for oversight of sustainability-related risks and opportunities	TSRS-1 27.a.i	Board of Directors and Senior Management Responsibility Governance Structure on Sustainability and Climate
		TSRS-1 27.a.ii	Board of Directors and Senior Management Responsibility
		TSRS-1 27.a.iii	Sustainability Committee Governance Structure on Sustainability and Climate
		TSRS-1 27.a.iv	Sustainability Committee
		TSRS-1 27.a.v	Remuneration
	b) Management's role in the governance processes, controls and procedures employed to monitor, manage and oversee sustainability-related risks and opportunities	TSRS-1 27.b.i	Governance Structure on Sustainability and Climate
Strategy	a) Sustainability-related risks and opportunities	TSRS-1 30.a	Sustainability Strategy and Goals Climate Risks and Opportunities
		TSRS-1 30.b	Sustainability Strategy and Goals
		TSRS-1 30.c	Sustainability Strategy and Goals
	b) Business model and value chain	TSRS-1 32.a	Sustainability Strategy and Goals
		TSRS-1 32.b	Sustainability Strategy and Goals
	c) Strategy and decision making	TSRS-1 33.a	Governance Structure on Sustainability and Climate Sustainability Strategy and Goals
		TSRS-1 33.b	Governance Structure on Sustainability and Climate Sustainability Strategy and Goals
		TSRS-1 33.c	Governance Structure on Sustainability and Climate Sustainability Strategy and Goals
	d) Financial standing, financial performance and cash flows	TSRS-1 34.a	Climate-related Transition Risks Climate-related Physical Risks
		TSRS-1 34.b	Climate-related Transition Risks Climate-related Physical Risks
		TSRS-1 35.a	Climate-related Transition Risks Climate-related Physical Risks
		TSRS-1 35.b	Climate-related Transition Risks Climate-related Physical Risks
		TSRS-1 35.c.i	Climate-related Transition Risks Climate-related Physical Risks
		TSRS-1 35.c.ii	Climate-related Transition Risks Climate-related Physical Risks
		TSRS-1 35.d	Climate-related Transition Risks Climate-related Physical Risks
		TSRS-1 40.a	Climate-related Transition Risks Climate-related Physical Risks
		TSRS-1 40.b	Climate-related Transition Risks Climate-related Physical Risks
		TSRS-1 40.c	Climate-related Transition Risks Climate-related Physical Risks

	e) Resilience	TSRS-1 41	Climate Resilience
Risk Management	a) Processes employed to identify, assess, prioritize and monitor sustainability-related risks and the related policies	TSRS-1 44.a.i	Risk Management Process
		TSRS-1 44.a.ii	Risk Management Process
		TSRS-1 44.a.iii	Risk Management Process
		TSRS-1 44.a.iv	Risk Management Process
		TSRS-1 44.a.v	Risk Management Process
		TSRS-1 44.a.vi	Risk Management Process
Risk Management	b) Processes employed by the organization to identify and monitor sustainability-related opportunities	TSRS-1 44.b	Risk Management Process
	c) The extent and manner to which the processes for identifying, assessing, prioritizing and monitoring sustainability-related risks and opportunities are integrated into the entity's overall risk management process, and the extent and manner to which they inform the entity's overall risk management process	TSRS-1 44.c	Risk Management Process
Metrics and Targets	a) Metrics required by the relevant TSRS	TSRS-1 46.a	Metrics
		TSRS-1 46.b.i	Metrics
	b) The entity's performance in relation to the sustainability risk or opportunity in question, including the entity's progress towards its own targets and the targets that it is required to attain in accordance with the legislation	TSRS-1 46.b.ii	Metrics
		TSRS-1 51.a	Metrics
		TSRS-1 51.b	Metrics Targets
		TSRS-1 51.c	Metrics Targets
		TSRS-1 51.d	Metrics Targets
		TSRS-1 51.e	Metrics Targets
		TSRS-1 51.f	Metrics Targets
		TSRS-1 51.g	Metrics Targets

TSRS 2 Compliance Table

Category	Related Standard	Related Standard Description	Description / Related Report Section
Governance	a) Governing body(s) (which may include a board, committee or equivalent body responsible for senior management) or person(s) responsible for oversight of climate risks and opportunities	TSRS-2 6.a.i	Board of Directors and Senior Management Responsibility Committees of the Board of Directors Governance Structure on Sustainability and Climate
		TSRS-2 6.a.ii	Sustainability Committee Working Groups
		TSRS-2 6.a.iii	Governance Structure on Sustainability and Climate Sustainability Committee Working Groups
		TSRS-2 6.a.iv	Governance Structure on Sustainability and Climate Sustainability Committee Working Groups
		TSRS-2 6.a.v	Remuneration
	b) Management's role in the governance processes, controls and procedures employed to monitor, manage and oversee climate risks and opportunities	TSRS-2 6.b.i	Board of Directors and Senior Management Responsibility Committees of the Board of Directors
		TSRS-2 6.b.ii	Committees of the Board of Directors
Strategy	a) Climate risks and opportunities	TSRS-2 10.a	Climate Risks and Opportunities
		TSRS-2 10.b	Climate Risks and Opportunities
		TSRS-2 10.c	Climate Risks and Opportunities
		TSRS-2 10.d	Climate Risks and Opportunities
	b) Business model and value chain	TSRS-2 13.a	Climate Risks and Opportunities

Category	Related Standard	Related Standard Description	Description / Related Report Section
		TSRS-2 13.b	Climate Risks and Opportunities
	c) Strategy and decision making	TSRS-2 14.a.i	Climate Risks and Opportunities
		TSRS-2 14.a.ii	Climate Risks and Opportunities Climate Resilience
		TSRS-2 14.a.iii	Climate Risks and Opportunities Climate Resilience
		TSRS-2 14.a.iv	Climate Resilience
		TSRS-2 14.a.v	Climate Resilience
		TSRS-2 14.b	Climate Risks and Opportunities
		TSRS-2 14.c	Climate Risks and Opportunities
	d) Financial standing, financial performance and cash flows	TSRS-2 15.a	Climate Risks and Opportunities
		TSRS-2 15.b	Climate Risks and Opportunities
		TSRS-2 16.a	Climate Risks and Opportunities
		TSRS-2 16.b	Climate Risks and Opportunities
		TSRS-2 16.c.i	Climate Risks and Opportunities Financial Risk Management
		TSRS-2 16.c.ii	Climate Risks and Opportunities Financial Risk Management
		TSRS-2 16.d	Climate Risks and Opportunities
		TSRS-2 21.a	Climate Risks and Opportunities Financial Risk Management
		TSRS-2 22.a.i	Climate Resilience

Category	Related Standard	Related Standard Description	Description / Related Report Section
	e) Climate resilience	TSRS-2 22.a.ii	Climate Resilience
		TSRS-2 22.a.iii(1)	Climate Resilience
		TSRS-2 22.a.iii(2)	Climate Resilience
		TSRS-2 22.a.iii(3)	Climate Resilience
		TSRS-2 22.b.i(1)	Climate Resilience
		TSRS-2 22.b.i(2)	Climate Resilience
		TSRS-2 22.b.i(3)	Climate Resilience
		TSRS-2 22.b.i(4)	Climate Resilience
		TSRS-2 22.b.i(5)	Climate Resilience
		TSRS-2 22.b.i(6)	Climate Resilience
		TSRS-2 22.b.i(7)	Climate Resilience
		TSRS-2 22.b.ii(1)	Climate Resilience
		TSRS-2 22.b.ii(2)	Climate Resilience
		TSRS-2 22.b.ii(3)	Climate Resilience
		TSRS-2 22.b.ii(4)	Climate Resilience
		TSRS-2 22.b.ii(5)	Climate Resilience
		TSRS-2 22.b.iii	Climate Resilience

Category	Related Standard	Related Standard Description	Description / Related Report Section
Risk Management	a) Processes employed to identify, assess, prioritize and monitor climate risks and the related policies	TSRS-2 25.a.i	Climate Risks and Opportunities Risk Management Process
		TSRS-2 25.a.ii	Climate Risks and Opportunities Climate Resilience Risk Management Process
		TSRS-2 25.a.iii	Climate Risks and Opportunities
		TSRS-2 25.a.iv	Climate Risks and Opportunities
		TSRS-2 25.a.v	Climate Risks and Opportunities
		TSRS-2 25.a.vi	Climate Risks and Opportunities
	b) The processes the entity employs to identify and monitor climate opportunities, including information on whether and how it employs climate-related scenario analysis	TSRS-2 25.b	Climate Risks and Opportunities Climate Resilience
	c) The extent and manner to which the processes for identifying, assessing, prioritizing and monitoring climate risks and opportunities are integrated into the entity's overall risk management process, and the extent and manner to which they inform the entity's overall risk management process	TSRS-2 25.c	Climate Risks and Opportunities Climate Resilience

Category	Related Standard	Related Standard Description	Description / Related Report Section
Metrics and Targets	a) Climate metrics	TSRS-2 29.a	Climate Risks and Opportunities Metrics
		TSRS-2 29.b	Climate Risks and Opportunities Metrics
		TSRS-2 29.c	Climate Risks and Opportunities Metrics
		TSRS-2 29.d	Climate Risks and Opportunities Metrics
		TSRS-2 29.e	Metrics
		TSRS-2 29.f	Metrics
		TSRS-2 29.g	Metrics Remuneration
	b) Sector-specific metrics associated with other common characteristics that characterize particular business models, operations or participation in a sector (Guidelines on the Sector-Based Application of TSRS-2)	TSRS-2 32	Metrics
	c) Climate targets	TSRS-2 33.a	Targets
		TSRS-2 33.b	Targets
		TSRS-2 33.c	Targets
		TSRS-2 33.d	Targets
		TSRS-2 33.e	Targets

Category	Related Standard	Related Standard Description	Description / Related Report Section
		TSRS-2 33.f	Targets
		TSRS-2 33.g	Targets
		TSRS-2 33.h	Targets
		TSRS-2 34.a	Targets
		TSRS-2 34.b	Targets
		TSRS-2 34.c	Targets
		TSRS-2 34.d	Targets
		TSRS-2 35	Targets
		TSRS-2 36.a	Targets
		TSRS-2 36.b	Targets
		TSRS-2 36.c	Targets
		TSRS-2 36.d	Targets
		TSRS-2 36.e.i	Targets
		TSRS-2 36.e.ii	Targets
		TSRS-2 36.e.iii	Targets
		TSRS-2 36.e.iv	Targets

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