



# Life's invisible ingredient

**Kew Soda Ltd**  
**Annual Report 2022**

WE Soda is the trading name for the Kew Soda holding group

# We produce one of life's essential ingredients

## We are the world's largest producer of natural soda ash

Soda ash is the tenth most consumed industrial ingredient in the world, used in the manufacture of glass, solar panels, electric vehicle batteries, powdered detergents, silicates and sodium-based chemicals and in various other industrial applications. It is also used to produce sodium bicarbonate which is used in flue gas treatment, food, animal feed and various environmental and healthcare applications.

Soda ash is one of life's essential ingredients. It impacts our everyday lives, but it is invisible to most of us.

We produce soda ash and sodium bicarbonate from natural trona ore using a low-cost, environmentally friendly process called solution-extraction and, outside China, we are the only company to use this production method on a commercial scale. We sell our products to industrial customers in almost 80 countries around the world.

We have a clear and purposeful business strategy built on four key elements:



**we • lead**



**we • care**



**we • innovate**



**we • challenge**

# Our purpose: to responsibly produce essential ingredients for a sustainable future

## Strategic Report<sup>1</sup>

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## About this report

Our 2022 Annual Report was approved by the Kew Soda Board of Directors on 28 April 2023 and was signed on its behalf by the Board. This report presents our annual performance for the financial year 1 January to 31 December 2022 for the WE Soda Group and our operations Kazan Soda and Eti Soda in Türkiye. This report does not reflect information presented in our annual reports prepared for previous reporting periods, which has been subject to restatement.

External independent assurance was provided over selected non-financial information presented in the report. Indicators subject to assurance are denoted with a <sup>^</sup> across the report. Refer to the Independent Limited Assurance Statement prepared by ERM CVS on page 201.

Queries with regards to the report should be directed to Edward Westropp, Head of Investor Relations & Communications.

Look out for these throughout the report:

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Read more about us online [wesoda.co.uk](https://wesoda.co.uk)

Download this report from [wesoda.co.uk/documents](https://wesoda.co.uk/documents)



<sup>1</sup> Non-financial group data is based on Turkish operations and UK and Turkish corporate and administrative functions; it does not include US associates, discontinued operations and subsidiaries.

## Chair's introduction



“

This is an extraordinary business supplying essential products to support the energy transition and a sustainable future.

Over the last twenty years, our business has developed from a visionary idea to become a global leader, not only in terms of scale but also in terms of sustainability.

I am proud of what we have so far achieved, and I am excited about the prospects for our business going forward.”

**Didem Ciner**  
Chair

## Chair's introduction continued



Over the last twenty years, our business has developed from a visionary idea to a global leader.

Today, we have the most sustainable and environmentally responsible production process within our industry. Going forward, our approach will not change."

### Turkish earthquakes

Whilst this report describes our business, I feel I must start with the tragic events of 2023, which have presented great challenges and a terrible heartbreak for our communities and our people in Türkiye. On 6 February, a series of catastrophic earthquakes struck the south-east region of our country, ten cities were affected, and thousands of lives were lost. Our collective grief is immense. To our nation and those who have lost friends and family members, we extend our deepest condolences. To those who have suffered injury, we offer our best wishes for a speedy recovery.

The recovery from this disaster will unfortunately take many years, and we will continue to support and facilitate the recovery efforts to help heal our nation's wounds. We have already provided direct assistance by supporting the authorities with the provision of equipment, clothing and food, and by providing one hundred prefabricated buildings to support families in the worst affected areas, with a place to live, clean water and sanitation. Sadly, there are many orphaned children who have lost their

families in the disaster, and we have also been investigating ways to support them. In March 2023, we committed \$1.0 million to Darüşşafaka, the oldest non-government school for orphaned children in Türkiye, which will be increasing its annual capacity to be able to include extra students who have lost their families in the earthquake, across all eleven provinces that were impacted. With our contribution alongside other big Turkish institutions, it will be constructing new facilities for the students as well as providing educational equipment, such as computers, and ongoing support for the earthquake orphans in the years ahead.

I am sure that, together, we will get through these difficult times with our collective efforts and compassion.

### Our foundations are our future

Over the last twenty years, our business has developed from a visionary idea to become a global leader, not only in terms of scale, but also in terms of sustainability. Without the ambition and courage of our founder, our Company would never have been built. Necessity required us to innovate as we developed Eti Soda, and ambition and innovation are still the foundations of our business today.

We are now a global company, headquartered in London but with a proud Turkish heritage. We produce 5 million mtpa of soda ash and sodium bicarbonate and, as we look forward, we plan to invest more and grow faster than any other company in our industry. By 2030, we expect to have significantly grown our business in the US, more than doubling our production to over 11 million mt of sustainably produced, low-carbon product every year.

### Our operating philosophy

We have always played to win, and to come so far so quickly we have had to continuously challenge ourselves and the status quo within our industry. As a young company, being prepared to do things differently has also helped us to become better and stronger.

We have always operated with the belief that "sustainable business is good business" and today we have the most environmentally responsible production process within our industry. Going forward, our approach will not change and to reinforce this, we have made several important commitments to further improve our already strong sustainability performance.

### Our sustainability commitments

<b>Safety</b>	<ul style="list-style-type: none"> <li>A significant reduction in LTI<sup>3</sup> workplace accidents in 2023</li> <li>The objective of zero LTI workplace accidents, over time</li> </ul>
<b>CO<sub>2</sub>e intensity</b>	<ul style="list-style-type: none"> <li>20% reduction within five years<sup>1</sup></li> <li>40% reduction within ten years<sup>1</sup></li> <li>Net Zero by 2050</li> </ul>
<b>Water intensity</b>	<ul style="list-style-type: none"> <li>20% reduction within five years<sup>1</sup></li> </ul>
<b>Diversity</b>	<ul style="list-style-type: none"> <li>An equal number of women and men at middle and senior management levels within ten years<sup>1, 2</sup></li> </ul>

<sup>1</sup> Relative to a 2022 baseline.

<sup>2</sup> As of year end 2022, we had 35% females within our middle management (both technical and administrative positions).

<sup>3</sup> LTI means lost time injury.

I am proud to say that we are aiming to turn our industry into a much better place than we found it. We'll do this by continuing to ensure sustainability is at the core of everything we do, challenging the view that value is only monetary. If we get the balance right, our endeavours will create value for all our stakeholders - from our customers and communities to society and the world as a whole.

We are also humble. We recognise that however good we think we might be, there is always further to go and room to learn from others. This is one of the reasons we engaged specialist consultants in 2022 to help us benchmark our performance and identify ways in which we could further improve. Going forward, our objective is to also partner with some of the world's best universities and research institutions to help drive our research and development initiatives.

This is an extraordinary business. I am proud of what we have so far achieved through vision, commitment and endeavour, and I am also excited about our prospects for the future.

**Didem Ciner**  
Chair

## 2022 highlights

### Sales volume<sup>1</sup>

5.06  
million mt

o/w 80% exports (+5% vs. 2021: 4.84 million mt)

### Scope 1 & 2 CO<sub>2</sub>e emissions intensity<sup>3</sup>

0.343

(2021: 0.348)

### Water intensity<sup>3</sup>

2.04<sup>Δ</sup>

(2021: 1.99)

### Adjusted EBITDA<sup>2</sup>

\$838 million

(+94% vs. 2021: \$431 million)

### Total Net Leverage Ratio<sup>2</sup>

1.6x

(2021: 4.1x)

1 Soda ash and sodium bicarbonate, combined.

2 See definitions of Alternative Performance Measures on page 197.

3 See definitions of Scope 1 & 2 CO<sub>2</sub>e emissions intensity and water intensity on page 186.

- Safety improvements.** During 2022, we reduced the number of LTI workplace accidents and LTI lost workdays by around 40% compared to 2021, despite a 7% increase in total working hours. Notwithstanding these improvements, we have an ambition to eliminate LTI workplace accidents, and in October 2022 we engaged the international safety consultancy Dupont Sustainable Solutions (“dss+”) to undertake a thorough review of our safety practices and process safety management.
- Record production volumes and sales volumes** of more than 5 million mt<sup>2</sup> for the first time, mainly driven by higher levels of operational availability from our modern, well-maintained facilities and our ongoing operational efficiency improvements.
- Scope 1 & 2 CO<sub>2</sub>e emissions intensity decreased** consistent with our long-term objectives, but our water intensity increased due to changes in water quality from different water sources at Kazan Soda, resulting in an increase in water discharge following treatment.
- Soda ash prices increased** considerably during the year, mainly due to tight supply-demand balances for most of 2022, despite headwinds from the global economic downturn and higher energy costs which impacted our customers.
- Record financial performance.** Netback Revenue<sup>2</sup> more than doubled to \$1,433 million (2021: \$695 million), driven by a 5% increase in sales volumes and a near doubling of the average soda ash Netback price<sup>2</sup>. Adjusted EBITDA<sup>2</sup> almost doubled to \$838 million (2021: \$431 million), and we maintained a strong Netback Margin<sup>2</sup> of almost 60% (2021: 62%).
- Strong balance sheet.** We generated Free Cash Flow<sup>2</sup> of \$741 million and a year-end cash balance in excess of \$300 million (2021: \$14 million), allowing us to continue to invest in our business whilst further strengthening our balance sheet, ending the year with Net Debt of \$1,363 million (31 December 2021: \$1,779 million) and a Total Net Leverage Ratio<sup>2</sup> of around 1.6x (2021: 4.1x).
- Renewable power.** We installed 7MW of solar PV capacity at our facilities during 2022, with a further 3MW planned during 2023. We performed wind power tests and are conducting ongoing feasibility studies to assess our full renewable power potential in Türkiye.
- Kazan Soda expansion.** We continued our debottlenecking programme and also sanctioned the construction of additional production units at Kazan Soda which we plan to bring on-stream during 2025, increasing our total production in Türkiye to around 6.0 million mtpa.
- West Soda greenfield project.** In October 2022, we announced our plan to develop a new 100% owned ~3 million mtpa greenfield project in Wyoming, US, which if developed as planned will source all of its electrical needs entirely from renewable power sources.
- New European logistics hub.** We approved the development of a new logistics hub located in Terneuzen, Netherlands to serve our customers in northern Europe and the UK from mid-2023 with up to 85,000 mt of storage capacity.
- Social engagement.** During 2022, we supported a diverse range of community and social projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions of ~\$1.1 million.
- “ConnexSA”.** We developed and announced an innovative blockchain enabled ecosystem called “ConnexSA”, which will provide full supply chain sustainability transparency for our products – from our suppliers to our end customers.
- EcoVadis.** Our Group received a Gold Medal from EcoVadis, a leading provider of global sustainability ratings based on environmental impact, labour and human rights, ethics and sustainable procurement. In 2022, Kazan Soda received a Silver Medal and in January 2023, Eti Soda received a Platinum Medal, placing it among the top 1% of companies assessed by EcoVadis globally.
- Sustainalytics.** We received an industry-leading corporate ESG assessment score of 16.1 from Morningstar Sustainalytics – making us the only soda ash producer in the “low risk” category. As at 6 June 2022, our score placed us as having the best ESG risk rating score in the entire Morningstar Sustainalytics global commodity chemicals subsector (first out of 227 companies).



## Chief Executive Officer's Statement



“

We pride ourselves as a leader within our industry, not only in terms of scale, but also in terms of sustainability and innovation, with the lowest energy, emissions<sup>1</sup> and water intensity and almost no waste. 2022 was an extraordinary year, and in 2023 we are well positioned to deliver another record performance, supported by the long-term trends of sustainability and the energy transition.”

**Alasdair Warren**  
CEO

<sup>1</sup> Scope 1 & 2 CO<sub>2</sub>e.

## Chief Executive Officer's Statement continued



During 2022 we delivered record production and sales volumes whilst also delivering on our commitments to improving safety and efficiency – driving new records in sustainability and profitability, whilst also maintaining a prudent balance sheet.

In 2023, we are well placed to deliver another year of record performance.”

### LTI workplace accidents

# 40%

reduction in 2022

# Lowest

**environmental impact<sup>3</sup>** within our industry (measured by CO<sub>2</sub>e emissions intensity, water intensity and waste)

### An extraordinary year

2022 was an extraordinary year for our Group in what was a challenging year for our industry. In the first half, we experienced a very tight global soda ash market, the result of strong long-term demand growth with very limited new production capacity additions for the last several years. This presented significant challenges in the customer supply chain, as demand outstripped available supply. From the second quarter, we had to deal with the impact of rapidly rising energy prices following the Russian invasion of Ukraine, causing turbulence in the energy markets, and the consequential rise in inflation and interest rates, impacting our customers.

Sustainability underpinned our 2022 performance. During the year, we delivered record production and sales volumes whilst also delivering on our commitments to improving safety and operating efficiency – driving new sustainability and profitability records, whilst also maintaining a prudent balance sheet. We are already the world's largest and one of the lowest cost producers of natural soda ash, and during 2022 we continued to fulfil our long-term commitment as a reliable and responsible supplier of low-carbon natural soda ash with the announcement of West Soda, our new greenfield project in US, alongside the further expansion of Kazan Soda in Türkiye and our planned logistics hub in Europe.

### Record financial performance

During 2022, we also delivered a record year of financial performance. Global supply-demand dynamics for soda ash remained tight for most of 2022, despite headwinds from the global economic downturn and rising energy costs.

Soda ash prices increased considerably during the year and peaked in most markets during the fourth quarter, mainly due to the tight market. This was compounded by higher energy prices that significantly increased the cash production costs of many of our more energy intensive synthetic soda ash competitors – and which effectively set the reference price for soda ash in most of our markets.

Our Cash costs (\$ per mt)<sup>1</sup> also increased significantly during the year, driven by rising natural gas costs, but we were able to pass these costs on to almost all of our customers, allowing us to deliver a 58% Netback Margin<sup>1</sup> and almost double our Adjusted EBITDA<sup>1</sup> to \$838 million. We generated over \$741 million of Free Cash Flow<sup>1</sup> resulting in a year-end cash balance of over \$300 million and Net Debt<sup>1</sup> of less than \$1.4 billion, equivalent to a Total Net Leverage Ratio<sup>1</sup> of around 1.6x. We are well positioned to deliver another year of record performance in 2023, supported by the long-term trends of sustainability and the energy transition.

### Leadership

We pride ourselves as a leader within our industry, not only in terms of scale, but also in terms of sustainability and innovation. We play to win, and over the last twenty years our people and our Company have achieved many great things. But we also recognise that however good we think we might be, there is always further room for improvement – and also for learning from others. This is why, during 2022, we engaged the international safety consultancy dss+ and the global sustainability consultancy Environment

Resource Management (“ERM”), as third-party consultants to help us benchmark our performance and identify ways in which we can further improve.

### Responsible production

Safety is our number one priority and during 2022 we reduced the number of LTI workplace accidents and incapacitation days at our facilities by around 40% compared to the prior year, despite a 7% increase in total working hours. Notwithstanding these improvements, we have a lot more to do if we are going to eliminate serious and avoidable accidents and so, in October 2022, we engaged dss+ to undertake a thorough review of our safety practices and process safety management. We are aiming for a further significant reduction in LTI workplace accidents in 2023, and over time we believe we can achieve our target of zero LTI workplace accidents.

During the year we achieved combined soda ash and sodium bicarbonate production volumes of more than 5 million mt for the first time, a 3% increase versus 2021, mainly driven by higher levels of operational availability from our well-maintained modern facilities and also from our ongoing efficiency improvement programme. Our combined sales of soda ash and sodium bicarbonate increased by 5% to an all-time high of around 5.1 million mt (2021: 4.1 million mt), with export volumes of 4.1 million mt. We sold our products to 77 countries around the world, with approximately 45% by volume sold into Europe, 20% into Türkiye, 11% into Asia (including China), 16% into the Americas and 8% into the Middle East and Africa (in each case by sales volume).

## Chief Executive Officer's Statement continued

### Environmental stewardship

Within our industry, we already produce soda ash with the lowest CO<sub>2</sub>e emissions and water intensity<sup>2</sup>, and we believe that we have the lowest impact on nature and the environment<sup>3</sup>. Our operating model is inherently circular and we produce almost no solid and liquid waste because, where possible, we recycle by-products to eliminate waste, improving our efficiency and sustainability. During 2022, our energy and Scope 1 & 2 CO<sub>2</sub>e emissions intensity decreased, consistent with our long-term objectives. Our water intensity increased slightly due to changes in water quality from different water sources at Kazan Soda, resulting in an increase in water withdrawn, something which we plan to address in 2023 and beyond.

We assess our emissions performance annually and we are aiming to reduce our emissions in every part of our business. In 2022, we decided to reset our emissions and water intensity targets for the Group. Amongst other sustainability targets, and consistent with achieving Net Zero CO<sub>2</sub>e emissions by 2050, we have set the target of reducing our Scope 1 & 2 CO<sub>2</sub>e emissions intensity by 20% within the next five years and by 40% within the next ten years, and we have also set the target of reducing our water intensity by 20% in the next five years, in all cases relative to a 2022 baseline. During 2022, we installed 7MW of solar PV capacity at our facilities which came on-stream during the first quarter of 2023, with a further 3MW planned by year end 2023. We have performed wind power tests and we are conducting an ongoing feasibility study to assess our full renewable power potential in Türkiye. We estimate that we will be able to deliver up to 100MW of PV solar and over 100MW of wind power by 2027, significantly reducing our Scope 1 and 2 CO<sub>2</sub>e emissions.

### Social impact

We consider ourselves a part of the communities in which we operate, and we believe that by investing in projects to support them we create long-term value for our communities as well as our business. During 2022, we supported a diverse range of community and social impact projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions of approximately \$1.1 million. Amongst other projects, we proudly announced our partnership with the Welsh Rugby Union ("WRU") in the UK, providing financial support for two major community initiatives across Wales: "Fit, Fed, Fun" and "Jersey for All". We chose to partner with the WRU because the UK is where we are headquartered and we wanted to make a real and lasting impact in a part of the UK that faces significant socio-economic challenges, with programmes that specifically support families and children from less-advantaged backgrounds and also those with disabilities and special educational needs. During 2022, we fed more than 6,500 children during the school holidays as part of this project, and this year we are targeting to more than double this number.

In 2023, we plan to review all our social impact projects and the basis on which we assess their impact, over the short and long term.

### Essential ingredient

Soda ash is an essential ingredient in almost all the industrial processes in which it is used with no economically feasible and environmentally viable substitute, and without which most of our industrial customers cannot operate. Soda ash is also an essential material for energy transition. As a result, security of supply and the reliability and stability of the supply chain are often more important than price for many of our customers. During 2022, we approved the development of a new European logistics hub located in Terneuzen, Netherlands to serve our customers in northern Europe and the UK. We expect the facility will be operational during 2023 with up to 85,000 mt of storage capacity, and over time we plan to develop further regional storage and distribution hubs in key locations around the world, strengthening our global supply chain, improving our customer service and further reducing our downstream Scope 3 CO<sub>2</sub>e emissions and cost.

The world needs more responsibly produced soda ash. We believe we are investing more capital and growing faster than any other soda ash producer globally, supported by our strong financial position and our unique operating capabilities. By 2030, we plan to have invested more than \$4 billion with the target of delivering over 11 million mtpa of low-carbon natural product to our global customers, using the sustainable, low-cost solution-extraction production method that we developed and, outside China, only we use today.

### Sustainable future

During 2022 and early 2023, we completed the debottlenecking expansion at Kazan Soda, bringing on-stream new caustic and decahydrate units that will allow us to increase our run-rate production capacity by around 0.3 million mtpa. During the year, we also sanctioned the second phase of expansion at Kazan Soda, involving the construction of an additional 0.5 million mtpa soda ash production unit, an additional 0.1 mtpa sodium bicarbonate production unit, and a sodium chloride re-processing unit. We have recently received the required permits to be able to start construction this year, and we plan to bring these new units on-stream during 2025, increasing our production in Türkiye to around 6.0 million mtpa, further improving our operating efficiency whilst also reducing our Scope 1 CO<sub>2</sub>e emissions intensity and waste.

In October 2022, we announced our plan to develop a new 100% owned ~3 million mtpa greenfield project in Wyoming, US. This will be designed from the outset so that it is able to be progressively expanded on a modular basis over time to meet the growing global demand for sustainably produced low-carbon natural soda ash. If developed as planned, this will be the first soda ash production facility globally to source all of its electricity needs entirely from renewable power sources, significantly reducing Scope 1 & 2 CO<sub>2</sub>e emissions intensity. Over time, we intend that all heat (steam) needs will also come from renewable sources – an important step in our journey towards Net Zero CO<sub>2</sub>e emissions by 2050.

## Chief Executive Officer's Statement continued

Our longer-term growth ambitions remain on track, to increase our annual production to around 6.0 million mtpa by the end of 2025 driven by the expansion at Kazan Soda, and more than double our annual global production volumes to over 11 million mtpa by 2030, as we develop our greenfield projects of Pacific Soda and West Soda in US.

We believe that greater transparency will enable and support sustainable business models, satisfy growing consumer demands to make more informed purchase decisions, and incentivise industry-wide sustainability transition. With this in mind, in October 2022 we announced the launch of a blockchain-based soda ash supply chain ecosystem called "ConnexSA", with the objective of delivering robust governance and greater sustainability transparency across the entire supply chain – from our suppliers to our end customers. During the year, we also registered nearly 60% of our suppliers (by value) on the Sedex platform, to allow us to more effectively screen our suppliers in accordance with our own sustainability criteria, particularly in relation to ethical trading and responsible supply chain practices.

### External benchmarking

During 2022, our Group received a Gold Medal and Kazan Soda received a Silver Medal, from EcoVadis, a leading provider of global sustainability ratings based on environmental impact, labour and human rights, ethics and sustainable procurement. In January 2023, Eti Soda received a Platinum Medal, placing it among the top 1% of companies assessed by EcoVadis globally. Morningstar Sustainalytics also performed a broad-based corporate ESG assessment of our Group. We received an industry-leading corporate ESG assessment score of 16.1, which placed us as the only soda ash producer in the "low risk" category. As of 6 June 2022, the score would place our Group as the best ESG risk rating score in the entire Morningstar Sustainalytics global commodity chemicals subsector (first out of 227 companies).

### Turkish earthquake

Tragically, the start of 2023 has presented great challenges and terrible heartbreak for our communities and our people in Türkiye, following the earthquakes in early February. Whilst none of our operations or facilities were impacted, our thoughts are with those who have been directly affected, with the aid teams who continue to work in enormously difficult conditions in the disaster zone and with all our staff members who have family and friends in the affected region.

The recovery from this disaster will unfortunately take many years. We have already provided direct assistance with the provision of equipment, clothing and food, an initial one hundred prefabricated buildings to support families in the worst affected areas and our \$1.0 million commitment to Darüşşafaka to support the many orphaned children who have sadly lost their families in the disaster. At WE Soda, we are more than a business, we are a family, and we will continue to provide support and assistance for as long as required.

### Outlook for 2023

During 2023, we expect that our production volumes will increase by around 0.2 million mtpa, mainly from efficiency improvements driven by the debottlenecking expansion at Kazan Soda which has already come on-stream. Over the long term, we expect that global supply-demand balances will tighten as new demand growth outpaces net new capacity additions<sup>4</sup>. During 2023, we also expect that supply-demand balances will tighten as inventories are worked through and global demand picks up, driven by long-term structural growth drivers augmented by the recovery in global economic activity.

Late 2022 was characterised by a modest slowdown in global shipments of soda ash, partly driven by higher levels of product inventory that built up in the latter part of 2022, ahead of 2023 price increases, and partly driven by the slowdown of economic activity in certain regions.

Most regional markets have seen robust soda ash supply-demand patterns overall which have supported generally robust pricing, but we have recently observed a decline in the price of soda ash in Asia and Europe, mainly driven by lower energy pricing. Global and regional energy markets have seen significant downward price adjustments in 2023, with Turkish natural gas prices more than halving from their highs in October 2022, reducing our Cash costs (\$ per mt)<sup>1</sup> and allowing us to maintain or expand our operating margins per tonne, even as soda ash prices have declined in Asia and Europe. Against the backdrop of tightening supply-demand balances, normalising energy prices, and our ongoing operational efficiency improvements, we are confident about the positive outlook for our operating margins per tonne in the longer term.

So far in 2023, it feels like the global economy is starting to turn the corner faster than most had anticipated at the end of last year. Our business is performing well, mainly driven by declining energy costs and long-term structural growth supported by some of the key global mega trends, including the energy transition. We believe we are well placed to deliver another year of record performance.



**Alasdair Warren**  
CEO

<sup>1</sup> See definitions of Alternative Performance Measures on page 197.

<sup>2</sup> Source: NexantECA analysis, April 2023.

<sup>3</sup> We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 4.44, Scope 1 & 2 CO<sub>2</sub>e emissions intensity of 0.343, water intensity of 2.04, and total waste directed to disposal of 73,384 mt (in each case for 2022) as these metrics provide a relative and comparable measure of performance across our industry.

<sup>4</sup> Source: Advancy research, March 2023.

## The essentials of our business

### We're one of the largest and lowest cost producers – and the fastest growing

We operate very large, modern and efficient assets using an innovative “game-changing” process to produce soda ash at low cost with, we believe, the lowest impact on nature and the environment<sup>1</sup>. We have planned expansion projects in Türkiye and Wyoming, US that, if developed as planned, will add more than 6 million mtpa of production, more than doubling our production capacity to 11 million mtpa by 2030<sup>2</sup>.

**#1**  
natural soda ash producer

**Patented**  
“game-changing” process

**Doubling**  
production capacity by 2030<sup>2</sup>

### We're the most sustainable producer

We are committed to operating in an environmentally and socially responsible way. We believe we have the most environmentally friendly production process within our industry with the lowest CO<sub>2</sub>e emissions and water intensity and very little solid or liquid waste.

**One-third**  
of the Scope 1 & 2 CO<sub>2</sub>e emissions intensity of synthetic production<sup>1, 4</sup>

**One-quarter**  
of the water intensity of synthetic production<sup>1</sup>

**Almost no waste**<sup>1</sup>

### Our market has long-term structural growth

Our products are essential ingredients in industrial processes that produce sustainable everyday products for the modern world, with no meaningful substitution risk. Resilient end markets drive long-term non-cyclical volume growth – with 75% of growth driven by sustainable applications<sup>3</sup>, most of which comes from the growth markets of China, Asia and South America.

**Long-term**  
structural growth

**+16 million mtpa**  
additional global demand by 2030<sup>3</sup>

**75%**  
growth from sustainable applications<sup>3</sup>

### We have an exceptional financial profile

Our low cost of production supports robust EBITDA margins and high levels of cash generation, enabling us to invest over \$4 billion by 2030 to grow our business whilst also maintaining a prudent balance sheet, with low leverage, and leaving significant cash to distribute to our shareholders. Our strong sustainability credentials are expected to provide new commercial opportunities to extract a “sustainability” price premium for our products over time.

**>80%**  
cash conversion in 2022

**~1.6x**  
leverage in 2022

**“Sustainability” premium upside potential**

<sup>1</sup> We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 4.44, Scope 1 & 2 CO<sub>2</sub>e emissions intensity of 0.343, water intensity of 2.04, and total waste directed to disposal of 73,384 mt (in each case for 2022) as these metrics provide a relative and comparable measure of performance across our industry.

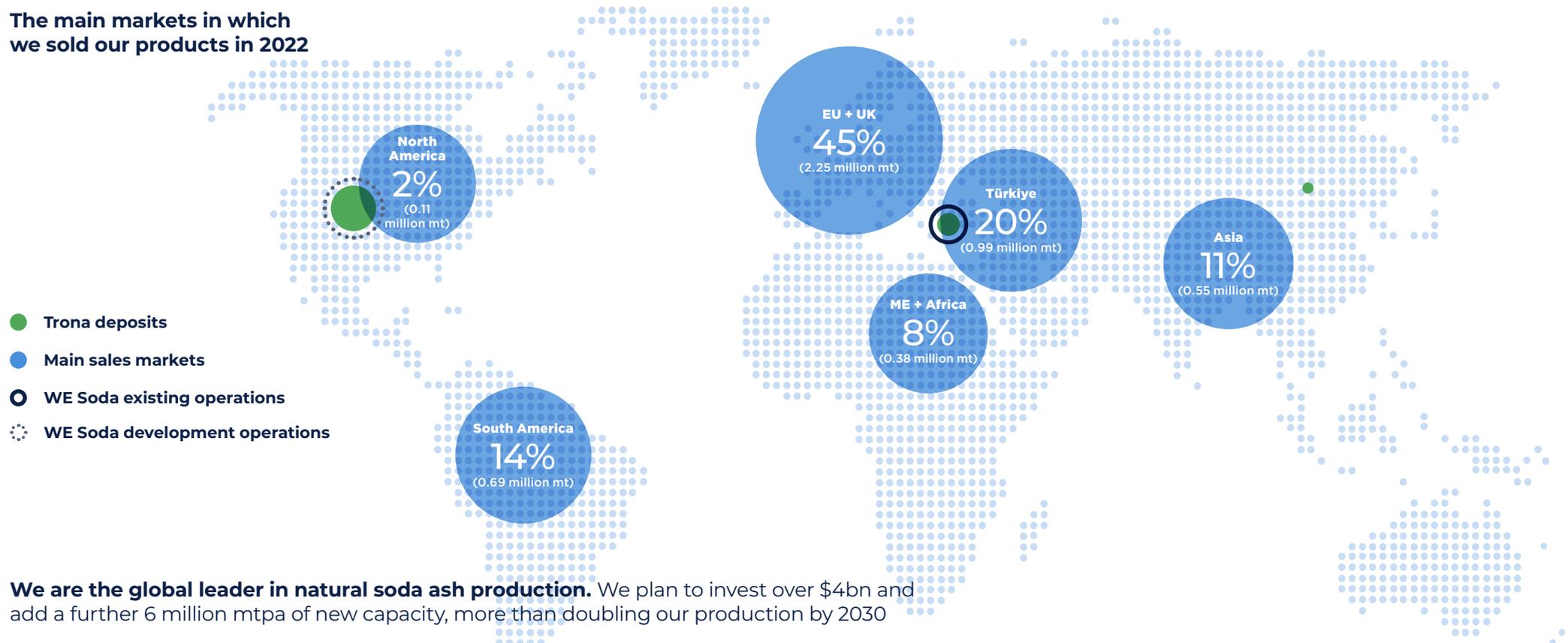
<sup>2</sup> Based on nameplate production capacity, if current expansion projects developed as planned.

<sup>3</sup> Source: Advancy research, March 2023.

<sup>4</sup> Relative to the Ammonia process based synthetic production, which accounts for 100% of European synthetic production and more than 50% of China synthetic production.

## Our world class assets and operations

The main markets in which we sold our products in 2022



**We are the global leader in natural soda ash production.** We plan to invest over \$4bn and add a further 6 million mtpa of new capacity, more than doubling our production by 2030

### Eti Soda

Eti Soda started production in late 2009 and was expanded in 2017. Today, it produces ~2 million mtpa with an ~20-year remaining mine life<sup>1,2</sup>



### Kazan Soda

Kazan Soda started production in late 2017. Today, it produces ~3 million mtpa and is planned to be expanded to ~4 million mtpa by mid-2025, with an ~29-year remaining mine life<sup>1,3</sup>



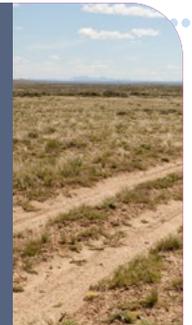
### West Soda

West Soda is a greenfield development project in Wyoming, US targeting ~3 million mtpa production. It is the first project of its kind targeting 100% renewable electricity sourcing



### Pacific Soda

Pacific Soda is a greenfield project in Wyoming, US that we are developing together with Siseecam, targeting ~5 million mtpa production. We own a 40% non-controlling interest



<sup>1</sup> As of 31 December 2022.

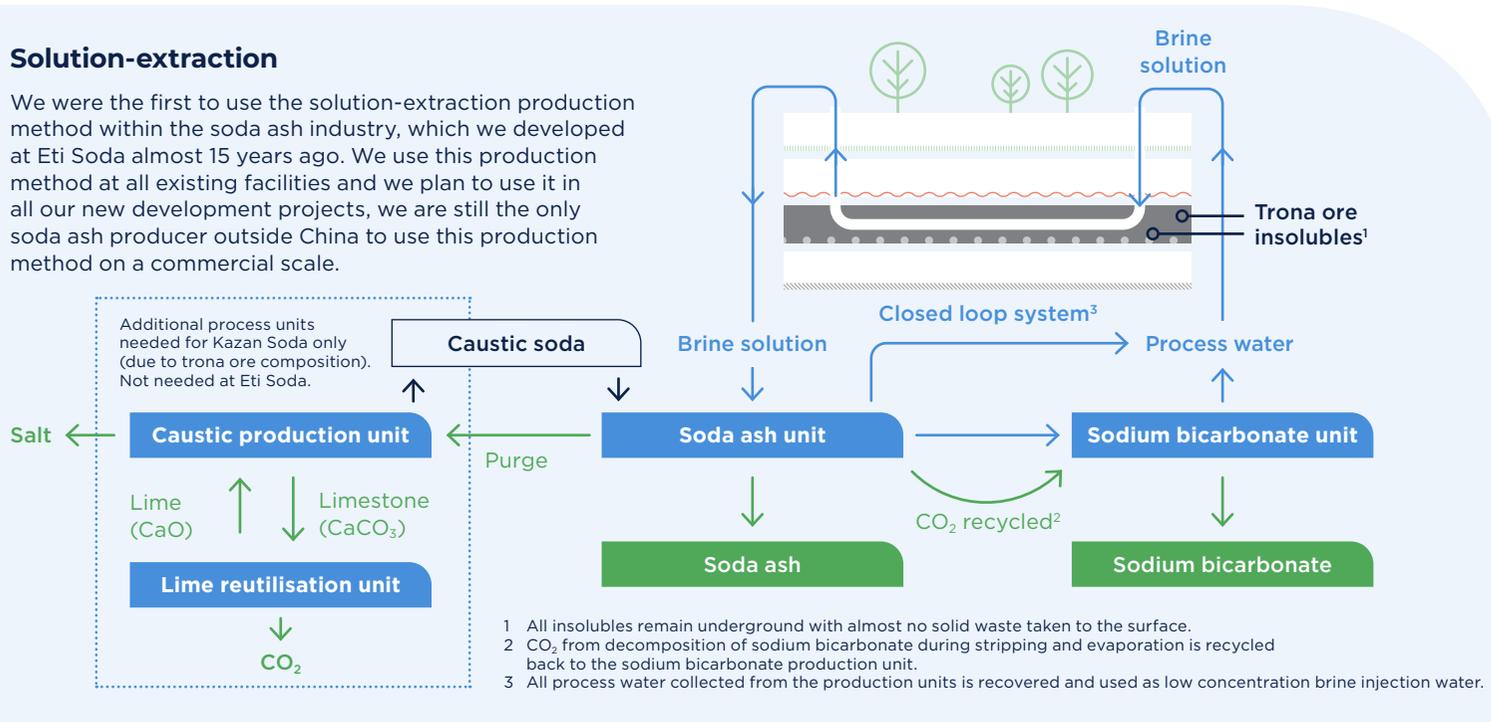
<sup>2</sup> Based on proven reserves and assumes a total combined production rate of 1.95 million mtpa as at 31 December 2022.

<sup>3</sup> Based on proven reserves and assumes a total combined production rate of 2.95 million mtpa as at 31 December 2022, taking into account total production capacity expansions of 0.95 million mt by late 2025.

# Our “game-changing” production process

## Solution-extraction

We were the first to use the solution-extraction production method within the soda ash industry, which we developed at Eti Soda almost 15 years ago. We use this production method at all existing facilities and we plan to use it in all our new development projects, we are still the only soda ash producer outside China to use this production method on a commercial scale.



1 All insolubles remain underground with almost no solid waste taken to the surface.  
 2 CO<sub>2</sub> from decomposition of sodium bicarbonate during stripping and evaporation is recycled back to the sodium bicarbonate production unit.  
 3 All process water collected from the production units is recovered and used as low concentration brine injection water.

## Soda ash production methods

Soda ash is produced by two main methods: the so called “natural” production method, where naturally occurring underground trona ore is extracted using either the solution-extraction or conventional underground mining methods. It is then processed, typically using the “monohydrate” process to produce “natural” soda ash; and the so called “synthetic” production method, predominately using the ammonia process (also known as the “Solvay” process), where limestone (calcium carbonate) is heated (or calcined) at over 1,000 degrees centigrade to produce carbon dioxide which is then reacted with

ammonia (as a catalyst) dissolved in a salt (sodium chloride) brine solution to produce “synthetic” soda ash.

## Our products

Our main product is soda ash (chemically known as sodium carbonate), which in 2022 accounted for over 95% of our production. We also produce sodium bicarbonate (also known as baking soda) as a derivative product from our soda ash production process. We produce both from naturally occurring trona ore.

Soda ash and sodium bicarbonate are both simple, safe, inorganic raw materials usually

available in the form of odourless white powders that are highly soluble in water. Soda ash is the tenth most consumed inorganic compound in the world because it is an essential ingredient in a variety of industrial processes, including the manufacture of glass, which accounts for 60% of global soda ash demand.

There are two basic types of soda ash: dense soda ash, which accounts for over 90% of demand and is used in the vast majority of industrial processes including in the production glass, and light soda ash, which is used primarily in the production of powdered detergents and can only be

produced from synthetic processes. The chemical composition of both types is identical and the main difference between light and dense soda ash is the bulk density. We produce and sell only dense soda ash, mainly in bulk format.

There are three basic types of sodium bicarbonate, all of which are chemically identical: food, animal feed and technical grade. We produce and sell all three, but we mainly produce technical grade product, which is used in industrial applications and a variety of environmental applications including waste water treatment and the desulphurisation of flue gases.

## Our differentiated position

We only produce natural soda ash and sodium bicarbonate using the solution-extraction production method, and we currently produce around 5 million mt of natural soda ash and sodium bicarbonate every year.

We have a number of other differentiated characteristics within the global soda ash industry:

- Sustainability is embedded in everything we do.
- We care for our people and our communities.
- We have “best-in-class” facilities with low environmental impact.
- Our global customer reach is based on long-term partnership and reliability.
- We invest for growth.

For more details of our differentiated positions within the soda ash industry, see “Our business model” on pages 16 and 17.

## Our markets

Understanding the market in which we operate enables us to be prepared for change, to respond to customer needs, and to refine our strategy to maintain our market leadership.

### One of life's essential ingredients

Soda ash is one of life's essential ingredients. It is a critical component in almost all the industrial processes in which it is used, with no economically feasible and environmentally viable substitute in almost all processes, and without which most of our customers cannot operate. Most of the applications and products in which soda ash is used play an important role in facilitating the energy transition and an essential role in the sustainable products we use in everyday modern life, yet it is invisible to most of us.

Our product sales broadly reflect the end-use demand for all soda ash and sodium bicarbonate globally and, as the largest producer of natural soda ash and a large producer of sodium bicarbonate, we believe we are well positioned to benefit from energy transition and global sustainability trends going forward.



Glass



Lithium-ion EV batteries



Powdered detergents



Industrial and other



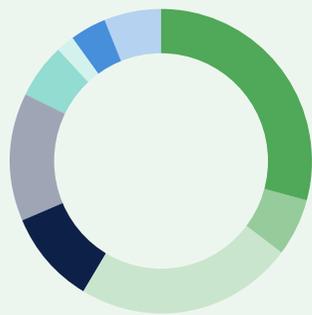
Sodium bicarbonate



PV Solar Panels

### Uses of soda ash in 2022

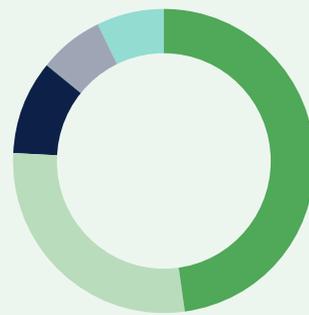
60% used in glass manufacturing



- 30% Flat glass (excl. PV) 19.3m mt
- 6% PV glass 3.7m mt
- 24% Container & other glass 15.5m mt
- 10% Powdered detergents 6.2m mt
- 14% Silicates & other sodium chemicals 8.7m mt
- 6% Water & flue gas treatment 3.7m mt
- 2% Lithium carbonate 1.3m mt
- 4% Sodium bicarbonate 2.4m mt
- 6% Other applications 3.8m mt

### Drivers of demand until 2030

Over 90% driven by developing economies



- 48% China +7.7m mt
- 28% Asia (excl. China) +4.6m mt
- 10% South America +1.7m mt
- 7% Other growth markets +1.1m mt
- 7% Mature markets +1.1m mt

75% driven by sustainability trends



- 44% Highly sustainable applications +7.2m mt
- 29% Sustainable applications +4.7m mt
- 27% Other applications +4.5m mt

Mainly structural, low cyclicality demand



- 66% Other applications +4.5m mt
- 34% Higher cyclicality +5.6m mt

## Our markets continued

### Attractive and resilient end markets

From almost 65 million mt of global demand in 2022, the annual demand for soda ash globally is forecast to grow by a further 16 million mtpa, reaching almost 81 million mtpa by 2030<sup>1</sup>. This is equivalent to compounding global growth of around 2 million mtpa.

Demand for soda ash is resilient. 75% of forecast global growth by 2030 is expected to be driven by sustainable applications facilitating the energy transition, most of which exhibit long-term, non-cyclical structural growth. From a regional perspective, almost 90% of forecast demand growth is expected to be driven by the higher growth markets of China, Asia and South America due to their growing populations, increasing economic prosperity and continued urbanisation. For South America, this is augmented by the strong expected growth in lithium carbonate production, particularly from Chile and Argentina, which is expected to increase significantly over this period. In the case of China and Asia, the rapid growth in PV glass manufacturing capacity is also expected to drive additional demand for soda ash. We expect demand growth in the short to medium term to be consistent with this long-term trend<sup>1</sup>.

# +16 million mtpa

demand growth from 2022 to 2030

The environmental and sustainability characteristics of our production process and products may also help our customers achieve their own emissions targets. Soda ash is often an important contributor to the Scope 3 CO<sub>2</sub>e emissions of our customers, and many of them are increasingly recognising and prepared to pay for the benefits of using sustainably produced low-carbon natural soda ash, like we produce, instead of using higher carbon, higher environmental impact synthetic product which today accounts for over 70% of global soda ash supply<sup>1</sup>, and which has higher CO<sub>2</sub>e emissions intensity and water intensity, produces more waste and has a bigger impact on nature. Over the long term, this is expected to result in increased demand and premium pricing for natural soda ash over synthetically produced soda ash.

# 75%

of global demand growth from 2022 to 2030 driven by sustainable applications

We believe that the long-term structural growth of soda ash and the increasing focus of our customers and consumers on sustainability are likely to result in increased exports of natural soda ash to the largest consuming markets. As the largest and one of the lowest cost producers of sustainability produced, low-carbon natural soda ash, able to serve all the major soda ash markets globally, we believe we are well positioned to capitalise on the worldwide growth in soda ash demand and global sustainability and energy transition trends.

### Supply-side challenges

Environmental regulation, laws and policies in many parts of the world, including in both Europe and China, which together represent over 80% of the global synthetic soda ash production capacity, effectively prohibit the increase of synthetic production capacity in these markets. It is mainly for this reason, together with the broader sustainability and environmental concerns of governments, industrial customers and consumers, that we believe over 90% of the 16 million mtpa of global demand growth by 2030 will be satisfied by new natural soda ash production. This is also supported by the so far announced capacity additions globally, where projects in which we are participating in total account for over half of the world's new soda ash supply over this period. We believe we are investing more and growing faster than any other soda ash producer globally. If all our growth projects are developed as planned, we will invest over \$4 billion and more than double our production capacity by 2030, by which time we aim to be producing over 11 million mtpa of soda ash and sodium bicarbonate.

Natural soda ash production is constrained by the location and occurrence of trona ore. Commercially exploitable quantities of trona ore only occur in three regions globally: near Green River in Wyoming, US, near Ankara in Türkiye and in Inner Mongolia in China. By far the largest trona deposits are located in Wyoming, US, and Türkiye has the second largest deposits, the two regions in which we are active. The thickest and most voluminous beds of the highest grade trona ore in Wyoming exist at depths of more than 550m below the surface, depths at which trona can only be safely extracted on an economically viable basis using the solution-extraction method.

Today, we are the only soda ash producer outside China to successfully use the solution-extraction method on a commercial scale, and we believe this gives us a significant advantage over our competitors which use conventional mining or synthetic production methods. There are also significant permitting and planning processes in US, which are publicly disclosed, and for which approval is required, before it is possible to develop new soda ash production capacities. These processes take many years to complete, thereby making any new projects before 2028, which have not already been announced, unlikely.

Taken together, we believe all these factors will create supply-side challenges in the years ahead, which are likely to mean that new supply additions will be challenging to bring on-steam for many of our competitors and, together with the resilient long-term structural demand growth that is expected globally, this is likely to drive tight, and possibly tightening, supply-demand balances within the soda ash supply chain in the coming years. In this environment, security of supply will become increasingly important, and we believe this will support a robust pricing environment for soda ash globally and further strengthen our market position and competitive advantage over other producers or potential newcomers in the soda ash industry.

# 90%

of global demand growth from 2022 to 2030 satisfied by new natural soda ash production

<sup>1</sup> Source: Advancy research, March 2023.

## Our markets continued

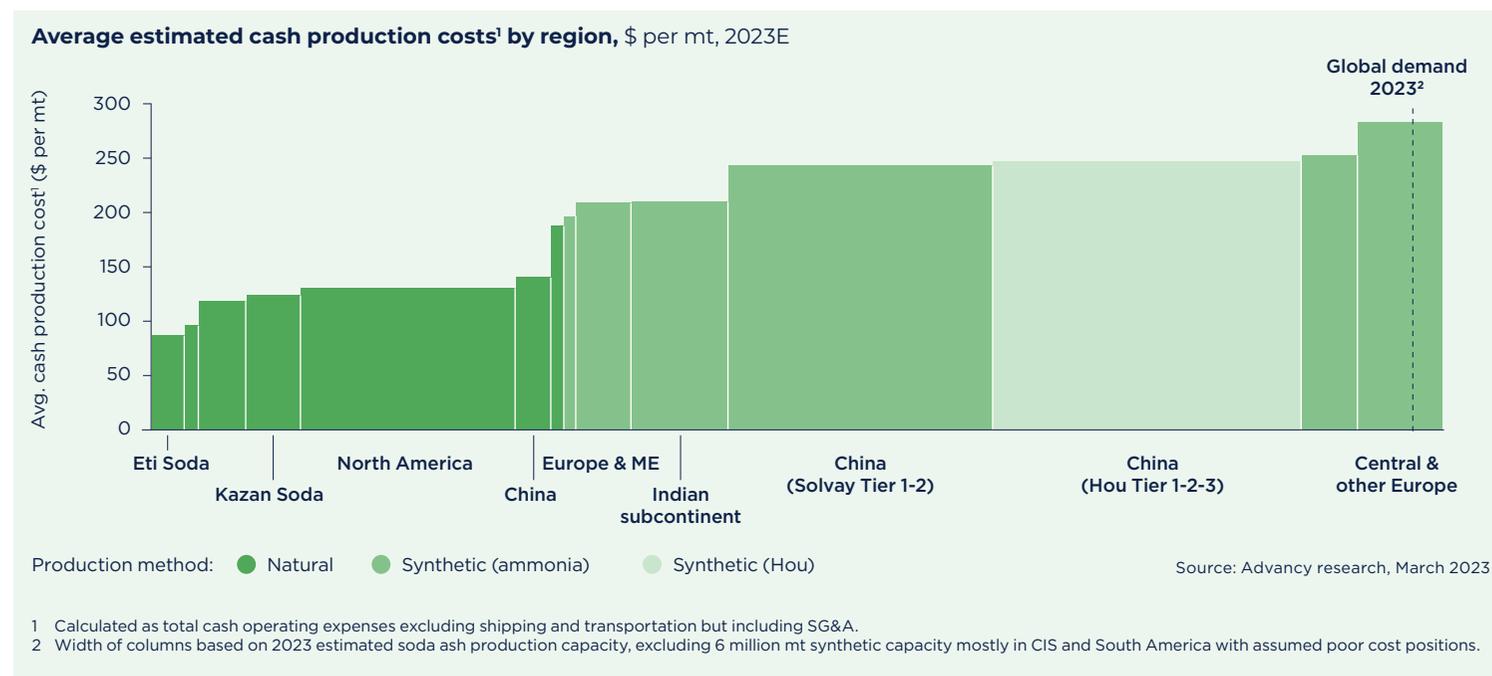
### Drivers of price and margin

We are one of the lowest cost producers of soda ash globally, with an efficient global customer supply chain which allows us to sell our products on a cost-competitive basis in every major soda ash market globally. Soda ash production is energy intensive, and energy costs represent the largest part of the cash production costs for all producers. We have an advantage because natural soda ash production using the solution-extraction method only has less than half of the energy intensity of synthetic soda ash production – significantly reducing our cash production cost but also significantly lowering our Scope 1 & 2 CO<sub>2</sub>e emissions intensity, by comparison with synthetic producers.

We are able to generate strong and sustainable operating margins because of the market structure of the global soda ash industry – where the much higher cash production costs of synthetic producers, which today account for over 70% of global soda ash supply, effectively set the reference price for soda ash in most of our markets, including our most important regional market – Europe. We believe that this market structure is unlikely to change in the medium term.

2022 was an extraordinary year but also a challenging year for our business. In the first half, we saw a tight soda ash market driven by strong global growth. From the second quarter, we had to deal with the impact of rapidly rising energy prices following the Russian invasion of Ukraine, causing turbulence in the energy markets, and the consequential rise in inflation and interest rates, impacting our customers.

The global soda ash market was characterised by robust demand in the first half of 2022, which given the lack of new supply and rising



energy input costs for all producers, drove inflationary pricing for our products, which varied between regional markets depending on local supply-demand factors. Due to the tight supply-demand dynamics for soda ash globally, together with the higher energy prices that more significantly impacted many of our more energy intensive synthetic soda ash competitors, we were able to pass on increased energy costs, and particularly natural gas costs, to almost all of our customers. This led to increases in netback pricing and strong operating margins during 2022.

Late 2022 was characterised by a modest slowdown in global shipments of soda ash, partly driven by higher levels of product

inventory that built up in the latter part of 2022, ahead of anticipated 2023 price increases, and partly driven by the slowdown of economic activity in certain regions. Most regional markets have continued to see robust soda ash pricing in 2023 but we have observed a modest decline in the price of soda ash in Asia, albeit from the very high levels seen in 2022. Over the long term we expect that global supply-demand balances will tighten as new demand growth outpaces net new capacity additions<sup>1</sup>. During 2023, we expect that supply-demand balances will also tighten as inventories are worked through and global demand picks up, driven by long-term structural growth drivers augmented by the recovery in global economic activity.

Global and regional energy markets have seen significant downward price adjustments in the first quarter of 2023, with the Turkish natural gas prices more than halving from its highs in the third quarter of 2022, reducing our Cash costs (\$ per mt) and allowing us to increase our operating margins per tonne during 2023. Against a backdrop of tightening supply-demand balances, normalising energy prices, and our ongoing operational efficiency improvements, we are confident about the positive outlook for our operating margins per tonne in the longer term.

<sup>1</sup> Source: Advancy research, March 2023.

## Our business model

### Sustainability is embedded in everything we do

#### Our purpose

We define our purpose as **“to responsibly produce essential ingredients for a sustainable future”**. This is our guiding principle by which we make our corporate decisions and conduct our corporate activities. We believe we produce soda ash with the lowest impact on nature and the environment<sup>1</sup> and we are committed to operating sustainably in an environmentally and socially responsible way with strong corporate governance. We measure our sustainability performance and, where needed, we seek external help to ensure continuous improvement, actively investing in new initiatives, systems and processes.

#### Safety

We employ a skilled workforce, with high retention and engagement levels. We prioritise the safety and wellbeing of our employees, through our health & safety, our comprehensive training and development programmes, and our robust policies and procedures that we have put in place across our business.

#### Communities

We care for and work closely with the communities in which we operate. Our aim is to ensure that they continue to be sustainable and thrive long after our sites are de-commissioned, and we work with them around five core themes: building a sustainable future, environment and nature, youth and education, community support, and women’s empowerment.

These initiatives include supporting local agriculture to provide important sources of income, educational opportunities to widen employment prospects, supporting children and families, and a focus on inclusiveness, empowerment and gender equality.

#### Environmental impact

Our substantially closed-loop solution-extraction production method not only has one of the lowest costs of production, but we believe it also has the lowest impact on nature and the environment<sup>1</sup> across the global soda ash industry. It is safer (because it does not require any underground operatives), and it uses far less energy and water, and produces far less CO<sub>2</sub>e and solid and liquid waste per unit of production than any other soda ash or sodium bicarbonate production method.

#### Emissions

Eti Soda and Kazan Soda produce soda ash with around one-third of the Scope 1 & 2 CO<sub>2</sub>e emissions intensity by comparison with synthetic soda ash production. This is partly because the solution-extraction production method uses significantly less energy per unit of production but also because the production of sodium bicarbonate (as a derivative of the soda ash production

#### Eti Soda and Kazan Soda operate with

## one-third

of the Scope 1 & 2 CO<sub>2</sub>e emissions intensity of synthetic production<sup>1</sup>

<sup>1</sup> Relative to the Ammonia process based synthetic production, which accounts for 100% of European synthetic production and more than 50% of China synthetic production.

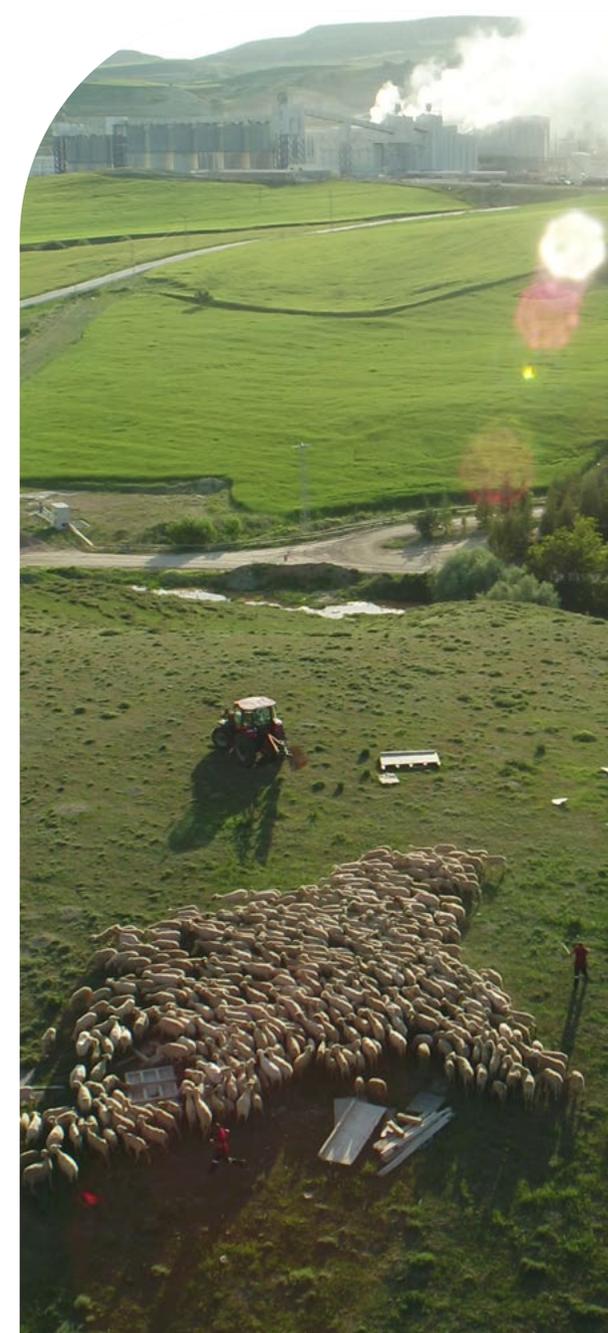
process) allows us to re-use the CO<sub>2</sub> released during soda ash production, increasing our plant efficiency and reducing our overall CO<sub>2</sub>e emissions. In US, we plan to develop West Soda using 100% renewable electrical power, significantly reducing our already low emissions and supporting our pathway to Net Zero CO<sub>2</sub>e emissions by 2050.

#### Sustainable applications

Our soda ash is used in glass manufacturing, lithium-ion EV batteries, PV solar panels, powdered detergents, silicates and various sodium-based chemicals and other industrial and environmental applications. Our sodium bicarbonate is used in food, animal feed, and various healthcare and environmental applications including water and flue gas treatments. By 2030, it is estimated that 75% of new demand growth for soda ash will be driven by sustainable applications<sup>2</sup>.

#### Sustainability premium

Supply chains are being forced towards increased transparency by consumers, regulators and numerous commercial factors. We believe that greater transparency will enable and support sustainable business models, build trust and strengthen relationships with customers and other stakeholders, and also incentivise an industry-wide sustainability transition. In 2022, we developed and announced a new, blockchain enabled ecosystem called “ConnexSA”, which will allow our customers to have full supply chain transparency of the sustainability footprint of our product. Over time, we also believe greater transparency will create the opportunity for us to realise a “sustainability premium” for our low-carbon, high-sustainability products.



## Our business model continued

### 100% solution-extraction

#### Innovation

We were the first company to develop the solution-extraction production method within the global soda ash industry almost fifteen years ago. Today, we use the solution-extraction method at all our production facilities, and it will also be used at our new greenfield development projects in Wyoming, US. Today, we are still the only soda ash producer in the world to successfully use the solution-extraction method on a commercial scale, outside China.

#### Patented

The solution-extraction production method consists of injecting a pressurised, heated, low-concentration brine into the subsurface ore body, which dissolves the trona into a more concentrated brine solution that is then extracted to the surface before being pumped to a central facility and processed to produce soda ash and sodium bicarbonate. We hold a number of patents associated with different elements of our production process.

### “Best-in-class” facilities

#### Scale

Today, we operate two large, modern soda ash production facilities using the solution-extraction method at Eti Soda (2 million mtpa) and Kazan Soda (3 million mtpa). These are two of the largest and lowest cost soda ash production facilities in the world. Over the last fifteen years, we have developed a strong operational track record in large-scale project development, commissioning and process optimisation.

#### Well invested

In 2022 and early 2023, we installed new decahydrate and caustic soda units at Kazan Soda, which are now on-stream, which will improve our production efficiency and increase run-rate production by around 0.3 million mtpa, reducing Scope 1 CO<sub>2</sub>e emissions intensity. By 2025, we plan to further increase production capacity at Kazan Soda by approximately 0.6 million mtpa by constructing additional soda ash and sodium bicarbonate production units and a sodium chloride re-processing unit, further improving operating efficiency and further reducing Scope 1 CO<sub>2</sub>e emissions intensity and waste.

Increasing run-rate production by

## 0.3 million mtpa

in 2023, and reducing Scope 1 CO<sub>2</sub>e emissions intensity

### Global customer reach, long-term partnership and reliability

#### Reach

We sell our products in every major soda ash market worldwide, in almost 80 countries to large industrial customers and also via our exclusive network of regional distributors, which have exclusive rights to distribute our products in the regions in which they operate. Our distributors have extensive regional logistics infrastructure and networks, and they supply our products to small and medium sized customers, and also support the service we deliver to our larger global customers within their regions. We run a 24/7 global logistics operation. The advantageous geographic position of our facilities enables us to distribute our products to all the major soda ash markets worldwide in a competitive and cost-effective manner.

#### Partnership and reliability

Soda ash is a “mission critical” component in the manufacturing processes of our industrial customers, without which they cannot operate. The reliability of our global supply chain is therefore critical and we have a proven track record of service quality and supply chain reliability. We have built strong partnerships with our distributors and our customers, as evidenced by our long-standing relationships with both, most of which are for ten years or more.

We sell our products in

## 77

countries

### Investing for growth

#### Financial strength

We generate strong operating margins, well ahead of any other global soda ash producer, mainly as a result of our low-cost production and our efficient global customer supply chain. We also generate strong Free Cash Flow<sup>3</sup>, supported by our low Maintenance Capital Expenditure<sup>3</sup> at our well-invested and well-maintained production facilities. We maintain a strong balance sheet, with a Total Net Leverage Ratio<sup>3</sup> of only approximately 1.6x for the year ending 31 December 2022.

#### More than doubling production

We believe we are investing more and growing faster than any other soda ash producer globally, supported by our strong financial position and our unique operating capabilities. We plan to invest more than \$4 billion to more than double our production volumes by 2030. We are developing two greenfield soda ash projects in Wyoming, US: we own 100% of West Soda, an approximately 3 million mtpa greenfield project, and we also own a 40% non-controlling interest in an approximately 5.4 million mtpa greenfield project known as Pacific Soda, that we are developing together with Sisecam.

<sup>1</sup> We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 4.44, Scope 1 & 2 CO<sub>2</sub>e emissions intensity of 0.343, water intensity of 2.04, and total waste directed to disposal of 73,384 mt (in each case for 2022) as these metrics provide a relative and comparable measure of performance across our industry.

<sup>2</sup> Source: Advancy research, March 2023.

<sup>3</sup> See definitions of Alternative Performance Measures on page 197.



## Our strategic pillars

# we • lead



**We pride ourselves on being a leader within our industry, not only in terms of scale, but also in terms of sustainability, innovation and customer service.**

We believe we have the most sustainable production process, because we produce soda ash with the lowest Scope 1 & 2 CO<sub>2</sub>e emissions intensity, water intensity and waste, compared to synthetic soda ash producers, and because of this we believe that we have the lowest impact on nature and the environment. Leadership also means delivering for our customers – what they need and wherever they need it – ensuring a reliable global supply chain and consistently high levels of customer service.



## we • lead continued

### 2022 achievements

- In 2022, we produced and sold more than 5 million mt of product for the first time, a 3% increase versus 2021. We believe we produce the highest quality and most sustainable soda ash, with a 99.8% purity and the lowest Scope 1 & 2 CO<sub>2</sub>e emissions intensity, and water intensity and waste, compared to synthetic soda ash producers.
- We are one of the lowest cost soda ash producers because we operate two of the largest and most efficient facilities, and we are the only producer outside China to successfully use the solution-extraction production method on a commercial scale.
- We are the largest global exporter of natural soda ash, and in 2022 we delivered our products to large industrial customers at over 170 individual destinations in almost 80 countries. To achieve this, we manage an integrated global customer supply chain that serves our customers 24/7.
- Our sustainable working practices have been independently recognised and verified. In 2022, our Group received a Gold Medal and Kazan Soda received a Silver Medal and in January 2023, Eti Soda received a Platinum Medal, placing it among the top 1% of companies assessed by EcoVadis globally.
- In 2022, we received an industry-leading corporate ESG assessment score of 16.1 from Morningstar Sustainalytics – making us the only soda ash producer in the “low risk” category. As at 6 June 2022, our score would place us as having the best ESG risk rating score in the entire Morningstar Sustainalytics global commodity chemicals subsector (first out of 227 companies).
- In October 2022, we continued our commitment as a reliable long-term supplier of low-carbon natural soda ash with the announcement of West Soda, a new 100% owned greenfield development project located in Wyoming, US.

### Investing more than

# \$4.0bn

to grow our production volumes  
(million mtpa)



### Looking ahead

- We expect our new logistics hub at Terneuzen, Netherlands will be operational during 2023, with up to 85,000 mt of storage capacity, serving our customers in northern Europe and the UK.
- The Kazan debottlenecking project was completed during March 2023. Further expansion at Kazan Soda is now under way with the construction of additional production capacity which we plan to bring on-stream during 2025, taking our total production in Türkiye to around 6.0 million mtpa.
- During 2023, we aim to register more than 80% of our core suppliers for the Sedex platform, allowing us to screen our suppliers with our own sustainability criteria, particularly in relation to ethical trading and responsible supply chain practices. By 2025, we aim to have all of our major distributors operating with our sustainability governance.
- In 2023, we aim to more thoroughly evaluate customer satisfaction, looking to use a Net Promoter Score (“NPS”) methodology with all our major customers.
- As we seek to further improve our sustainability approach, we will seek additional external assurance on our sustainability strategy and data.



### The most reliable and sustainable supplier of soda ash

We believe the world will demand ever-larger volumes of lower carbon, sustainably produced natural soda ash. We believe we are investing more and growing faster than any other company in our industry.

We plan to invest over \$4 billion in production growth projects at Kazan Soda in Türkiye, and at Pacific Soda and West Soda in US. If all our projects are developed as planned, we will more than double our annual production volumes to more than 11 million mtpa by 2030. In addition to our Terneuzen logistics hub, we also plan to develop further regional storage and distribution hubs in key locations globally, further strengthening our global supply chain and improving our customer service and reliability.

We believe that delivering growing volumes of sustainably produced soda ash combined with the high levels of reliability in our global supply chain and the high and consistent levels of service we provide to our customers, when and where they require it, will be key components of our future success.

Our strategic pillars continued

# we • care



**We believe our success will be driven by attracting, developing and retaining the best people, as well as looking after our people and the communities in which we operate.**

We are focused on safety as our number one priority and also on nurturing a diverse, well-educated workforce. We do this by empowering managers, investing in training, giving employees responsibility, focusing on risk, and encouraging accountability. We also believe that by supporting our local communities, we create long-term value for our communities and for our business.

## we • care continued

### 2022 achievements

- In 2022, we reduced the number of LTI workplace accidents by around 40% compared to 2021, despite a 7% increase in total working hours, but we want to do better. In October 2022, we engaged dss+, an international specialist safety consultant, to review our safety practices and identify actions to urgently and permanently reduce our LTI workplace accidents.
- During the year, our employee survey revealed that we have high levels of employee satisfaction at 76% as well as high levels of commitment and motivation. As at year end 2022, our employee retention rate was also high, at 93%.
- In 2022, we welcomed 13 new female engineers and managers into our business, and meaning 35% of our middle management are women (in both technical and administrative roles).
- During 2022, we offered over 26,000 hours of vocational, social development, management and occupational safety training at Eti Soda and over 40,000 hours of training at Kazan Soda.
- We worked with 209 students as part of our internship programme, from universities across Türkiye and from local technical high schools. 31% of our workforce are under 30 years of age.
- In the last year, we have supported a diverse range of community projects in Türkiye and the UK with our time, capabilities and total financial contributions of around \$1.1 million. Our most recent social project is our partnership with the Welsh Rugby Union in the UK to deliver community programmes which support families and children from poorer backgrounds, and those with disabilities and special educational needs.

### Social contributions of

# \$1.1m

(2021: \$0.4 million)

### Employee satisfaction

# 76%

across all employees

### Looking ahead

- In 2023, we are aiming for a further significant reduction in LTI workplace accidents, and over time we believe we can achieve zero LTI workplace accidents.
- We will continue to provide interesting opportunities for young women and men, and we will aim to maintain our high levels of employee retention and satisfaction.
- We will aim to continue improving gender diversity within our workforce, with a particular focus on management and leadership opportunities. Within the next ten years, we aim to have an equal number of women and men within our senior and middle management.
- During 2023, we plan to review all our social impact projects and the basis on which we assess their impact, over the long and short term.
- Over time, we will aim to maintain and increase our community engagement and social impact, with the objective of having a long-term positive impact on more people within the communities that matter to us.



### Eti Soda community greenhouse project

We seek to align our social responsibility initiatives with the UN Sustainable Development Goals most relevant to our operations, including gender equality, decent work and economic growth.

Originally commissioned in 2021 and operational since April 2022, the Eti Soda greenhouse project is focused on creating employment opportunities for local women in agriculture. The project was developed in partnership with the Municipality of Ankara (“ANFA”) and it involves a large, permanent glasshouse structure on land owned by Eti Soda and adjacent to the Eti Soda facility, which uses electricity and heat (in the form of waste process water) supplied by Eti Soda, but it is managed by ANFA to grow a variety of different plants which are used in the surrounding area for the planting of communal areas, parks and roadside landscaping.

The operation is staffed exclusively by women from the local community and family members of our employees. It is not for profit and any excess income after costs and the distribution of wages, is used to support further female empowerment initiatives in the local community.

Our strategic pillars continued

# we • innovate



## With a clear purpose, innovation thrives.

Innovation is a core part of our culture; it has always been one of the most important drivers in the development of our business and we believe that it is a key differentiating factor in our customer offering. With the impact of climate change affecting all of us, ensuring a more sustainable future is a priority. That is what inspired us to develop “ConnexSA”, our blockchain enabled sustainability ecosystem delivering transparency and traceability throughout our value chain.



## we • innovate continued

### 2022 achievements

- Necessity required us to innovate and develop Eti Soda as the first soda ash production facility in the world to use the solution-extraction production method, almost fifteen years ago. Today, we are still the only soda ash producer in the world outside China to successfully use solution-extraction on a commercial scale.
- Our solution-extraction production method uses less than one-quarter of the water used in synthetic production. In 2022, we recycled or re-used 39% of our water demand and we are innovating to further reduce our water intensity.
- In 2022, we sent over 70,000 mt of non-hazardous waste to landfill (safely stored in our lined storage areas). At Eti Soda, roughly half of the solid waste produced from our boilers is sold for re-use and the rest is stockpiled. In 2022, we trialled the use of biomass and, over time, by using more biomass we plan to reduce our landfill to zero.
- Through targeted production innovations, we have improved efficiency, increased capacity, and reduced our operating costs. As an example, at Eti Soda, we have increased our production volumes by over 20% in the last five years, with an average annual efficiency gain of almost 3% every year.
- This year, we developed and announced an innovative blockchain enabled ecosystem called “ConnexSA”, which will provide our customers with full supply chain sustainability transparency for our products.

### Today, we recycle around

# 40%

of our water demand

### Looking ahead

- We will take our innovative solution-extraction production method to US, with our planned development of Pacific Soda and West Soda.
- Over the next five years, we plan to reduce our water intensity by 20%, mainly through the use of dry air-cooling systems.
- Once operational in 2025, our new sodium chloride plant at Kazan Soda will allow us to reprocess a by-product and sell it as industrial salt.
- We have already installed 7MW of solar PV capacity, and we plan a further 3MW in 2023. We plan to deliver up to 200MW of renewable power in Türkiye by 2027, and in US we plan to develop the first soda ash production facility globally to source all of its electricity needs entirely from renewables.
- Research and development is an important part of innovation, as we try to find ways to reduce our environmental footprint and improve our operational efficiency. We plan to develop carbon capture technologies through CO<sub>2</sub> liquefaction and sequestration for our residual process and combustion emissions.



### Blockchain enabled value chain transparency “ConnexSA”

We believe in transparency in all areas of our business, but particularly around sustainability.

Supply chains are being forced towards greater sustainability disclosure by regulators, customers and consumers. In a conventional supply chain, participants can only typically trace their immediate suppliers and customers, but with increased focus on traceability and accountability, we believe that in the future participants will require visibility throughout the entire supply chain.

With the objective of delivering greater sustainability transparency, we developed a blockchain enabled ecosystem called “ConnexSA”, which we announced in October 2022. The ConnexSA “vision” is to provide transparent, reliable and verifiable sustainability data to all stakeholders, including end consumers. We hope that “ConnexSA” will be adopted throughout the soda ash supply chain, and we plan to introduce customers and other industry participants into the project during 2023, with the objective of the “ConnexSA” platform being operative during 2024.

Our strategic pillars continued

# we • challenge



**To maintain our leadership, we must continuously challenge ourselves and the status quo within our industry, and be prepared to do things differently and better.**

We plan to turn our industry into a better place than we found it. We'll do this by ensuring sustainability is at the core of everything we do, challenging the view that value is only monetary. If we get the balance right, our endeavours will create value for all our stakeholders – from our customers and communities to society and the world as a whole.

**WE PLAY  
FOR  
CHANGE...**

## we • challenge continued

### 2022 achievements

- We believe that greater transparency will enable and support more sustainable business models. We also believe that, over time, greater sustainability transparency will drive greater value for lower carbon, more sustainably produced products. That is why we developed “ConnexSA”.
- We believe that the world will need more sustainably produced natural soda ash to facilitate the energy transition and assist the world on its journey towards a more sustainable future. That is why we announced the development the first greenfield soda ash development project in US for almost 50 years, using solution-extraction in US for the first time.

### Looking ahead

- Although we believe we already have around one-third of the Scope 1 & 2 CO<sub>2</sub>e emissions intensity of our synthetic competitors, we plan to drive this lower, reducing by 20% over the next five years and 40% over the next ten years.
- We plan to develop the world’s first soda ash facility to be powered with 100% renewable electricity (see case study). Together with our renewable power projects in Türkiye, this will require us to build over 800MW of renewable power generation capacity over the next ten years.
- In addition to renewable power, we also plan to develop the use of carbon capture and liquification/storage technologies to be able to remove residual process and combustion CO<sub>2</sub> emissions at our facilities.

- Despite the fact that today we only have around one-quarter of the water intensity of our synthetic competitors, we also plan to reduce our water intensity by a further 20% in the next five years, through the use of dry air-cooling systems.
- And today, we produce almost no waste, but we plan to reduce or re-use the waste we do produce by reprocessing our sodium chloride by-product and reducing other solid waste by changing to more sustainable fuel sources.

### Our sustainability commitments

<b>Safety</b>	<ul style="list-style-type: none"> <li>• A significant reduction in LTI workplace accidents in 2023</li> <li>• The objective of zero LTI workplace accidents, over time</li> </ul>
<b>Scope 1 &amp; 2 CO<sub>2</sub>e emissions intensity</b>	<ul style="list-style-type: none"> <li>• 20% reduction within five years<sup>1</sup></li> <li>• 40% reduction within ten years<sup>1</sup></li> <li>• Net Zero by 2050</li> </ul>
<b>Water intensity</b>	<ul style="list-style-type: none"> <li>• 20% reduction within five years<sup>1</sup></li> </ul>
<b>Diversity</b>	<ul style="list-style-type: none"> <li>• An equal number of women and men at middle and senior management levels within ten years<sup>1</sup></li> </ul>

<sup>1</sup> We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 4.44, Scope 1 & 2 CO<sub>2</sub>e emissions intensity of 0.343, water intensity of 2.04, and total waste directed to disposal of 73,384 mt (in each case for 2022) as these metrics provide a relative and comparable measure of performance across our industry.



### The world’s first 100% renewable powered soda ash production

Soda ash is an essential ingredient in many industrial processes and in order to keep up with continually growing demand, new sources of supply must be developed. As the world continues on its decarbonisation journey to meet COP26 targets, it is a priority to ensure all new sources of soda ash supply have the lowest possible impact on nature and the environment<sup>1</sup>. The power needs of a soda ash production facility present a decarbonisation challenge, which we are embracing.

We are planning to develop West Soda with an initial production capacity of around 3.0 million mtpa, designed from the outset to source all of its electrical needs entirely from renewable power sources. That means over 130MW of continuous 24/7 electrical load. To address this, we plan to develop around 600MW of renewable power generation and storage – the first time this has been done for any mineral processing facility of this scale, anywhere in the world.

We also plan that West Soda will have the potential, over time, to be progressively expanded on a modular basis to meet the growing global demand for sustainably produced low-carbon natural soda ash and that, over time, all heat (steam) needs at this facility will also come from renewable sources. These are both ground-breaking innovations within the global soda ash industry to address the challenges faced by all.

Operating sustainably

# A sustainable future

**We define our purpose as “to responsibly produce essential ingredients for a sustainable future”.**

This is our guiding principle upon which we make our strategic decisions and conduct our corporate activities.

Sustainability is integrated into everything we do and it is embedded throughout our governance and management framework.

## Operating sustainably

### How we manage sustainability

Today, we are the only soda ash producer in the world to use the solution-extraction method on a commercial scale, outside China, which we believe allows us to produce and deliver soda ash with the lowest Scope 1 & 2 CO<sub>2</sub>e emissions intensity and water intensity and, within our industry, we believe that we have the lowest impact on nature and the environment<sup>1</sup>. As a result, we believe we are a leader within our industry, not only in terms of scale, but also in terms of sustainability, because we believe we have the most sustainable and environmentally-friendly<sup>1</sup> production process.

Our CEO has overall executive responsibility for sustainability within our Group. Whilst we have always operated with a strong focus on sustainable development, in 2022 we established our Board Sustainability Focus Group (which in 2023 was constituted as the Sustainability Committee), with a mandate and formal responsibility for ensuring that we develop, document and implement an integrated sustainability strategy across all areas of our business. The Committee is comprised only of independent non-executive directors, all of whom have significant experience in different areas of sustainable operations, social engagement and governance, and it meets quarterly to review our sustainability performance and initiatives presented by our CEO and Chief Operating Officer (COO) and annually to review our integrated sustainable development strategy. For more details on our Sustainability Committee please see page 101 of our Governance Report.

In early 2023, to better coordinate our sustainability activities and to provide enhanced oversight, we appointed a Global Sustainability Director (“GSD”), based at our London headquarters and reporting to our CEO. Our GSD works with our COO and with local sustainability teams embedded within our operations that are responsible for implementing and monitoring our sustainable development approach at a local level, including group policies, processes and performance metrics. Our sustainability governance applies to everyone within our company, and we also aim to apply it to all our partners across our upstream and downstream supply chains.

Managing our exposure to climate risks and seizing opportunities to enhance our climate resilience are a core part of operating sustainably. Please see our TCFD report page 73 and our approach to risk management on page 63 for more information about our oversight and approach to managing climate-related risks associated with our business.

<sup>1</sup> We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 4.44, Scope 1 & 2 CO<sub>2</sub>e emissions intensity of 0.343, water intensity of 2.04, and total waste directed to disposal of 73,384 mt (in each case for 2022) as these metrics provide a relative and comparable measure of performance across our industry.



## Operating sustainably continued

### Sustainability is at our core

**We believe sustainable business is good business, and we are committed to operating sustainably in an environmentally and socially responsible way. We seek to lead our industry in a number of areas of sustainability, as highlighted below and as set out in more detail on pages 29–50.**

#### Safety is our number one priority

We aim to actively manage workplace safety, with training and monitoring to ensure that our employees understand workplace and process safety-related risks, with appropriate risk control and mitigation strategies in place. In 2022, we reduced the number of LTI workplace accidents and the number of LTI lost workdays at our facilities by around 40% compared to the prior year, despite a 7% increase in total working hours. Notwithstanding this improvement, we have a lot more to do if we are going to eliminate serious and avoidable accidents. With this target in mind, in October 2022 we engaged the international safety consultancy dss+ to undertake a thorough review of our safety practices and process safety management. We are aiming for a further significant reduction in LTI workplace accidents in 2023, and over time we believe we can eliminate LTI workplace accidents.

**We reduced the number of LTI workplace accidents by**

# 40%

**in 2022**

#### We care for our people

We are an inclusive, performance and capability-based employer that does not discriminate, among others, based on gender, ethnicity, religion, nationality or disability. As of 31 December 2022, 35% of our middle management were female and 31% of our workforce was under 30 years of age. We believe that providing opportunities for young men and women is fundamental to driving the growth and prosperity of our business. Within the next ten years we aim to have an equal number of women and men within our senior and middle management. Investing in our people as well as transparent, two-way communication between our leaders and our workforce are core parts of our culture. This ethos contributed to our low levels of staff turnover and high levels of employee satisfaction in 2022.

#### Sustainable end uses

Soda ash is the tenth most consumed inorganic industrial ingredient, which plays an essential role in the sustainable products we use in everyday modern life, yet it is invisible to most of us. Soda ash is used to produce lithium carbonate for electric vehicle batteries, flat glass for PV solar panels and to improve the thermal efficiency of buildings, glass containers to replace single use rigid plastics and sodium-based chemicals used in various environmental applications including flue gas and wastewater treatment, amongst others.

<sup>1</sup> Relative to the Ammonia process based synthetic production, which accounts for 100% of European synthetic production and more than 50% of China synthetic production.

#### Supporting the energy transition

Soda ash is an essential material for energy transition. From around 65 million mt of global demand in 2022, the annual demand for soda ash globally is forecast to grow by 16 million mpta by 2030, with 75% of the growth being driven by sustainable applications<sup>1</sup>. Soda ash is often an important contributor to the Scope 3 emissions of our customers, many of whom are increasingly recognising and prepared to pay for the benefits of using sustainably produced low-carbon natural soda ash, like we produce, instead of higher carbon, higher environmental impact<sup>2</sup> synthetic product, which today accounts for over 70% of global soda ash supply<sup>1</sup>.

#### Lowest energy intensity and Scope 1 & 2 CO<sub>2</sub>e emissions<sup>1</sup> intensity

We already have the lowest energy intensity within our industry, and we are aiming to drive it lower by continuously improving the efficiency of our facilities and processes. During 2022, our energy intensity was approximately 4.44, which is less than half of the energy intensity for synthetic soda ash production<sup>3</sup>. We also believe we have the lowest Scope 1 & 2 CO<sub>2</sub>e emissions intensity of any soda ash producer globally<sup>3</sup>. We operate modern, efficient plants where most of the CO<sub>2</sub> released during soda ash production is captured and re-used in the production of sodium bicarbonate. During 2022, our Scope 1 & 2 CO<sub>2</sub>e emissions intensity was approximately 0.34, around one-third of the Scope 1 & 2 CO<sub>2</sub>e emissions intensity for synthetic soda ash producers<sup>3</sup>.



## Operating sustainably continued

### Focus on renewable energy

We have installed 7MW of PV solar generation capacity at our facilities which came on-stream during the first quarter of 2023, with a further 3MW planned by year end 2023. In Türkiye, we estimate that we can deliver up to 100MW of PV solar and over 100MW of wind power by 2027, and in US we are planning to develop the first soda ash production facility globally to source all of its electricity needs entirely from renewable power sources, significantly reducing Scope 1 & 2 CO<sub>2</sub>e emissions intensity. Over time, we intend that all heat (steam) needs at our new US facility will also come from renewable sources – an important step in our journey towards Net Zero CO<sub>2</sub>e emissions by 2050.

### Low water intensity and waste

Our production process uses a substantially closed-loop system, with consumed process water limited mainly to the steam produced during evaporation and drying, and with very limited waste water. This helps us to operate with significantly lower water intensity compared with synthetic soda ash producers. During 2022, our total water intensity was approximately 2.04, less than one-quarter of the water intensity of synthetic soda ash producers<sup>3</sup>. Where possible, we aim to apply the principles of circular economy to recover, re-use or recycle by-products and waste arising from our production process, helping us to improve our plant efficiency and sustainability.

### Our communities

We consider ourselves a part of the communities in which we operate, and we believe that by supporting our local communities we create long-term value for our communities and for our business. During 2022, we supported a diverse range of community projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions of around \$1.1 million. Our aim is to maintain and increase our community engagement over time, with the aim of having a positive impact on more people. During 2023, we will also renew our social impact projects to better assess and quantify their short-term and long-term impact.

### Nature

As we only use the solution-extraction production method, we are very different from many other extractive industries because we have very limited impact on pre-existing land use, enabling our facilities to easily co-exist alongside the farming communities which surround us. Our impact on existing flora and fauna is limited by comparison with other conventional underground or open cast mining methods. This is due, in part, to the relatively easy removal of surface pipelines and wellheads upon decommissioning, without the need for rehabilitating significant waste material dumps or open cast mine areas.

### Supply chain

We aim to apply our sustainability governance and practices to all our partners across our upstream and downstream supply chains. In October 2022, we announced the launch of a blockchain enabled soda ash supply chain ecosystem called “ConnexSA”, with the objective of delivering transparency and robust sustainability data and governance across the entire supply chain – from our suppliers to our end customers. During 2022, we also registered nearly 60% of our suppliers (by value) onto the Sedex<sup>4</sup> platform, to allow us to more effectively screen our suppliers in accordance with our own sustainability criteria, particularly in relation to ethical trading and responsible supply chain practices.

<sup>1</sup> Source: Advancy research, March 2023.

<sup>2</sup> We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 4.44, Scope 1 & 2 CO<sub>2</sub>e emissions intensity of 0.343, water intensity of 2.04, and total waste directed to disposal of 73,384 mt (in each case for 2022) as these metrics provide a relative and comparable measure of performance across our industry.

<sup>3</sup> Source: NexantECA analysis, April 2023.

<sup>4</sup> Sedex is a data platform provider for supply chain assessment, to store, analyse, share and report on sustainability practices.



## Operating sustainably continued

### Benchmarking our performance

To help us realise our purpose, we aim to operate in accordance with “best-in-class” global sustainability frameworks and standards. Eti Soda and Kazan Soda have been signatories of the United Nations Global Compact since 2020. In 2022, as part of our commitment to transparency, we have aligned our reporting with the requirements of the Global Reporting Initiative (“GRI”) and we have reported in accordance with the recommendations of the TCFD. Please see our TCFD disclosures on pages 72-77, our GRI Content Index on page 188 and our Key Performance Indicators on pages 79-85 for more information.

We are already a leader within our industry, but we continuously strive to do better. We have identified a significant number of ongoing and future initiatives to further improve our performance across energy consumption, Scope 1 & 2 CO<sub>2</sub>e emissions intensity, water usage and intensity, renewable power generation and waste. Amongst other targets, we have committed to achieving Net Zero CO<sub>2</sub>e emissions by 2050 and we have engaged ERM to help design and implement a CO<sub>2</sub>e emissions reduction pathway, that is consistent with a “below 1.5°C” global warming outcome. For further details on our initiatives to further reduce our environmental impact, please refer to pages 23; 25; 28-29.

We believe that objective external benchmarking drives better performance. Every year, we assess our sustainability performance against a set of published targets and we disclose our performance to a number of external benchmarking bodies, some of which are summarised below.

- **ISO certification:** Both Eti Soda and Kazan Soda have a number of ISO certifications, including ISO 14001 Environmental Management System, ISO 50001 Energy Management System and ISO 10002 Customer Satisfaction Management System. These certifications require processes and sustainable operating practices that meet internationally recognised standards.
- **EcoVadis:** We submit annually to EcoVadis, a leading provider of global sustainability ratings, which assesses us based on international sustainability standards in four areas: environmental impact, labour and human rights, ethics and sustainable procurement. In 2022, Kazan Soda received a Silver Medal and our Group received a Gold Medal. In January 2023, Eti Soda received a Platinum Medal, placing it among the top 1% of companies assessed by EcoVadis globally.
- **Sustainalytics:** In 2022, Morningstar Sustainalytics performed a broad-based corporate ESG assessment of our Group dated 6 June 2022<sup>1</sup>. We received an industry-leading corporate ESG assessment score of 16.1, which placed us as the only soda ash producer in the “low risk” category. As of the date of the corporate ESG assessment, the score would place our Group as having the best ESG risk rating score in the entire Morningstar Sustainalytics commodity chemicals subsector (first out of 227 companies) and the seventh best ESG risk rating score in the wider Morningstar Sustainalytics global chemicals sector (comprised of 464 companies).
- **CDP:** We make annual climate change and water security submissions to the CDP, an independent nonprofit organisation that collects, benchmarks and communicates information about the life cycle environmental impact of products and processes for companies globally. In 2022, both Kazan Soda and Eti Soda were awarded a “B” performance score for their water security and climate change submissions, reflecting the strong corporate management we apply around coordinated action on climate and water issues.

<sup>1</sup> Morningstar Sustainalytics is a leading global provider of ESG research, ratings and data, which provides research based on its independent methodology, and publicly available information from issuers. The full corporate ESG assessment is published on Morningstar Sustainalytics’ website; however, no information provided by Morningstar Sustainalytics under the corporate ESG assessment shall be considered as being a statement, representation, warranty or argument either in favour or against the truthfulness, reliability or completeness of any facts or statements that WE Soda Group has made available to Morningstar Sustainalytics for the purpose of the corporate ESG assessment, in light of the circumstances under which such facts or statements have been presented. Neither the corporate ESG assessment, nor any other information on Morningstar Sustainalytics’ website, is incorporated by reference into this Annual Report.

## Operating sustainably continued

### Our people

#### Employees

# 1,373

excluding contractors.  
(2021: 1,296)

#### Safety

# 40%

reduction in serious injuries  
(all LTI workplace accidents vs. 2021)

#### Employee satisfaction

# 76%

across all employees

#### Employee retention

# 93%

(2021: 93%)

#### Opportunity

# 31%

under 30 years of age

#### Diversity

# 35%

women within middle management

#### Safety first

Providing a safe and healthy work environment is our number one priority. We strive to ensure that all employees adopt a “safety first” mindset through a proactive and preventative approach, with strong safety leadership. We actively manage workplace safety, with training and monitoring to ensure that our employees understand and recognise workplace safety and process safety-related risks, with appropriate risk control and mitigation strategies tailored to different types of safety-related risk. We aim to continuously improve our safety practices, policies and performance in line with global best practice standards and we now monitor

this with both leading and lagging indicators. We are already in an advantageous position because our production facilities use the solution-extraction method to exploit underground trona ore, which means we have no underground operatives. We have also successfully implemented the ISO 45001 OHS Management System at both Eti Soda and Kazan Soda. We record all types of workplace accidents, injuries, near misses and hazardous events and report these to senior executive management on a weekly basis and at every meeting of our Board.

We aim to be a leader within our industry in everything we do and safety is no exception.

Over the last three years, the majority of our safety KPIs have shown an improving trend, with the number of recordable injuries<sup>4</sup> down by almost 80%, our Accident Frequency Rate<sup>5</sup> down by over 60%, our LTI (lost time injury) Frequency Rate<sup>7</sup> down by over 60%, and our Occupational Accident Probability Rate<sup>6</sup> down by almost 60%. Among the other measures we have taken, the near tripling of our safety-related training hours has contributed to this positive development.

#### Our safety excellence journey

During 2022, we reduced the number of LTI workplace accidents and the number of LTI lost workdays at our facilities by around 40%, compared to the prior year despite a 7% increase in total working hours, but the number of high consequence work-related events remains stubbornly high, and we have a lot more to do if we are going to eliminate serious and avoidable accidents within our facilities. With this objective in mind, in October 2022 we engaged the international safety consultancy dss+ to undertake a thorough review of our safety practices and process safety management.

We analysed all our LTI workplace accidents over the last three years and found that machine/operator interfaces and hazardous chemical exposures (particularly within the caustic soda production unit at Kazan Soda and associated with the handling of hot condensate) comprised the highest proportion of our LTI workplace accidents. To immediately improve safety in these areas, we have rolled out a new safety observation programme to promote safer working practices and behaviours around machine-operator interfaces. We have also assigned a dedicated maintenance team for the caustic soda production unit to eliminate leakages and improve the reliability of pipelines.

Group safety KPIs	For the year ending		
	2022	2021	2020
Total workforce headcount <sup>1</sup>	1,382	1,297	1,293
Total working hours (thousands)	2,737.4	2,553.4	2,213.1
Number of fatalities	0	0	0
Number of workplace accidents	29	52	66
Total number of LTI <sup>2</sup> workplace accidents	26	44	55
Number of LTI lost workdays	428	712	621
Number of non-fatal reportable injuries <sup>3</sup>	14	21	15
Number of recordable injuries <sup>4</sup>	2	6	9
Main types of accident	Exposure to harmful substances	Lifting & handling	Exposure to harmful substances
Accident Frequency Rate <sup>5</sup>	11	20	30
Occupational Accident Probability Rate <sup>6</sup>	2,098	4,009	5,104
LTI Frequency Rate <sup>7</sup>	9	17	25
Total safety training hours (thousands)	36.3	32.2	13.8

1 OHS data for Turkish sites only - headcount includes employees, trainees and leavers.

2 LTI means Lost Time Injury.

3 Number of non-fatal reportable injuries, according to the RIDDOR definition, represents injuries that result in 7 or more days of incapacitation as well as Certain Serious Injury incidents. According to RIDDOR, an accident is a separate, identifiable, unintended incident, which causes physical injury. This specifically includes acts of non-consensual violence to people at work.

4 Number of recordable injuries, according to the RIDDOR definition, represents injuries that result in more than 3 days and less than or equal to 7 days of incapacitation.

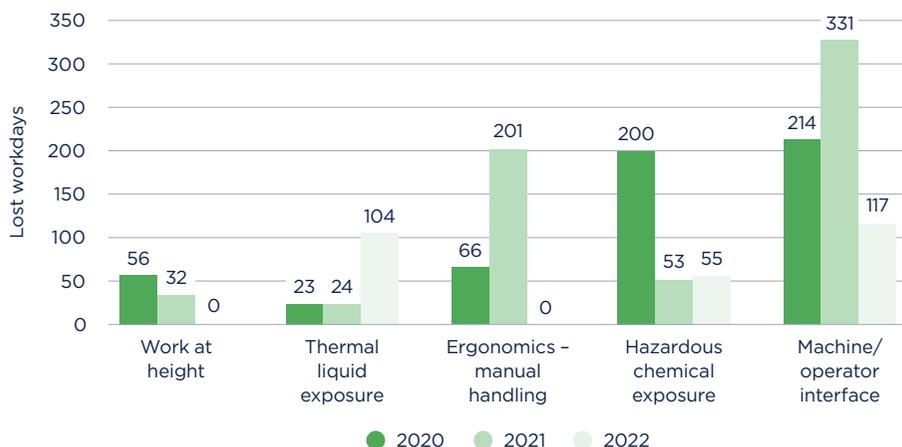
5 Accident Frequency Rate represents the number of total workplace accidents divided by total working hours, multiplied by 1 million, calculated based on SGK data.

6 Occupational Accident Probability Rate represents the total number of accidents divided by the total workforce headcount, multiplied by 100,000, calculated based on SGK data.

7 LTI Frequency Rate represents the number of LTI workplace accidents divided by total working hours, multiplied by 1 million, calculated based on SGK data.

## Operating sustainably continued

### Types of LTI workplace accidents and associated LTI lost workdays



Additionally, the instructions and procedures for working with hazardous liquids have been revised, which we believe will lead to less exposure of employees to hot condensate and significantly reduce the possibility of accidents.

As part of our review, we identified significant gaps in our current safety performance when compared to international best practice standards. In Türkiye, each year we are required to record and report accidents to the Turkish General Directorate of OHS at the Ministry of Labour & Social Security (“SGK”), in compliance with national laws and regulations. To be able to benchmark our performance to UK and international best practice standards, we now also investigate and record safety incidents according to the UK Health and Safety Executive Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (“RIDDOR”), in addition to SGK reporting. One of the most important insights derived from benchmarking our performance against RIDDOR data is the current gap that we need

to close in our non-fatal injuries (being the number of high-consequence workplace injuries plus recordable injuries), which has reduced by almost 40% in the last three years but is still well above the rate achieved in comparable global industries.

Working with dss+, we have conducted a detailed risk-based safety assessment at our facilities to identify and prioritise areas for improvement. We have developed a comprehensive safety improvement programme to be rolled out during 2023 which will build on the outcome of the safety assessment. This implementation programme will help us develop a deeper, broader and stronger safety culture throughout our Group and we believe it will allow us to transform and sustain our safety performance going forward. During 2023, we are aiming for a further significant reduction in LTI workplace accidents and an immediate and lasting improvement in our overall safety performance – a critical step in our journey towards our target of zero LTI workplace accidents.

### SGK safety reporting

In the last three years, based on SGK reporting, we have reduced the number of LTI workplace accidents by over 50%, reduced the number of LTI lost workdays by over 30% and reduced the Accident Frequency Rate<sup>3</sup> by almost 65%, despite a 24% increase in total working hours. We have reported no fatalities during the last three years and our Istanbul office had one LTI workplace accident and our London office had no LTI workplace accidents during this period.

Our historic safety statistics are for our Group employees only and excluded third-party contractors. From 1 January 2023, in line with best practice global standards, we will record and report our safety performance for all personnel working at our sites, including third-party contractors.

#### For the year ending

Group safety performance (SGK <sup>1</sup> reporting)	2022	2021	2020
Total workforce headcount <sup>2</sup>	1,382	1,297	1,293
Total working hours (thousands)	2,737.4	2,553.4	2,213.1
Number of fatalities	0	0	0
Number of work accidents	29	52	66
Total number of LTI <sup>3</sup> workplace accidents	26	44	55
Number of LTI lost workdays	428	712	621
Accident Frequency Rate <sup>4</sup>	11	20	30
LTI Severity Rate <sup>5</sup>	156	279	281
<b>NACE 08 “Other Mining &amp; Quarrying” Sector – Türkiye</b>			
Accident Frequency Rate	n/a <sup>6</sup>	27	22
LTI Severity Rate	n/a <sup>6</sup>	426	327

1 General Directorate of OHS Social Security Institution: SGK Sosyal Güvenlik Kurumu.

2 OHS data for Turkish sites only - headcount includes employees, trainees and leavers.

3 LTI means Lost Time Injury.

4 Accident Frequency Rate represents the number of total workplace accidents divided by total working hours, multiplied by 1 million, calculated based on SGK data.

5 LTI Severity Rate represents the number of LTI lost workdays divided by total working hours, multiplied by 1 million, calculated based on SGK data.

6 Not yet published (due Q4 2023).

## Operating sustainably continued

Eti Soda has been operating for more than thirteen years with a stable and experienced workforce. Today, the number of LTI workplace accidents at Eti Soda is well below the Turkish sector average (within NACE 08 “Other Mining & Quarrying”). In 2022, Kazan Soda celebrated its fourth year of production. Our workforce at Kazan Soda draws on the combined experience and expertise across the Group to pursue operational excellence. While we have achieved many important successes at Kazan Soda, we have an opportunity to further improve our safety performance to match that of Eti Soda going forward, and this will be a significant part of our safety focus during 2023.

### RIDDOR safety reporting

A similar pattern of safety performance, with an improving trend, is reflected in the data recorded in accordance with RIDDOR over the last three years, with the total number of recordable injuries<sup>1</sup> reducing by 80% and the total incapacitation days reducing by over 20%.

However, the data also shows that the numbers of higher impact (reportable) injuries and dangerous occurrences (indicating possible high consequence near-misses) have not significantly changed over the period and remain at stubbornly high levels. We believe that the comprehensive safety improvement programme which we have developed with dss+ and which will be rolled out during 2023, will help to significantly improve our safety performance, particularly around higher impact incidents and dangerous occurrences, especially at Kazan Soda but also at Eti Soda.

Group safety performance (RIDDOR reporting)	For the year ending		
	2022	2021	2020
Total workforce headcount <sup>5</sup>	1,382	1,297	1,293
Total working hours (thousands)	2,737.4	2,553.4	2,213.1
Total non-fatal reportable injuries <sup>1</sup>	14	21	15
Total recordable injuries <sup>2</sup>	2	6	9
Deaths	0	0	0
Dangerous occurrences <sup>3</sup>	9	7	9
Total incapacitation days	381	639	478
<b>Reportable non-fatal injury rate<sup>4</sup></b>	<b>1,013</b>	<b>1,619</b>	<b>1,160</b>
<b>UK Chemical Manufacturing Industry</b>			
Reportable non-fatal injury rate	218	176	193

- 1 Number of non-fatal reportable injuries, according to the RIDDOR definition, represents injuries that result in seven or more days of incapacitation as well as Certain Serious Injury incidents. According to RIDDOR, an accident is a separate, identifiable, unintended incident, which causes physical injury. This specifically includes acts of non-consensual violence to people at work.
- 2 Number of recordable injuries, according to the RIDDOR definition, represents injuries that result in more than three days and less than or equal to seven days of incapacitation.
- 3 Dangerous occurrences are categorised under reportable incidents; however, they are not classified under total number of accidents.
- 4 Reportable non-fatal injury rate represents the number of all reported non-fatal injuries divided by workforce headcount, multiplied by 100,000.
- 5 OHS data for Turkish sites only - headcount includes employees, trainees and leavers.

### Employee wellbeing

We recognise the importance of wellbeing within our workforce. Every year we conduct a Psychosocial Risk Analysis to understand where our employees need further support and where improvement actions are needed. We also provide our employees with confidential mental health and dietician services, if required. In 2022, all our managers were given Psychosocial Risk Management and Awareness training, and all our employees were given training on Family Relations and Stress Management.



## Operating sustainably continued

### Diversity and inclusion

Diversity and inclusion are important elements of our culture. We aim to provide everyone with a positive work environment and equal opportunities. Our Code of Business Ethics outlines our approach to ensure our workplace allows for the participation and inclusion of all.

As at year end 2022, we employed 1,373 full time staff excluding contractors (2021: 1,296). As at year end 2022, approximately 3% of our employees were registered as disabled, and none of our employees were members of labour unions.

We recognise that industrial manufacturing has not traditionally been a popular choice for women when looking at career and employment options. We, however, believe that a diverse and inclusive workforce is an important driver of our success, and we are proactively working to improve gender diversity within our workforce, with a

particular focus on management and leadership opportunities. In 2022, we welcomed thirteen new female engineers and managers into our business and as of 31 December 2022, 35% of our middle management are women (in both technical and administrative roles).

We will continue to work hard to achieve gender balance within our leadership team over the coming years. We have set the target, amongst others, of having an equal number of women and men within our senior and middle management combined within the next ten years, and to support this objective we aim to recruit each year an equal number of female and male graduates from universities and technical high schools and, for all lateral hires for roles within senior and middle management, we require an equal number of female and male candidates to be shortlisted for the final selection process.

At year end 2022, Kazan Soda employed 732 staff, excluding fixed term contractors (2021: 686), comprising 590 “blue-collar” and 142 “white-collar” staff, of which 660 were male and 72 (10%) were female. The 7% increase in employees at Kazan Soda during 2022 was mainly driven by the additional staff required for our debottlenecking and capacity expansion projects. It was also driven by our focus on improving plant efficiency and availability, which required an increase in the frequency of “wash-outs” of certain operating units, whilst maintaining a safe operation and without requiring excess overtime. At year end 2022, Eti Soda employed 554 staff, (2021: 545) comprising 429 “blue-collar” and 125 “white-collar” staff, of which 504 were male and 50 (7%) were female. The 2% increase in employees at Eti Soda during 2022 was also driven by our focus on improving plant efficiency and availability, whilst maintaining a safe operation.

### Talent attraction, training and development

We aim to attract, develop and retain the best talent. We engage with potential employees through multiple channels including participating in university career days and providing internship opportunities. In 2022, we worked with 209 students as part of our internship programme, from universities across Türkiye and from local technical high schools. As at 31 December 2022, 31% of our workforce is under 30 years of age. We believe that providing opportunities for young women and men is essential to ensure the prosperity of the communities in which we operate, and it is fundamental to driving the growth and prosperity of our business.

Training is a key part of retaining and developing talent within our business. The coronavirus pandemic limited our face-to-face training plans but led us to develop an online training platform which provides greater flexibility and breadth in the training we were able to offer to our employees. In 2022, we offered over 26,000 hours of vocational, social development, management, and occupational safety training to our staff at Eti Soda, over 40,000 hours of training at Kazan Soda and 696 hours of training to our senior management team. In our London head office, employees also had the opportunity to undertake personal and professional development training, and a more extensive programme for UK employees is under development in 2023.

### Employee satisfaction

Investing in our people and transparent, two-way communication between our leaders and our workforce are core parts of our culture. We are committed to empowering, developing and rewarding our employees and we work hard to ensure our employees feel satisfied at work because we know that a stable, motivated and well-trained workforce will support our long-term success. We believe this approach drives better operating performance as well as increased employee satisfaction, and it has contributed to our low employee turnover, which was only 7% across our business in 2022.

Permanent employees, as at year end 2022 (excluding contractors)

	Total		Senior management		Middle management <sup>1</sup>		Operational <sup>2</sup>	
<b>London</b>								
Male	17	65%	7	87%	10	56%	n/a	n/a
Female	9	35%	1	13%	8	44%	n/a	n/a
<b>Total</b>	<b>26</b>		<b>8</b>		<b>18</b>			
<b>Türkiye<sup>3</sup></b>								
Male	1,206	90%	29	94%	195	66%	982	96%
Female	140	10%	2	6%	101	34%	37	4%
<b>Total</b>	<b>1,346</b>		<b>31</b>		<b>296</b>		<b>1,019</b>	
<b>Group</b>								
Male	1,223	89%	36	92%	205	65%	982	96%
Female	149	11%	3	8%	109	35%	37	4%
<b>Total<sup>4</sup></b>	<b>1,372</b>		<b>39</b>		<b>314</b>		<b>1,019</b>	

1 Includes administrative and professional staff.

2 Includes all “blue-collar” employees.

3 Includes Eti Soda, Kazan Soda and Istanbul office.

4 An “Other” gender category was listed, but not submitted for any employees.

## Operating sustainably continued

Employee turnover	For the year ending 2022		
	All turnover	Voluntary	Involuntary
Eti Soda	4%	4%	0%
Kazan Soda	9%	8%	1%
Istanbul office	9%	9%	0%
<b>Türkiye</b>	<b>7%</b>	<b>6%</b>	<b>1%</b>
<b>London office</b>	<b>10%</b>	<b>0%</b>	<b>10%</b>
<b>Group</b>	<b>7%</b>	<b>6%</b>	<b>1%</b>

53% of our employees have been employed by us for more than five years, and 77% for more than three years. At Eti Soda, which has been operational for more than thirteen years, 73% of our staff have been employed for more than five years.

We aim to listen and evaluate the needs, opinions and expectations of our employees and have established a range of communication channels to enable this. At Eti Soda and Kazan Soda, our employees elect employee representatives who are responsible for active involvement in committees established to deal with personnel-related matters, liaising on behalf of employees with management to communicate views, grievances and possible improvements on company performance.

Employees share their opinions, comments, suggestions, or complaints through our regular surveys, or through the OHS Committees, employee representatives and at the regular "Town Hall" meetings which take place at our operating plants. Our employees can also convey any concerns

and report potential violations of our Business Ethics Code through their managers, local HR professionals or through the Ethics Committee, as outlined in the Whistleblowing Policies of each site, detailing a clear protocol for employees who wish to raise concerns.

Every year we conduct an employee satisfaction survey, administered by an independent third-party organisation. The results of the survey provide us with important insights into how our employees feel about their workplace. Our 2022 survey results revealed that we have high levels of employee satisfaction, loyalty and motivation.

Employee survey feedback	For the year ending		
	2022	2021 <sup>1</sup>	2020 <sup>2</sup>
<b>Eti Soda</b>			
Overall employee satisfaction	75%	-	75%
Loyalty and belonging	79%	-	78%
Level of motivation	77%	-	75%
<b>Kazan Soda</b>			
Overall employee satisfaction	76%	75%	-
Loyalty and belonging	81%	79%	-
Level of motivation	79%	77%	-
<b>Group</b>			
Overall employee satisfaction	76%	-	-
Loyalty and belonging	80%	-	-
Level of motivation	78%	-	-

- 1 No employee satisfaction survey was facilitated in 2021 for Kazan Soda or the Group.
- 2 No employee satisfaction survey was facilitated in 2020 for Eti Soda or the Group.

### Areas of success and where we can do better

We have strong corporate values and we work hard to deliver on our purpose to "responsibly produce essential ingredients for a sustainable future". It is great to see that our colleagues are proud to be part of our collective success and their feedback supports our view that we have built a reputable and trusted position within our industry.

Not only do we look at where we are getting things right, but it is equally important to understand where we need to improve. One example, around management supervision, involved some employees in an operating unit at Kazan Soda highlighting that the leadership style of their team supervisors could be improved. We take this feedback very seriously, because we believe everyone should be able to work in a positive, motivational and inclusive workplace. In response, in 2022 all our managers and supervisors were given training to provide them with a better understanding of the most effective ways to engage with colleagues and different motivational strategies they could deploy. In 2023, we plan to start rolling out a twelve-month externally run leadership and management development programme involving thirty-five managers and some of our most talented senior engineers and supervisors, many of whom are relatively young leaders, with ongoing coaching thereafter.

We value the opinions and listen to the voices of all of our colleagues, and we aim to respond quickly when they identify areas for improvement. This process helps us to achieve high levels of employee satisfaction and employee retention, at 93% for both 2021 and 2022. For further information on our employee retention and turnover rates, please see the Key Performance Indicators on page 80.



I am always proud to work at Kazan Soda and to contribute to production in a perfect and complicated system. The fact that the product produced is encountered in daily life makes people proud. It's really nice to be a part of this place. Thank you."

**WE Soda employee**

## Operating sustainably continued

### Our operations

#### Production

**5.0**  
million mt

soda ash and sodium bicarbonate combined in 2022 (2021: 4.85 million mt)

#### Production growth<sup>1</sup>

**11** million mtpa

by 2030 - more than doubling production

#### Scope 1 & 2 CO<sub>2</sub>e emissions intensity

**0.343** mt

of CO<sub>2</sub>e per mt soda ash and sodium bicarbonate sold, with target to reduce by 40% in the next 10 years

#### Water intensity

**2.04**

of water per mt soda ash (2021: 1.99 mt per mt), with target to reduce by 20% in the next 5 years

#### Sales to

**77** countries

and 172 individual port destinations

#### Responsible and sustainable production

We believe that sustainable business is good business. Our operating model is inherently circular and we have almost no solid and liquid waste by comparison to synthetic soda ash producers because, where possible, we re-use, repurpose and recycle by-products to eliminate waste, improving plant efficiency and sustainability. Within our industry, we believe we produce soda ash with the lowest Scope 1 & 2 CO<sub>2</sub>e emissions intensity<sup>2</sup> and water intensity<sup>2</sup>, and we believe we have the lowest impact on nature and the environment<sup>3</sup>. We are able to do this because we only produce natural soda ash and we are the only company in the world to produce natural soda ash on a commercial scale, outside China, using the solution-extraction method. We also seek to lead our industry in terms of our impact on society, through inclusive recruiting and employment, creating high-quality local job opportunities and in active community engagement.

We have identified a significant number of ongoing and future initiatives to improve our already strong sustainability performance. Amongst other targets, we have committed to reducing our already low water intensity by a further 20% within five years, achieving Net Zero Scope 1 & 2 CO<sub>2</sub>e emissions by 2050, to reducing our already low Scope 1 & 2 CO<sub>2</sub>e emissions intensity by a further 20% within five years and by 40% within ten years, and we have engaged ERM to help design and implement a CO<sub>2</sub>e emissions reduction pathway that is consistent with a “below 1.5°C” global warming outcome. For more details on our sustainability targets and initiatives, please see pages 4; 25 and 44.

#### Production volumes

Today, we operate two large, modern facilities located in Türkiye using the solution-extraction method to produce natural soda ash and sodium bicarbonate - at Eti Soda and Kazan Soda. We are the only soda ash producer to successfully use solution-extraction on a commercial scale, outside China, and we are one of the lowest cost producers in the world, with a robust global supply chain allowing us to deliver globally on a cost-competitive basis.

During 2022, we achieved combined soda ash and sodium bicarbonate production volumes of more than 5 million mt for the first time, with a 3% production volume increase versus 2021, mainly driven by higher levels of operational availability from our well-maintained facilities and our ongoing operational efficiency improvements at both sites, which we plan to further improve going forward.

Production (thousand mt)	For the year ending		
	2022	2021	2020
<b>Eti Soda</b>			
Soda ash	1,809.5	1,744.5	1,561.0
Sodium bicarbonate	218.5	207.5	202.0
<b>Eti Soda total</b>	<b>2,028.0</b>	<b>1,952.0</b>	<b>1,763.0</b>
<b>Kazan Soda</b>			
Soda ash	2,788.0	2,713.0	2,283.0
Sodium bicarbonate	185.0	187.0	180.0
<b>Kazan Soda total</b>	<b>2,973.0</b>	<b>2,900.0</b>	<b>2,466.0</b>
<b>Group</b>			
Soda ash	4,597.5	4,457.5	3,845.0
Sodium bicarbonate	403.5	394.5	385.0
<b>Group total</b>	<b>5,001.0</b>	<b>4,852.0</b>	<b>4,229.0</b>

<sup>1</sup> Forecast annual production capacity, assuming all currently planned projects are developed as planned.

<sup>2</sup> Source: NexantECA analysis, April 2023.

<sup>3</sup> We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 4.44, Scope 1 & 2 CO<sub>2</sub>e emissions intensity of 0.343, water intensity of 2.04, and total waste directed to disposal of 73,384 mt (in each case for 2022) as these metrics provide a relative and comparable measure of performance across our industry.

## Operating sustainably continued

### Eti Soda

Eti Soda is 74% owned and operated by our Group, with the remaining 26% owned by Eti Maden (the Eti Maden Operations General Directorate, a state-owned company whose main focus is the production of boron in Türkiye, which it sells globally). Eti Soda is located 100km north-west of Ankara, 270km by road from our bulk export facility at Derince and 80km from Kazan Soda.

Eti Soda was the first soda ash production facility in the world to use the solution-extraction production method on a commercial scale. The Beypazarı trona ore deposit was originally discovered in 1979 by the Turkish General Directorate of Mineral Research and Exploration, and Eti Soda was established in 1998 by the Ciner Group to exploit the trona ore deposit at this location. In 2004, a solution-extraction pilot plant was established at the site and construction of the current Eti Soda production facility commenced in 2007, with first production in late 2009 at an initial production capacity of 1.1 million mtpa. In early 2017, production capacity was increased to 1.7 million mtpa.

Eti Soda has three soda ash production units and two sodium bicarbonate production units. Approximately 16% of the electrical power needs and 100% of the steam needs of the facility are provided by a coal and biomass dual-fuelled cogeneration unit, with the remaining electrical power purchased from the grid. In 2022, Eti Soda produced 1.81 million mt of soda ash and 0.22 million mt of sodium bicarbonate, an increase in total combined production of 3.9% versus 2021, with 66% of the soda ash and 62% of the sodium bicarbonate production from Eti Soda exported to customers outside Türkiye.

During 2022, Eti Soda achieved a plant efficiency of 98.0% (measured as the ratio of soda ash equivalent volume of combined soda ash and sodium bicarbonate production to the soda ash equivalent volume of trona ore extracted, 2021: 97.6%) with an operational availability of 97.8% (the ratio of total hours of operation to total hours in a year, 2021: 97.3%), mainly driven by total maintenance days of only 8.0 days equivalent (2021: 10.0 days equivalent). The high levels of operational availability are driven by our core operating philosophy – to maintain 24/7 production through a regular and comprehensive programme of preventative maintenance and through high levels of operating redundancy and back-up within all the key operating units throughout the plant.

In May 2022, we completed the plant's third scheduled four-year major overhaul, on time and on budget. This involved a complete shutdown of the entire plant for an eighteen-hour period, a comprehensive periodic overhaul, the cleaning of equipment and preventative maintenance to improve efficiency and production capacity and lower energy consumption. The overhaul included an upgrade of the IT software and general maintenance of the cogeneration unit and transformers, and safety-critical items including the replacement and upgrade of the dust removal system from the main stack of the processing plant, reducing dust emissions.

To optimise the trona ore wellfield and mine efficiency, during 2022 we drilled three new exploration wells and constructed two additional well sets (together comprising six vertical wells and three deep wells equipped with submersible pumps), taking the total number of well sets in operation to thirty-eight (2021: twenty-three well sets). During 2023, we plan to construct thirteen new well sets and drill a further twenty-nine exploration wells within the identified ore body and also outside the current mineralisation zone, to assess further potential trona resources. We are also planning ongoing workover operations on a further seventeen existing production wells, to improve production efficiency. Going forward, total combined production from Eti Soda is expected to remain flat at around 2.0 million mtpa.



## Operating sustainably continued



### Kazan Soda

Kazan Soda is 100% owned and operated by our Group and is located 35km northwest of Ankara, 340km by road from our bulk export facility at Derince and 80km from Eti Soda. The Kazan trona deposit was originally discovered by Rio Tinto in 1998, before being acquired by the Ciner Group in 2011, when a solution-extraction pilot plant was established at the site. Construction of the current Kazan Soda production facility started in late 2014 with first production in late 2017.

Kazan Soda has five soda ash and two sodium bicarbonate production units and a 379MW cogeneration plant fuelled by natural gas which is used to provide 100% of the steam and 100% of the electrical power needs of the facility. In 2022, Kazan Soda produced 2.79 million mt of soda ash and 185,000 mt of sodium bicarbonate, an increase in total combined production of 2.5% versus 2021, with 91% of the soda ash and 87% of the sodium bicarbonate production from Kazan Soda exported to customers outside Türkiye.

During 2022, Kazan Soda achieved a plant efficiency of 96.4% (2021: 94.9%) with an operational availability of 96.5% (2021: 96.5%), mainly driven by total maintenance days of 12.8 days equivalent (2021: 12.9 days equivalent, but with no major plant overhaul in the period). In November 2022, we completed the plant's first scheduled four-year major overhaul, on time and on budget. This involved a complete shutdown of the entire plant for a twenty-four hour period, a comprehensive periodic overhaul and the cleaning of equipment and preventative maintenance, to improve efficiency and production capacity and lower energy consumption.

Like Eti Soda, the high levels of operational availability at Kazan Soda are driven by the same core operating philosophy – to maintain 24/7 production through a regular and comprehensive programme of preventative maintenance and through high levels of operating redundancy and back-up in all key units throughout the plant.

To optimise the trona ore wellfield and mine efficiency, during 2022 we constructed eight additional well sets (each comprising one horizontal injection well and two vertical extraction wells), taking the total number of well sets in operation to one hundred and eleven (YE 2021: one hundred and three production units). No new exploration wells were drilled during 2022 but during 2023, we plan to construct another eleven new well sets, thereby completing phase four of the Kazan Soda mine area development. Phases five and six are scheduled to be completed by 2026. These new well sets will provide enough wellfield capacity for the recently completed debottlenecking project and for the further expansion of Kazan Soda, which will together add approximately 1 million mtpa of production by late 2025.

### Production growth and efficiency improvements

Soda ash is an essential material for energy transition, with highly visible long-term demand growth<sup>1</sup>. From around 65 million mtpa of global demand in 2022, annual global demand for soda ash is forecast to grow by approximately 16 million mtpa, to around 81 million mtpa by 2030<sup>1</sup>. Around 90% of the 16 million mtpa global growth is expected to come from the higher growth economies of Asia, China and South America, and 75% is expected to be driven by the long-term structural demand growth within sustainable applications, mainly driven by the energy transition<sup>1</sup>.

The world needs more responsibly produced soda ash, and we believe we are investing more and growing faster than any other company in our industry. We plan to invest more than \$4 billion to more than double our annual production volumes by 2030, with the aim of delivering more than 11 million mtpa of trona-based low-carbon product, all using the sustainable, low-cost solution-extraction production method.

During 2023, we expect that our production capacity will increase by around 0.2 million mtpa taking our combined production capacity to around 5.2 million mtpa, mainly driven by the debottlenecking optimisation programme at Kazan Soda, with the addition of decahydrate and caustic units which came on-stream during March 2023. We have also recently received the environmental permits required to construct an additional 0.5 million mtpa soda ash production unit, an additional 0.1 million mtpa sodium bicarbonate production unit and a 0.24 million mtpa sodium chloride re-processing unit, which together will improve our operating efficiency, reducing our Scope 1 CO<sub>2</sub>e emissions intensity and waste, and adding around 0.6 million mtpa of combined soda ash and sodium bicarbonate production capacity during 2025. If all the expansions and efficiency improvements are implemented as planned, our combined annual production of soda ash and sodium bicarbonate from our Turkish facilities should reach 6.0 million mtpa by 2026.

<sup>1</sup> Source: Advancy research, March 2023.

## Operating sustainably continued

### US operations

In the US, we are developing two greenfield soda ash and sodium bicarbonate projects near Green River, Wyoming using the same solution-extraction production method that we developed in Türkiye. In October 2022, we announced a new approximately 3 million mtpa development project called West Soda, which we own 100% and which we plan to bring on-stream by 2030. We also own a 40% non-controlling interest in a 5.4 million mtpa development project known as Pacific Soda, that we are developing together with Sisecam and where we will be responsible for funding our share of the development costs and for the sales and marketing of our 40% share of production (equivalent to approximately 2.2 million mtpa).

West Soda will be designed from the outset so that it is able to be progressively expanded on a modular basis over time to meet the growing global demand for sustainably produced low-carbon natural soda ash. If developed as planned, this will be the first soda ash production facility globally to source all of its electrical power needs entirely from renewable sources, significantly reducing Scope 1 & 2 CO<sub>2</sub>e emissions intensity. Over time, we intend that all heat (steam) needs will also come from renewable sources – an important step in our journey towards Net Zero CO<sub>2</sub>e emissions by 2050.

On 21 December 2021, our Group completed the sale of 60% of its controlling interest in its formerly wholly-owned US subsidiary, Ciner Resources Corporation (subsequently renamed and converted into Sisecam Chemicals Resources LLC). Following the sale, our Group no longer controls Sisecam Chemicals Resources and our Group's remaining 40% interest in Sisecam Chemicals Resources has been accounted for as an equity-accounted investment with effect from 21 December 2021. Please refer to Notes 5 and 34 of the Consolidated Financial Statements for further details.

### Türkiye reserves

Estimates of our Proven and Probable Mineral Reserves and our Measured and Indicated Mineral Resources in Türkiye as of 31 December 2022 have been prepared by Agapito Associates, Inc. in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards on Mineral Resources and Reserves (2014 edition).

	Extraction method	Effective ownership percentage <sup>1</sup>	Trona ore area	Mineral resources <sup>2</sup> (in million mt)	Mineral reserves <sup>3</sup> (in million mt)	Estimated minimum remaining life of mine
<b>Eti Soda</b>	Solution	74% <sup>4</sup>	~6.7km <sup>2</sup>	Measured: 141.9	Proven: 54.5	~20 years <sup>5</sup>
				Indicated: — Total: 141.9	Probable: — Total: 54.5	
<b>Kazan Soda</b>	Solution	100%	~19.7km <sup>2</sup>	Measured: 258.0	Proven: 85.8	~28 years <sup>6</sup>
				Indicated: 90.6	Probable: 31.8	
				Total: 348.6 Inferred: 12.3	Total: 117.6	

1 Mineral Reserves and Mineral Resources figures are shown on a 100% basis and have not been reduced to reflect our less than 100% ownership interests in Eti Soda.

2 Mineral Resources describe a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. Measured and Indicated Mineral Resources figures include the Probable and Proven Mineral Reserves shown in this table. Mineral Resources are presented on a combined soda ash and sodium bicarbonate equivalent basis. Total Mineral Resources in the above table do not include Inferred Mineral Resources, due to the lower level of confidence compared to Indicated Mineral Resources and Measured Mineral Resources.

3 Probable and Proven Mineral Reserves are the economically mineable part of a Measured and Indicated Mineral Resource, respectively. Presented on a combined soda ash and sodium bicarbonate equivalent basis.

4 Turkish state-owned commercial enterprise Eti Maden has a 26% non-controlling interest in Eti Soda.

5 Assumes a production rate of 1.95 million mtpa of combined soda ash and sodium bicarbonate as at 31 December 2022.

6 Assumes a production rate of 2.95 million mtpa of combined soda ash and sodium bicarbonate as at 31 December 2022, taking into account production capacity expansions of a total of 0.95 million mt during 2025.

At Eti Soda, the trona ore body is located at a depth of between approximately 200 and 500 metres below the surface, within a trona ore area of approximately 6.7 square kilometres. There are thirteen major trona beds, six upper and seven lower beds separated by 20 – 25 metres of interburden, comprising claystone, bedded tuff and oil shale delineated to the north by the east-north-east trending Çakılöba Fold and Fault Zone and to the south by the similarly oriented Zaviye Fault. It is divided into the western (Elmabeli) and eastern (Ariseki) sectors by the north-south trending Kanlıceviz Fault. In general, faulting does not significantly affect the trona beds within the basin. As of 31 December 2022, the combined soda ash and sodium bicarbonate equivalent Proven and Probable Reserves were estimated to be 54.5 million mt, equivalent to a minimum remaining useful mine life of approximately twenty years (based on a total combined production rate of 1.95 million mtpa).

At Kazan Soda, the trona ore body is located at a depth of approximately 650 metres below the surface, within a trona ore area of ~19.7 square kilometres. There are twelve major trona beds and the “trona zone” is composed of alternating individual beds of trona and oil shale-dolomitic mudstones. The strike of the trona zone is from south-west to north-east and dipping from north-west to south-east and there are no significant faults in the trona zone. As of 31 December 2022, the combined soda ash and sodium bicarbonate equivalent of Proven and Probable Reserves were estimated to be approximately 105 million mt, equivalent to a minimum remaining useful mine life of approximately 28 years (based on a total combined current production rate of 3.0 million mtpa and taking into account the planned capacity expansion, adding a further 0.95 million mtpa of production during 2025).

## Operating sustainably continued

### Production costs

We believe we are one of the lowest cost producers of soda ash globally. In 2022, our Cash costs (\$ per mt) for soda ash was \$116.2 per mt (2021: \$52.2 per mt). During 2022, our Cash costs (\$ per mt) increased by over 120%, mainly due to the significant increase in the cost of energy, particularly natural gas. However, due to the tight supply-demand dynamics for soda ash globally, together with the higher energy prices that also impacted our more energy intensive synthetic soda ash competitors, we were able to pass on increased energy costs, and particularly natural gas costs, to almost all of our customers.

Our historically lower Cash costs (\$ per mt) is mainly due to the fact that we produce only natural soda ash using the solution-extraction production method, which has lower energy intensity and lower raw material input costs than synthetic soda ash production. In addition, some of our cash production costs are denominated in Turkish lira, allowing us to benefit in US dollar terms when the Turkish lira depreciates against the US dollar. We use our production cash cost advantage together with our efficient global customer supply chain to deliver competitively priced products to all the major soda ash consuming markets globally.

Cash costs' (\$ per mt)	For the year ending		
	2022	2021	2020
Eti Soda	86.0	50.8	50.5
Kazan Soda	136.9	53.1	59.8
<b>Group</b>	<b>116.2</b>	<b>52.2</b>	<b>56.0</b>

1 See definitions of Alternative Performance Measures on page 197.

### Raw materials

Our main raw materials are natural gas, coal and electricity to provide energy and to power our production facilities, and to produce steam which is used as a source of heat in our production process. Other raw materials used in our production process are water and chemicals, such as lime, caustic soda and antifoam. We are currently assessing opportunities to meet an increasing proportion of our electrical power needs from renewable energy sources.

We believe we operate the most energy efficient soda ash and sodium bicarbonate production facilities globally. In 2022, our energy intensity<sup>1</sup> decreased to 4.435 (2021: 4.456), consistent with our long-term objectives and less than one-half of the energy intensity of synthetic soda ash producers<sup>2</sup>.

Energy intensity <sup>1</sup>	For the year ending		
	2022	2021	2020
<b>Eti Soda</b>			
Diesel Fuel (MWh)	7,911	6,966	5,613
Fuel Oil (MWh)	0	0	281
Coal (MWh)	922,095	943,543	893,185
Purchased Electricity (MWh)	529,451	497,919	451,685
Sold Electricity (MWh)	0	0	0
Total Energy Consumption <sup>2</sup> (MWh)	1,459,457	1,448,428	1,350,764
Total Energy Consumption (MMBtu) <sup>3</sup>	4,979,877	4,942,242	4,608,998
<b>Eti Soda energy intensity (MMBtu per mt)</b>	<b>2.456</b>	<b>2.532</b>	<b>2.614</b>
<b>Kazan Soda</b>			
Diesel Fuel (MWh)	12,584	6,948	4,527
Fuel Oil (MWh)	0	0	0
Coal (MWh)	0	0	0
Natural Gas (MWh)	5,881,722	5,714,085	5,751,478
Purchased Electricity (MWh)	94,094	155,028	34,673
Sold Electricity (MWh)	948,324	987,733	1,203,436
Total Energy Consumption (MWh)	5,040,075	4,888,329	4,587,242
Total Energy Consumption (MMBtu)	17,197,452	16,679,671	15,652,322
<b>Kazan Soda energy intensity (MMBtu per mt)</b>	<b>5.785</b>	<b>5.752</b>	<b>6.347</b>
Group Energy Consumption (MMBtu)	22,177,330	21,621,913	20,261,320
<b>Group energy intensity (MMBtu per mt)</b>	<b>4.435</b>	<b>4.456</b>	<b>4.791</b>

1 Energy intensity is calculated as MMBtu of energy consumed per mt of soda ash and sodium bicarbonate production, combined (energy consumed being the sum of all renewable, non-renewable and purchased energy consumed less energy sold).

2 Total energy consumption is the sum of all renewable, non-renewable and purchased energy consumed less energy sold.

3 1MWh = 3.412142MMBtu.

### Electricity

As well as being the largest producer of natural soda ash in the world, we are also a large electrical power producer. We have cogeneration plants at Kazan Soda and Eti Soda, which produce electricity that we use in our operations and steam which is used as a heat source in our production process, reducing our energy costs and ensuring stable supply.

Kazan Soda has a large natural gas fuelled 379MW cogeneration plant, which provides 100% of our electrical power and 100% of our heat (steam) needs at Kazan Soda, and also generates electricity beyond our operational requirements which is sold to the open market. At Eti Soda, we generate approximately 16% of our electrical power and 100% of our heat (steam) needs through a 12MW capacity coal and biomass fuelled cogeneration facility, with the remainder of Eti Soda's electrical power purchased from the grid.

In 2022, the Kazan Soda cogeneration plant produced 3.18 million mt of steam and 1.97 million MWh of electricity, consuming approximately 552 million standard cubic metres of natural gas. 0.95 million MWh of electrical power beyond our operational needs was sold to the grid during the year (equivalent to approximately 48% of the total electricity produced). In October and November 2022, we performed a scheduled maintenance overhaul of the cogeneration plant which included a major inspection by Siemens Energy as part of its long-term service agreement with us. During this maintenance shutdown, electrical power was supplied from the grid and steam was supplied by our back-up boilers. No further major maintenance is planned for 2023, and the next major overhaul is planned for early 2024, based on the findings from the 2022 overhaul.

## Operating sustainably continued

In 2022, the Eti Soda cogeneration plant produced 1.13 million mt of steam and 91,996MWh of electrical power. In line with our strategy to reduce our CO<sub>2</sub>e emissions, during the second half of 2022 we started a trial to fuel the Eti Soda cogeneration plant with biomass, alongside coal.

In 2022, the cogeneration plant consumed approximately 403,000 mt of coal and 9,100 mt of biomass, mainly sourced from local suppliers. Following the success of the initial biomass trial, we are planning that biomass will account for around 4% of all cogeneration plant fuel consumption at Eti Soda in 2023, gradually increasing to 12% over the next five years, reducing our Scope 1 & 2 CO<sub>2</sub>e emissions intensity and waste.

### Renewable energy

As part of our commitment to further reduce our already low Scope 1 and 2 CO<sub>2</sub>e emissions, we have been assessing the opportunity to generate renewable energy to supplement our power needs at Kazan Soda and Eti Soda, and we are aiming to significantly increase the amount of renewable energy we produce and use at both facilities.

During 2022, we installed 7MW of solar PV capacity at our Turkish facilities which came on-stream during 2023, with a further 3MW planned by year end 2023. We have performed wind power tests and are conducting an ongoing feasibility study to assess our full renewable power potential in Türkiye. We estimate that we can deliver up to 100MW of solar PV and over 100MW of wind power by 2027, significantly reducing our Scope 1 and 2 CO<sub>2</sub>e emissions.

Energy sourcing (million MWh)	For the year ending		
	2022	2021	2020
<b>Energy consumption from non-renewable sources</b>			
Natural gas	5.88	5.71	5.75
Coal	0.92	0.94	0.89
<b>Energy consumption from renewable sources</b>			
Solar	0	0	0
Wind	0	0	0

At Kazan Soda, we have already installed 5MW of solar PV capacity which came on-stream in early April 2023 and we have an ongoing feasibility study to assess the full solar PV potential of the Kazan Soda licence area. In May 2022, we installed wind station test poles within the Kazan Soda licence area to assess the wind power potential. Based on the initial data so far received, we estimate that the area has a potential wind power capacity of at least 100MW. We have now started the regulatory application process and we are planning a phased roll-out of wind power generation between 2024 and 2027.

At Eti Soda, we have already installed 2MW of solar PV capacity and we are planning to install a further 3MW of solar PV capacity during 2023. In December 2022, we started a feasibility study for a solar PV plant to be located on leased land in the Karasar district near Beypazarı (not far from the Eti Soda facility) which has been assigned as a solar power landbank for the next thirty years by the National Land Management Office of Türkiye. We believe there is scope for up to 65MW of solar PV capacity, and we are planning more detailed technical and financial feasibility studies during 2023. We also plan to conduct a feasibility study for a 100MW wind farm to be located within the Eti Soda licence area, with wind station test poles being installed in the first half of 2023 to assess the wind power potential in the area.

Whilst the potential to generate renewable power in Türkiye is significant, the opportunity for our Group is even greater in US, particularly given the attractive solar and wind potential of many areas including Wyoming, together with the recently announced fiscal and other investment incentives that are available in US for renewable power projects. If developed as planned, West Soda will be the first soda ash production facility globally to source all of its electrical power needs entirely from renewable sources, significantly reducing Scope 1 & 2 CO<sub>2</sub>e emissions intensity. Over time, we intend that all heat (steam) needs will also come from renewable sources – an important step in our journey towards Net Zero CO<sub>2</sub>e emissions by 2050.



## Operating sustainably continued

### Natural gas

Notwithstanding our lower energy intensity, in 2022 energy costs represented 65% of our total cash production cost. We have historically benefited from low-cost supplies of natural gas and coal in Türkiye, which have, on average, historically been lower than those paid by soda ash producers in Europe and other parts of the world. During 2022, natural gas prices in Türkiye increased significantly, and broadly followed the same trend of increasing natural gas prices observed across Europe. However, due mainly to the tight supply-demand dynamics for soda ash globally, together with the higher energy prices that also impacted our more energy intensive synthetic soda ash competitors, we were able to pass on increased energy costs, and particularly natural gas costs, to almost all of our customers during 2022.

Eti Soda does not use natural gas as an energy source, but it is the main source of energy at Kazan Soda. To reduce our reliance on natural gas at Kazan Soda in the short term, and to protect against potential interruptions of the supply of natural gas which could disrupt our ability to operate, during 2022 we decided to replace the burner systems of our back-up steam boilers at Kazan Soda so that they could be dual fuelled with either natural gas or diesel. This project was completed in the first quarter of 2023 at a total cost of \$1.3 million. To further mitigate our reliance on natural gas, in 2022 we applied for the necessary permits which were recently granted, and we have now sanctioned an EPC contract to construct three additional back-up steam boilers at Kazan Soda, which can be fuelled with either biomass or coal and will be able to provide all the steam required for the plant, if needed.

This project, which is expected to be completed during 2025 at a total cost of around \$110 million, will allow us to mitigate the potential negative effects of rising natural gas prices or future disruptions in natural gas supply. As part of our research and development activities, we plan to develop carbon capture technologies through CO<sub>2</sub> liquefaction and sequestration for both process and combustion emissions which, over time, we plan to apply to our combustion emissions at both Kazan Soda and Eti Soda.

### Chemicals

We use lime to produce caustic soda which is used to decompose sodium bicarbonate into soda ash as part of our production process. In 2022, we produced caustic soda at Kazan Soda and we also purchased caustic soda from third parties. With the additional caustic soda production unit now on-stream at Kazan Soda, we no longer expect to purchase caustic soda from third parties.



## Operating sustainably continued

### Our impact on nature and the environment

#### Operational efficiency

Optimising our processes and seeking efficiency gains are key tools to reduce our environmental impact. Our production facilities have already implemented many efficiency improvements, which have helped us reduce our energy, water and other raw materials consumption, lowering our CO<sub>2</sub>e emissions, water and waste and also lowering our operating costs. We are researching a range of new technologies that will help us to continue on this journey.

At Kazan Soda, we completed the plant's first scheduled major overhaul in November 2022, after five years of continuous production, improving efficiency and lowering energy consumption. We have also just completed a debottlenecking project where we built additional decahydrate and caustic soda units that have resulted in increased plant availability, improving efficiency and reducing our water and carbon intensity and waste. At Eti Soda, we undertook a number of smaller projects in 2022 to optimise efficiencies across the plant including replacing the cooling tower fan with a new fan using different materials which reduced electrical power consumption by 20%.

Within our logistics operation, we have multiple initiatives to improve efficiency, reduce emissions and lower unit transportation costs, including the use of larger bulk ships and regional logistics hubs, bulk rail transportation and further increasing our sales in bulk format to reduce waste and handling costs.

#### Water usage

Water is an essential input to our production process, as well as being important to the local communities in which we operate. Because climate change is expected to increase the pressure on water resources and increase the risk of water scarcity, it is important that we operate with a water stewardship strategy designed to protect and preserve the water resources of our communities and our operations. We aim to minimise the volume of water that we consume, and we carefully monitor our water use balances in accordance with the ISO 14046 standard.

During 2022, our total water intensity<sup>1</sup> was approximately 2.04, less than one-quarter of the water intensity of synthetic soda ash producers<sup>2</sup>. Our water intensity increased slightly during 2022 due to changes in water quality from different water sources at Kazan Soda, resulting in an increase in water withdrawal following treatment. In the years prior to 2022, our water intensity had been steadily decreasing, as we have optimised our production processes and introduced new innovations to reduce our water usage.

Water intensity <sup>1</sup>	For the year ending		
	2022	2021	2020
Eti Soda <sup>3</sup>	1.66	1.75	1.81
Kazan Soda	2.30	2.14	2.43
<b>Group</b>	<b>2.04<sup>A</sup></b>	<b>1.99</b>	<b>2.17</b>

<sup>1</sup> Water intensity is calculated as cubic metres of water withdrawal per mt of soda ash and sodium bicarbonate production, combined.

<sup>2</sup> Source: NexantECA analysis, April 2023.

<sup>3</sup> Including the water which Eti Soda provides for local community agricultural projects as part of our social responsibility activities which in 2022 amounted to approximately 681,000m<sup>3</sup>.

Kazan Soda has higher water intensity due to the lower purity of the trona at Kazan Soda compared to Eti Soda, requiring additional processing units which consume larger volumes of cooling water (with associated evaporation losses from within the cooling towers). In 2022, Eti Soda provided approximately 681,000 cubic metres of water for local community agricultural projects as part of our social responsibility activities. The water supply to Kazan Soda is of lower quality than at Eti Soda because it is sourced under an extraction licence from the Kirmir river. In 2021, a water efficiency project utilising a reverse osmosis membrane was implemented in the water supply and treatment unit at Kazan Soda, resulting a water recovery rate of around 37%, with all previously discharged water being recycled back into the trona mine area, resulting in a reduction in our waste water.

At Eti Soda and Kazan Soda further water reduction programmes are being assessed, which include the application of alternative cooling technology at Kazan Soda, the use of 2 bar condensate in the cogeneration units at Eti Soda and Kazan Soda, improving the water supply and treatment section at Kazan Soda, and reducing water leakage while drilling at Eti Soda. In 2022, we decided to reset our water usage targets for the Group. Amongst other sustainability targets, as part of our water stewardship strategy, and we have set the target of reducing our water intensity by 20% within the next five years, relative to a 2022 baseline.



## Operating sustainably continued

### Emissions

Reducing our CO<sub>2</sub>e emissions is a priority for us. We already produce soda ash with low Scope 1 & 2 CO<sub>2</sub>e emissions intensity by comparison with synthetic soda ash producers, mainly because we have the lowest energy intensity and also because the majority of CO<sub>2</sub> released during our soda ash production process is captured and re-used in the production of sodium bicarbonate. In 2022, our Scope 1 & 2 CO<sub>2</sub>e emissions intensity<sup>1</sup> was approximately 0.343, having reduced by around 1.5% compared to 2021 and consistent with our long-term objectives.

We also benchmark our CO<sub>2</sub>e emissions performance on an “ex-works” basis, which takes into account Scope 1 & 2 CO<sub>2</sub>e emissions intensity as well as upstream supply chain Scope 3 categories<sup>3</sup> and we believe allows a more accurate comparison of relative emissions intensity across different soda ash production methods. In 2022, our ex-works CO<sub>2</sub>e emissions intensity<sup>1</sup> was approximately 0.51, materially lower than ex-works CO<sub>2</sub>e emissions intensity for synthetic soda ash producers, which typically range from approximately 0.96 to 1.59<sup>2</sup>.

CO <sub>2</sub> e emissions intensity <sup>5</sup>	For the year ending		
	2022	2021	2020
<b>Scope 1 and 2<sup>1</sup></b>			
Eti Soda	0.335	0.351	0.364
Kazan Soda	0.349	0.347	0.355
<b>Group</b>	<b>0.343</b>	<b>0.348</b>	<b>0.358</b>
<b>Ex-works<sup>3</sup></b>			
Eti Soda	0.490	n/a	n/a
Kazan Soda	0.528	n/a	n/a
<b>Group</b>	<b>0.512</b>	<b>n/a</b>	<b>n/a</b>
<b>Delivered<sup>4</sup></b>			
Eti Soda	0.530	n/a	n/a
Kazan Soda	0.566	n/a	n/a
<b>Group</b>	<b>0.551</b>	<b>n/a</b>	<b>n/a</b>

1 Scope 1 & 2 CO<sub>2</sub>e emissions intensity calculated as Scope 1 and 2 market-based emissions mt of CO<sub>2</sub>e emissions per mt of soda ash and sodium bicarbonate production, combined (Scope 1 and 2 as defined by the GHG Protocol).

2 Source: NexantECA analysis, April 2023.

3 Ex-works emissions intensity calculated as Scope 1, Scope 2 and certain upstream Scope 3 mt of CO<sub>2</sub>e emissions per mt of combined soda ash and sodium bicarbonate production (Scope 1 and 2 as defined by the GHG Protocol and within Scope 3 only including categories 1, 3, 4, 5, 6 and 7 as defined by the GHG Protocol).

4 Delivered CO<sub>2</sub>e emissions intensity calculated as Scope 1, Scope 2 and certain upstream and downstream Scope 3 mt of CO<sub>2</sub>e emissions per mt of combined soda ash and sodium bicarbonate production (Scope 1 and 2 as defined by the GHG Protocol and within Scope 3 only including categories 1, 3, 4, 5, 6, 7 and 9 as defined by the GHG Protocol).

5 Reflects market-based emissions; refer to page 82 for WE Soda's location-based and market-based locations.

We assess our emissions performance annually against a set of published targets and we are aiming to further reduce our emissions across all our operations. Since we established our emissions baseline for Eti Soda and Kazan Soda in 2012 and 2018, respectively, we have consistently reduced our Scope 1 & 2 CO<sub>2</sub>e emissions intensity. In 2022, we decided to reset our CO<sub>2</sub>e emissions targets for the Group for the next five and ten years, consistent with achieving Net Zero CO<sub>2</sub>e emissions by 2050.

Amongst other sustainability targets, we have set the target of reducing our Scope 1 & 2 CO<sub>2</sub>e emissions intensity<sup>1</sup> by 20% within the next five years (to less than 0.274 by 2027) and by 40% within the next ten years (to less than 0.206 by 2032), in both cases relative to a 2022 baseline of 0.343.

During 2023, we are planning to carry out a detailed technical and economic assessment of all potential decarbonisation levers that will help us achieve our goals. By taking these steps, we aim to significantly reduce our CO<sub>2</sub>e emissions and create a more sustainable future for our Company. We believe that by adopting these measures, we can continue to provide high-quality products while also further reducing our environmental impact. To achieve our Scope 1 & 2 CO<sub>2</sub>e emissions intensity reduction targets and also to reduce our Scope 3 CO<sub>2</sub>e emissions, we have identified a number of ongoing and future initiatives, mainly based on the sourcing of renewable energy supplies and the management of our process emissions, within our operations, including:

- **Optimising sodium bicarbonate balance (Scope 1):** The majority of CO<sub>2</sub> released during our soda ash production is recycled during sodium bicarbonate production, lowering overall CO<sub>2</sub>e emissions. By more optimally balancing our soda ash and sodium bicarbonate production as part of our planned capacity expansion at Kazan Soda, we believe we will be able to reduce our Scope 1 & 2 CO<sub>2</sub>e emissions intensity. This has already been substantially optimised at Eti Soda but can be further optimised at Kazan Soda following the completion of the additional soda ash and sodium bicarbonate production units by 2025.

- **Renewable power (Scope 2):** We have performed wind power tests and are conducting an ongoing feasibility study to assess our full renewable power potential at our Turkish facilities. We estimate that we can deliver up to 100MW of PV solar and over 100MW of wind power by 2027, significantly reducing our Scope 1 & 2 CO<sub>2</sub>e emissions intensity.
- **Use of biomass as a fuel source (Scope 1 and 2):** We plan to increase the proportion of biomass that we use in our cogeneration plant at Eti Soda, replacing coal and reducing our Scope 1 & 2 CO<sub>2</sub>e emissions intensity.
- **Process optimisation (Scope 1 and 2):** Predictive maintenance activities for all critical machinery and equipment aim to increase production efficiency by shortening downtimes. Optimised system start-up and upgrades to more energy efficient equipment (to burn fuel more efficiently, recover waste heat and reduce electrical losses) also minimise energy consumption.
- **Carbon capture (Scope 1):** During 2023, we plan to study the installation of CO<sub>2</sub> capture, liquefaction and storage technology for use within the process and combustion units at Eti Soda and Kazan Soda, and we are aiming to roll out this technology across both sites over the next ten years.

## Operating sustainably continued

- **West Soda (Scope 1 and 2):** If developed as planned, we believe West Soda will be the first soda ash production facility globally to source all of its electrical needs entirely from renewable power sources, significantly reducing Scope 1 & 2 CO<sub>2</sub>e emissions intensity. Over time, we intend that all heat (steam) needs will also come from renewable sources – an important step in our journey towards Net Zero CO<sub>2</sub>e emissions by 2050.
- **Maximising bulk logistics (Scope 3):** In 2022, we transported approximately 80% of our products to our customers in bulk format (via road silo trailers and dry bulk vessels), with the remainder transported as packaged goods (in containers or on trucks). We are planning to further increase bulk sales to eliminate packaging and reduce handling costs. By 2026, if the rail link to Kazan Soda is developed as planned, we expect that substantially all the Kazan Soda bulk product will be transported to our export port by rail using electric powered locomotives, reducing emissions and cost. We are also planning to use larger ships for the transportation of our bulk products and, in addition to our new logistics hub located in Terneuzen, Netherlands, we plan to develop further regional storage and distribution hubs in key locations globally, further reducing emissions and costs.

- **Raw materials supply chain (Scope 3):** During 2022, we reviewed the carbon emissions from our raw material suppliers to identify potential lower emission suppliers. In 2023, we are developing a sustainable procurement and supply chain processes system with the objective of providing greater supply chain visibility and disclosure. Suppliers will be reviewed according to various aspects of performance including their CO<sub>2</sub>e emissions footprint and other sustainability criteria.

### Waste management

Approaching waste management with a circular mindset is an effective and sustainable way to reduce waste, whilst opening additional revenue streams and minimising our environmental impact. We take measures to recover, re-use or recycle the waste generated in our operations, reducing the amount of waste that we send for disposal. Our generated waste is classified, collected and separated at source before being sent to contracted licensed companies for recycling and disposal.

Where possible, we aim to apply the principles of circular economy to recover, re-use or recycle by products and waste arising from our production process, helping us to improve our plant efficiency and sustainability. At Kazan Soda, most liquid waste (purge) is used to produce caustic soda for re-use in the soda ash production process. Following the start-up of the new caustic soda unit at Kazan Soda, almost all purge solution is now re-used in the production of caustic soda, eliminating liquid waste. In addition, to reduce solid waste, the lime mud resulting from caustic soda production is recycled via a lime recovery unit, where it is converted into lime for re-use in caustic soda production.

Today, not all the lime mud volume can be re-used due to a lack of capacity, but we plan to install an additional lime recovery unit as part of the Kazan Soda capacity expansion in 2025. To further reduce solid waste, we have also recently sanctioned the construction of a plant to allow all the raw sodium chloride produced as a by-product of soda ash production at Kazan Soda to be reprocessed and sold as industrial salt. Through these waste management and recycling processes, the efficiency of the Kazan Soda plant will be increased, and our production process will become even more sustainable.

At the Eti Soda facility, roughly half of the solid waste produced from the cogeneration unit (in the form of fly ash and other ash or slag) is sold to local cement companies and the rest is stockpiled or disposed on site. Our plan to increase the use of biomass fuel in the cogeneration unit will allow us to reduce the amount of fly ash and slag we produce, and over time we plan to reduce our stockpile to zero.

### Air quality

We regularly sample and monitor the effects that our activities have on the environment. Air sampling for particulate matter is carried out at defined intervals by accredited institutions in line with regulatory and permitting requirements. At Eti Soda, dust, CO, SO<sub>2</sub>, and NO<sub>2</sub> parameters are constantly monitored and we take necessary actions to improve our processes and to keep air emissions as low as possible.



## Operating sustainably continued

### Our upstream supply chain

Our sustainability governance applies to everyone within our Group, and we also aim to apply it to all our partners across our upstream and downstream supply chains. Our Supplier Code of Conduct and Modern Slavery Statement outline the behaviours and practices which we expect from our suppliers and all those who work with us. These policies are informed by the ten principles set out in the United Nations Global Compact (“UNGC”). Eti Soda and Kazan Soda are participants in the UNGC, and we are committed to best practice conduct in the areas of human rights, labour, environment and anti-corruption.

Given the location of our production facilities, the vast majority of our suppliers are local Turkish companies, that often require education, help and support to fully understand the importance of sustainability.

To improve the sustainability performance of our supply chain, we work with our suppliers to increase their understanding around the importance of sustainability and to drive greater transparency in relation to ethical trading and responsible supply chain practices.

In 2021, we introduced a vetting process using the Sedex platform to allow us to screen our suppliers in terms of their sustainability approach and performance in accordance with our own sustainability criteria. During 2022, we registered nearly 60% of our suppliers (by value) onto the Sedex platform and during 2023 we aim to register more than 80% of our core suppliers (with whom we do repeat business, by value). In 2023, we have initiated a project with Ernst & Young to develop a procurement tool, using a platform called Promena, that will further enhance our upstream supplier management, driving greater sustainability transparency within our supply chain.

### “ConnexSA”

In October 2022, we announced the launch of a blockchain enabled soda ash supply chain ecosystem called “ConnexSA”, which we developed in 2022 with the objective of delivering transparency and robust sustainability data and governance across the entire supply chain – from our suppliers to our end customers. We aim to develop this ecosystem, in partnership with our customers and our suppliers, with open access features and independent governance and assurance, to allow universal participation across our industry. For more information on “ConnexSA”, see we.innovate on pages 22–23.

	For the year ending			
	2022		2021	
	Number	Share of spend (%)	Number	Share of spend (%)
<b>Sedex participation</b>				
All Group suppliers <sup>1</sup>	210	100%	210	100%
Suppliers screened using Sedex	45	39.1%	0	0%
Suppliers onboarded to Sedex	98	52.9%	2	6.1%
<b>Of the suppliers not yet onboarded to Sedex:</b>				
SAQs <sup>2</sup> submitted, not yet onboarded	25	31.5	2	6.1
SAQs <sup>2</sup> completed, not yet submitted	18	7.5	0	0
SAQs <sup>2</sup> in progress	22	5.4	0	0
SAQs <sup>2</sup> still to be started	33	8.0	0	0

<sup>1</sup> Supplier perimeter defined as the suppliers critical to the production of our product and which are used on a repeat basis.

<sup>2</sup> SAQ = Self-Assessment Questionnaire.



## Operating sustainably continued

### Our downstream supply chain

#### Global logistics

The soda ash industry is logistics intensive and involves detailed planning to ensure a robust and reliable global customer supply chain.

In 2022, 80% of our production by volume was exported (2021: 85%) to one hundred and seventy-two individual port locations in seventy-seven countries, mainly in bulk format. 20% was sold to Turkish domestic customers in a variety of formats (2021: 15%). Our 2022 global sales were almost evenly split between emerging economies and developed markets, with approximately 45% sold into Europe, 20% into Türkiye, 12% into Asia (including China), 16% into the Americas and 8% into the Middle East and Africa, in each case by sales volume.

Many of our large industrial customers have operations in multiple geographies and they recognise the benefits that we can provide in terms of security of supply globally. We have built an extensive logistics and distribution network around the world, allowing us to meet our customers' needs in every major soda ash market. Today, we sell very little volume into China or North America but in the medium term, following the development of our greenfield projects in US, we expect that we will sell a larger proportion of our production volumes into both of these markets.

#### Regional distributors

As part of our customer supply chain, we maintain an efficient global network of around thirty regional distributors, most of whom have exclusive rights to distribute our product in the regions in which they operate, while we reserve the right to also sell directly to certain large end user customers within their respective regions. All of our regional distributor agreements that ended in 2022 and early 2023 were renewed or are in the process of being renewed, with the majority of renewed contracts being for a five-year term, and we aim to renew the remaining regional distributors as and when they come to term. By 2025, we are aiming to have all of our major distributors operating with the same sustainability governance as our Group.

Our global distributor network gives us access to local customers in all areas of the soda ash and sodium bicarbonate market, generally supplying medium sized and smaller customers and those located inland within their respective regions. Our distributors also provide logistics and storage services and support to our global industrial end user customers within their respective regions, as needed.

In 2022, our global sales by volume were split 29% direct to industrial end user customers and 71% via regional distributors. In 2022, our ten largest end user customers in aggregate amounted to 1.36 million mt of sales and represented 27% of our total sales by volume.

# 80%

**of our production volume was exported in 2022**

#### Industrial end user customers

Due to the significant time it takes to transport our products to our customers, combined with the essential nature of our products, the reliability of our customer supply chain is critical, and often more important to our customers than price. In 2022, the majority of our sales were made to customers with whom we have done business for more than ten years. Strong customer relationships are a key component of our business model and we have been able to build these long-term relationships due to our high levels of customer service, the reliability of our global supply chain and the quality of our products.

We aim for high levels of customer satisfaction and from 2023 we aim to more thoroughly evaluate customer satisfaction, looking to use a Net Promoter Score ("NPS") methodology with all our major customers and a survey designed to solicit feedback on all elements of our customer service, using an independent third-party survey company.

#### Global shipping

We deliver our products under several different contract structures. In 2022, we exported 82% of our product in bulk or breakbulk format, of which 33 percentage points ("ppt") was shipped with Free on Board ("FOB") or Free Carrier ("FCA") Incoterms (2021: 63ppt), where ownership of the product transfers to the customer and sales are recognised at the port of loading, and where the customer is responsible for the transportation expenses of the product, and the remaining 67ppt was shipped on Cost Insurance and Freight ("CIF") or Cost and Freight ("CFR") Incoterms (2021: 37ppt) where sales are recognised at the port of loading, but ownership of the product transfers at the port of delivery. and we are responsible for the transportation cost.

Sales on CIF or CFR Incoterms are mostly limited to sales to Europe and parts of South America. For sales to domestic Turkish customers, we are responsible for transportation expenses and our products are typically delivered to the customer facilities.

In early 2022, against a backdrop of global economic recovery following the coronavirus pandemic, there was a tight global freight market leading to an inflationary pricing environment for shipping, compounded by rising bunker fuel costs caused by the Russian invasion of Ukraine and its impacts on global energy supply. As we progressed through 2022, we saw a loosening of freight rates, especially in Europe and Asia, while bunker fuel costs remained high. Towards the end of 2022 and into 2023, we have seen continued weakness in freight and container rates due to the global economic slowdown.

To reduce our Scope 3 emissions and unit transportation costs, in 2023 and beyond we are planning to use a smaller number of larger ships for the transportation of our bulk products, and we plan to increase our CIF/CFR shipments to over 50% of our export volumes in 2023, mainly using our own time chartered vessels. To further improve our customer service and supply chain reliability, we also plan to develop regional storage and distribution hubs in key locations globally. In 2022, we approved the development of a new logistics hub located in Terneuzen, Netherlands to serve our customers in northern Europe and the UK. We expect the facility will be operational during 2023 with up to 85,000 mt of storage capacity, improving our customer service whilst reducing our transportation costs, operational risk and downstream Scope 3 emissions, through more efficient shipping operations. We are planning to add further logistics hubs in key regional markets over time.

## Operating sustainably continued

### Inland transportation

Eti Soda and Kazan Soda are located 80km apart, enabling them to coordinate logistics and operations to achieve mutual efficiencies. Eti Soda and Kazan Soda are, respectively, 270km and 340km from our bulk export port at Derince and other container port facilities, enabling us to export on a cost-competitive basis to all the key geographic markets for soda ash and sodium bicarbonate globally.

For bulk deliveries to our Turkish domestic customers and bulk exports from Derince, all our products are today transported by road truck using around three hundred and sixty silo trailers which we own or lease. In 2022, on average we transported around three hundred and seventy individual silo truck loads per day, from Eti Soda and Kazan Soda combined.

The State Railway of Türkiye (“TCDD”) has initiated the tender process for the construction of a rail link directly to the Kazan Soda facility. If completed according to plan, Kazan Soda will be able to transport its bulk products by rail directly to the export port at Derince. Before this rail link is completed, during 2023 we plan to start rail transportation of bulk export product from Kazan Soda utilising a rail loading facility approximately 16km from the Kazan Soda plant, initially targeting around 3,000mt per week. If the rail link is completed as planned, we aim to transport substantially all of the Kazan Soda bulk export product via rail by the end of 2026, using electric powered locomotives, reducing Scope 3 emissions and unit transportation costs.

### Bulk and packaged goods

In 2022, 80% of total sales volumes were transported in bulk using silo trucks (2021: 75%), and 20% was transported in a variety of packaged formats comprising 1.25 mt “Big Bag XL” (mainly loaded as break bulk), 25 mt container liner bags, regular 1.0 mt “Big Bag” format and 25kg capacity bags (on pallets). In 2023 and beyond, we are planning to further increase sales of our products in bulk format to reduce waste (packaging and pallets) and handling costs.

Breakdown of transportation & packaging formats <sup>1</sup>	For the year ending		
	2022	2021	2020
Bulk	76%	71%	70%
Big Bag XL (1.25 mt)	14%	17%	17%
Container liner bag (27.0 mt)	4%	4%	4%
Big Bag (1.0 mt)	3%	4%	4%
25kg bag	3%	4%	5%

<sup>1</sup> For Eti Soda and Kazan Soda combined as a percentage of total production volumes.



## Operating sustainably continued

### Our communities

We consider ourselves a part of the communities in which we operate and, by supporting our local communities, we believe we create long-term value for our communities and for our business. Our approach to community engagement focuses on five main areas:

- Building a sustainable future
- Environment and nature
- Youth and education
- Community support
- Women's empowerment

During 2022, we supported a diverse range of community projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions of around \$1.1 million. Our aim is to maintain and increase our community engagement over time, including in US as we expand our operations in Wyoming, with the aim of having a positive impact on more people. You can read more about how we create social impact in our 2022 Social Impact Report, available on our website: <https://www.wesoda.co.uk/userfiles/document/63722d7e9ce8f-s-rm-we-soda-social-impact-report-2022.pdf>

#### Building a sustainable future

Et Soda and Kazan Soda are both sited within agricultural communities. Over several years, Eti Soda has increased the availability of agricultural irrigation water by funding the development of irrigation systems and by providing water to the nearby villages of Başören, Bağözü and Çakıloba. Prior to the establishment of the irrigation system, fields were watered using groundwater from draw wells, which was inefficient and significantly reduced the available groundwater. Eti Soda now provides water from the Sarıyar dam, out of the water quota that has been set for Eti Soda by government, increasing the efficiency of agricultural water use and improving crop yields.

#### Environment and nature

In 2016, Kazan Soda initiated a project focusing on preserving biodiversity in the area surrounding our production plant. The project was conducted in partnership with Ekoiz, an environmental consultancy based in Ankara, together with a professor who is an expert in Anatolian biodiversity. The project identified six endemic plants which required specific protection plans. We created an endemic plant conservation area in the natural habitat of the plants, covering approximately 10,000sqm, and the seeds of the six endemic plants were also sent to the Ankara Genetic Seed Bank to ensure their long-term preservation. In 2022, we constructed an information office within the conservation area and started working with local schools to educate them on the importance of biodiversity and protecting endemic species.

#### Youth and education

Education underpins the long-term prosperity and sustainability of communities. We aim to do our part by providing educational support and opportunities for local people. We run a traineeship and internship programme for engineering students from technical high schools and universities. We also provide scholarships for fifty-five university students from the Beypazarı region, near Eti Soda and twenty-four university students from the Kazan region.

We believe that education is fundamental to personal development and that everyone should have an equal opportunity to access education. With this in mind, in 2017 we opened a school which specifically caters to the needs of individuals with disabilities and special educational needs. The school has a capacity for one hundred and eighty students and conforms to European standards. Whilst the school was subsequently transferred to the Ministry of National Education in the same year, Eti Soda still provides regular ongoing support.



## Operating sustainably continued

### Community support

Sport often sits at the heart of the communities in which we operate and provides a strong medium for community engagement. We support a number of sports-centric community initiatives in Türkiye and in the UK. In 2022, we became the national community partner of the WRU in the UK, providing financial support for two major community initiatives across the nation of Wales: “Fit, Fed, Fun” and “Jersey for All”. We chose to partner with the WRU because the UK is where we are headquartered and we wanted to make a real and lasting impact on a part of the UK that faces significant socio-economic challenges, with a real need for community-based support in the large concentration of poorer communities that are located in that region.

Through the “Fit, Fed, Fun” initiative we are supporting local communities with over 1,000 rugby-based sports camps across Wales during each of the school holidays for three years, with a specific aim of reaching children from poorer communities. The one-day camps provide inclusive sports-based activities hosted by the WRU for children of all ages and abilities, providing breakfast and lunch and educational messaging around the need to support local communities, protect the environment and reduce waste. “Jersey for All” is an initiative providing inclusive sports-based activities for children and young adults with disabilities and special educational needs (“SEN”) at five SEN community hubs across Wales for three years, culminating each year in a SEN “Olympics” held at the National Stadium in Cardiff. You can read more about “Fit, Fed, Fun” and “Jersey for All” on our website: <https://www.wesoda.co.uk/wru-partnership>

### Women’s empowerment

Eti Soda has undertaken several projects in the Beypazarı region, predominantly focusing on agriculture as a source of sustainable livelihood. In 2020, Eti Soda started the greenhouse project, focused on creating employment opportunities for local women in agriculture. The project was developed in partnership with the ANFA on land supplied by Eti Soda adjacent to the Eti Soda facility. It involves a large, permanent glasshouse structure which uses electricity and heat (in the form of waste process water) supplied by Eti Soda, but it is managed by ANFA to grow a variety of different plants which are used in the surrounding area for the planting of communal areas, parks and roadside landscaping. The operation is staffed exclusively by women from the local community and family members of Eti Soda employees. Kazan Soda has also developed a beekeeping initiative, providing support to local women who were primarily involved in the agriculture sector and who are also employed as gardeners for all the vegetation and horticulture around the Kazan Soda site. These initiatives aim to increase the level of female employment within our local communities, provide economic empowerment to women and promote economic sustainability in the region.



## Our key performance indicators<sup>1</sup>

We track and report our progress against a number of financial and non-financial key performance indicators (“KPIs”), which we believe best enable us to monitor and benchmark our performance against our strategic objectives, including those associated with sustainability, growth and profitability. Progress against our KPIs is measured and reviewed by the executive management team monthly and discussed at every Board meeting.

### Netback price<sup>2</sup> (\$ per mt)

#### Performance

Netback price is calculated as Netback Revenue divided by the total combined volume in mt of soda ash and/or sodium bicarbonate (as applicable) sold by Eti Soda and Kazan Soda during the period. Netback Revenue is calculated as revenue from sales of soda ash and sodium bicarbonate after deducting transportation expenses and export expenses associated with the delivery of product from our production facilities to the point of delivery for the customer. By monitoring Netback price (as opposed to sales price) we are able to compare on a like-for-like basis sales from different regions and customers over different periods.

Going forward, we will aim to pursue sales and marketing strategies which will maximise multi-year netback pricing.

**Strong Netback price growth in 2022, driven mainly by supply-demand dynamics**

#### Strategic pillar



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### Cash costs<sup>2</sup> (\$ per mt)

#### Performance

Cash costs (\$ per mt) represents the average cash cost to produce a mt of soda ash or sodium bicarbonate sold and consists of operating expenses, being cost of sale (excluding external caustic, transportation and export expenses and depreciation and amortisation) and direct administrative and marketing expenses, divided by the total combined volume in mt of soda ash and/or sodium bicarbonate (as applicable) sold by Eti Soda and Kazan Soda during the period.

In 2022, our Cash costs (\$ per mt) were \$116.2 per mt (2021: \$52.2 per mt).

We believe that we already have one of the lowest Cash costs (\$ per mt) within the soda ash industry, mainly due to our production of natural soda ash using the solution-extraction production method. Cash costs (\$ per mt) increased in 2022, mainly due to increases in our energy costs, most notably natural gas. Going forward, we will aim to reduce our Cash costs (\$ per mt) by increasing our production volumes and reducing our energy intensity, operating and raw material costs, emissions, water and waste.

**Cost of production increased in 2022, mainly due to increases in our energy costs, most notably natural gas**

#### Strategic pillar



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### Transportation expenses<sup>2</sup> (\$ per mt)

#### Performance

Transportation expenses (\$ per mt) represents the average logistics and transportation cost to deliver a mt of soda ash or sodium bicarbonate sold from our production facilities to the point of delivery for our customers, and consists of transportation expenses and export expenses, divided by the total combined volume in mt of soda ash and/or sodium bicarbonate (as applicable) sold by Eti Soda and Kazan Soda during the period.

In 2022, transportation expenses were \$38.6 per mt (2021: \$27.4 per mt).

At any given product sales price and cash production cost, lower transportation expenses increase the Netback price, operating profit and cash flow per mt. Going forward, we will aim to optimise our global logistics network, delivery format, Incoterms, customer and delivery destination mix with the objective of minimising our transportation expenses whilst appropriately managing risk.

**Transportation expenses increased in 2022, mainly due to increased fuel costs and increases in ocean shipping costs**

#### Strategic pillar



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<sup>1</sup> Non-financial group data is based on Turkish operations and UK and Turkish corporate and administrative functions, it does not include US associates, discontinued operations and subsidiaries.

<sup>2</sup> See definitions of Alternative Performance Measures on page 197.

## Our key performance indicators continued

### Adjusted EBITDA<sup>2</sup> (\$ millions and \$ per mt)

#### Performance

EBITDA represents profit/(loss) for the period from continuing operations before interest in equity-accounted associates, depreciation and amortisation expenses, finance expenses, net of finance income and taxation. Adjusted EBITDA (\$ millions) is calculated as EBITDA adjusted for certain items, either positive or negative, which we consider to be non-recurring in nature and further items that we do not consider to be representative of the underlying performance of the business. Adjusted EBITDA (\$ per mt) is calculated as the Adjusted EBITDA divided by the total combined volume in mt of soda ash and/or sodium bicarbonate (as applicable) sold by Eti Soda and Kazan Soda during the period.

Going forward, we will aim to maintain and improve our Adjusted EBITDA and Adjusted EBITDA (\$ per mt).

**In 2022, we almost doubled our Adjusted EBITDA (\$ per mt)**

#### Strategic pillar



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### Free Cash Flow<sup>2</sup> (\$ millions)

#### Performance

Free Cash Flow is calculated as Adjusted EBITDA minus Maintenance Capital Expenditure<sup>2</sup> (incurred to maintain, over the long term, our operating income or operating capacity) minus tax payments.

In 2022, Free Cash Flow was \$741.1 million (2021: \$303.3 million).

Going forward, we will aim to maximise our Free Cash Flow because the greater the Free Cash Flow the more cash is available to fund Expansionary Capital Expenditure<sup>1</sup> (with the objective to increase, over the long term, our operating income or operating capacity) and to fund distributions to our shareholders.

**Record Free Cash Flow of \$741.1 million in 2022**

#### Strategic pillar



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### Production volume (mt per year and mt per day)

#### Performance

Production volume (mt per year) is the total combined volume in mt of soda ash and sodium bicarbonate produced in one calendar year, and production (mt per day) represents the average daily production for the period. Production volume is a key driver of our revenue, and we aim to maintain and grow our production volume over time.

In 2022, we achieved a production volume (mt per year) of 5.01 million mt (2021: 4.85 million mt), mainly driven by higher levels of operational availability and our ongoing operational efficiency improvements.

Going forward, we plan to more than double our production volume to more than 11 million mt per year by 2030, if all of our current production growth projects are developed as planned.

**In 2022, we achieved production volume of more than 5 million mt for the first time**

#### Strategic pillar



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### Safety (LTI workplace accidents and LTI lost workdays)

#### Performance

Providing a safe and healthy work environment is our number one priority and we are committed to ensuring the safety of all our employees, contractors and visitors across all of our operations. We aim to continuously improve our safety practices, policies and performance in line with global best practice standards. We monitor this with various indicators, including the total number of lost-time injury (LTI) workplace accidents and the total number of LTI lost workdays, respectively, at our facilities

In 2022, we reduced the number of LTI workplace accidents and LTI lost workdays by around 40% to 26 (2021: 44) and 428 (2021: 712), respectively. In October 2022, we engaged dss+, an international specialist safety consultant, to undertake a thorough review of our personal safety and process safety management practices, to identify actions that would allow us to urgently and permanently reduce the number of LTI workplace accidents.

Going forward, we are aiming for a further significant reduction in LTI workplace accidents in 2023, and we believe that over time we can reduce LTI workplace accidents to zero.

**During 2022, our LTI workplace accidents reduced by 40%**

#### Strategic pillar



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<sup>2</sup> See definitions of Alternative Performance Measures on page 197.

## Our key performance indicators continued

### Employee satisfaction and turnover (%)

#### Performance

Every year we conduct an employee satisfaction survey administered by an independent third-party organisation which provides us with important insights into how our employees feel about their workplace, and their levels of satisfaction, commitment and motivation. We also closely monitor levels of staff turnover at each of our operating facilities and offices. In 2022, our employee survey revealed that we have high levels of employee satisfaction at 76%, as well as high levels of commitment and motivation. As at year end 2022, our employee retention rate was 93% (2021: 93%), and over 53% of our employees have been employed within our Group for over five years, and a further 77% for over three years.

Investing in our people as well as transparent, two-way communication between our leaders and our workforce are core parts of our culture which we believe have contributed to our low levels of staff turnover and high levels of employee satisfaction. Going forward, we will continue to operate with the same ethos and will also plan to continue our approach of responding to areas of improvement identified in our surveys.

## 76% satisfaction

In 2022, our employee survey revealed that we have high levels of employee satisfaction at 76%

#### Strategic pillar



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### Scope 1 & 2 CO<sub>2</sub>e emissions intensity (Scope 1 & 2 mt CO<sub>2</sub>e per mt production)

#### Performance

Reducing our Scope 1 & 2 CO<sub>2</sub>e emissions intensity is a priority for us. We assess our emissions performance annually and we are aiming to further reduce our emissions in every part of our business. We believe that we already have the lowest Scope 1 & 2 CO<sub>2</sub>e emissions intensity (defined as Scope 1 & 2 market mt of CO<sub>2</sub>e emissions per mt of soda ash and sodium bicarbonate production combined) within our industry because we operate modern, efficient low energy intensity solution-extraction based plants where most of the CO<sub>2</sub> released during soda ash production is captured and re-used in the production of sodium bicarbonate.

In 2022, our Scope 1 & 2 CO<sub>2</sub>e emissions intensity reduced to 0.343 (2021: 0.348), consistent with our long-term objective. Going forward, we have committed to achieving Net Zero CO<sub>2</sub>e emissions by 2050 and we have set the target of reducing our Scope 1 & 2 CO<sub>2</sub>e emissions intensity by 20% within the next five years and by 40% within the next ten years, relative to a 2022 baseline and we have identified a number of ongoing and future initiatives, including renewable power generation.

## 0.343

In 2022, our Scope 1&2 CO<sub>2</sub>e emissions intensity reduced to 0.343, consistent with our long-term objective

#### Strategic pillar



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### Water intensity (m<sup>3</sup> water per mt production)

#### Performance

Water is an essential input to our production process, as well as being important to the local communities in which we operate. Because climate change is expected to increase the pressure on water resources and increase the risk of water scarcity, we operate with a well-defined water stewardship strategy to protect and preserve the water resources of our communities and our operations, and we aim to minimise our water consumption and water intensity (calculated as m<sup>3</sup> of water withdrawal per mt of soda ash and sodium bicarbonate production, combined).

In 2022, our water intensity was 2.04m<sup>3</sup> water per mt production (2021: 1.99), an increase over the prior year due to changes in water quality from different water sources at Kazan Soda, resulting in an increase in water withdrawal following treatment. Going forward, we will address the water treatment at Kazan Soda, and we have set the target of reducing our water intensity by 20% within the next five years, relative to a 2022 baseline, mainly through the use of dry air-cooling systems to reduce evaporation losses.

## 2.04

In 2022, our water intensity increased to 2.04 due to changes in water quality from different water sources at Kazan Soda

#### Strategic pillar



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## Our financial review

### Financial highlights

		2022	2021
Revenue	\$ million	1,773.8	892.1
Cash costs <sup>1</sup>	\$ per mt	116.2	52.2
Adjusted EBITDA <sup>1</sup>	\$ million	837.6	430.9
Netback Margin <sup>1</sup>	%	58%	62%
Profit before tax	\$ million	628.6	214.8
Basic EPS - continuing operations	\$	5.32	1.85
Net cash from operating activities	\$ million	845.6	299.1
Capital Expenditure <sup>1</sup>	\$ million	80.1	87.3
Free Cash Flow <sup>1</sup>	\$ million	741.1	303.3
FCF Conversion <sup>1</sup>	%	88%	70%
Net Debt <sup>1</sup>	\$ million	1,362.7	1,778.6

Note: Figures may not add up due to rounding.

<sup>1</sup> See definitions of Alternative Performance Measures on page 197.

### Financial performance

#### Revenue and Netback prices<sup>1</sup>

During 2022, our revenue consisting principally of soda ash and sodium bicarbonate sales increased by \$881.7 million, almost doubling to \$1,773.8 million in 2022, from \$892.1 million in 2021. The increase was primarily due to a near doubling of the average realised Netback prices and a 5% increase in sales volumes. Domestic sales and export sales increased to \$448.8 million and \$1,324.9 million, respectively, in 2022 from \$211.3 million and \$680.8 million, respectively, in 2021.

In 2022, Eti Soda produced 2.03 million mt and sold 2.06 million mt of soda ash and sodium bicarbonate combined, generating \$642.8 million in total revenues, compared to 1.95 million mt sales of soda ash and sodium bicarbonate combined in 2021. In 2022, Kazan Soda produced 2.97 million mt and sold 3.00 million mt of soda ash and sodium bicarbonate combined, generating \$1,131.0 million in total revenues (including electricity sales and after elimination of intercompany electricity sales) compared to 2.88 million mt sales of soda ash and sodium bicarbonate combined in 2021. Our total soda ash production volume increased by 3% to 4.6 million mt in 2022 from 4.5 million mt in 2021, and sodium bicarbonate production volume was stable at 0.4 million mt in both 2022 and 2021.

The global soda ash market was characterised by robust demand in the first half of 2022, which, given the lack of new supply and rising energy input costs for all producers, drove inflationary pricing for our products. Regional markets varied depending on local supply-demand factors but due to the tight supply-demand dynamics for soda ash globally, together with the higher energy prices that more significantly impacted many of our more energy intensive synthetic soda ash competitors, we were able to pass on increased energy costs, and particularly natural gas costs, to almost all of our customers. This led to robust netback pricing and strong operating profit margins during the first half of 2022. Late 2022 was characterised by a modest slowdown in global shipments of soda ash, partly driven by higher levels of product inventory that built up in the latter part of 2022, ahead of anticipated 2023 price increases, and partly driven by the slowdown of economic activity in certain regions.

#### Cost of sales

The key components of our cost of sales are energy costs (partially offset by revenues received from sales of electricity generated by the Kazan Soda cogeneration plant presented in revenue), transportation expenses, and royalties and mining state share. The table below sets out the breakdown of our cost of sales:

	2022		2021	
	\$m	%	\$m	%
Net energy costs <sup>1</sup>	394.4	48%	140.0	29%
Royalties and mining state share	104.7	13%	47.6	10%
Personnel expenses	17.7	2%	16.0	3%
Depreciation and amortisation	56.3	7%	93.8	19%
Transportation expenses	152.4	18%	89.9	18%
Export expenses <sup>2</sup>	43.1	6%	42.5	9%
Other <sup>3</sup>	55.3	6%	57.0	12%
<b>Total</b>	<b>823.9</b>	<b>100%</b>	<b>486.9</b>	<b>100%</b>
add back:				
Electricity revenue <sup>1</sup>	143.7		63.5	
Electricity revenue - inter-segment <sup>1</sup>	27.8		-	
<b>Total cost of sales</b>	<b>995.4</b>		<b>550.4</b>	

<sup>1</sup> Energy costs are presented on a net basis, after deducting electricity revenue generated by our cogeneration plant at Kazan Soda.

<sup>2</sup> Excludes transportation expenses but includes insurance, commissions, custom and port-related expenses and others.

<sup>3</sup> Includes, among others, raw material costs (other than energy costs), packaging costs, maintenance expenses and rent costs.

## Our financial review continued

Cost of sales increased by \$445.0 million, or 81%, to \$995.4 million in 2022 from \$550.4 million in 2021. The increase in cost of sales reflects increased costs for raw materials, including higher energy costs, particularly natural gas, electricity and coal, and higher caustic soda costs together with increases in shipping and packaging material costs. Our Cash costs (\$ per mt) more than doubled, from \$52.2 per mt in 2021 to \$116.2 per mt in 2022.

Cash costs (\$ per mt)<sup>1</sup> for the combined soda ash and sodium bicarbonate production at Eti Soda and Kazan Soda are set out below:

	2022 \$ per mt	2021 \$ per mt
Eti Soda	86.0	50.8
Kazan Soda	136.9	53.1
<b>Group</b>	<b>116.2</b>	<b>52.2</b>

Administrative expenses increased by \$15.6 million to \$56.6 million in 2022 from \$41.0 million in 2021, mainly due to higher personnel and consultancy expenses and one-off audit and consultancy expenses with respect to preparation for an IPO on the London Stock Exchange. Marketing expenses comprised \$5.2 million in 2022 and remained at approximately the same level as in 2021.

### Adjusted EBITDA<sup>1</sup> and Netback Margin<sup>1</sup>

Adjusted EBITDA increased by \$406.7 million, or 94%, to \$837.6 million in 2022 from \$430.9 million in 2021, primarily driven by an increase in Netback prices and higher sales volumes for soda ash and sodium bicarbonate, in addition to increased electricity sales revenue, partially offset by the increased costs as set out above. Netback Margin of 58% in 2022 was consistent with 62% achieved in 2021. Eti Soda contributed \$406.8 million to Adjusted EBITDA for 2022, as compared to \$198.6 million in 2021 and Kazan Soda contributed \$449.0 million to Adjusted EBITDA for 2022, as compared to \$243.3 million in 2021.

### Other operating income and expenses

Other net operating income decreased from \$124.1 million in 2021 to \$45.6 million in 2022. This was primarily due to the one-off impact of the TCC settlement income of \$60.1 million in 2021 and lower foreign exchange gains. The lower foreign exchange gains were driven by marginally lower devaluation of the Turkish lira against hard currencies, compared to the end of 2021 and the change of functional currency for the Group's Turkish operating entities, Eti Soda and Kazan Soda, from Turkish lira to US dollar with effect from 1 April 2022.

### Net finance expenses

Net finance expense decreased by \$68.0 million from \$204.5 million in 2021 to \$136.5 million in 2022. This decrease was primarily due to lower foreign exchange losses, as result of the change of functional currency with effect from 1 April 2022, partially offset by expensing transaction costs following the refinancing of our former term loan facilities with the new term loan facilities.

### Profit before tax

Profit before tax increased by \$413.8 million from \$214.8 million in 2021 to \$628.6 million in 2022, following the same trends and driven by the same factors as for our Adjusted EBITDA.

### Taxation

Our Group benefits from significant tax credits due to investment incentives, patent incentives and capital contribution incentives for both Eti Soda and Kazan Soda, which together with other incentives and carried forward tax losses, result in lowering the Group's effective tax rate.

The Group had a net tax credit of \$69.7 million and \$188.6 million for 2021 and 2022 respectively, which consists of a corporate tax charge of \$51.5 million and \$52.5 million and deferred tax credits of \$121.2 million and \$241.1 million for 2021 and 2022 respectively.

The Group has paid an equivalent of \$56.7 million corporate tax in 2022 and an equivalent of \$62.1 million in 2021, the difference with corporate tax charges for the corresponding years being primarily timing and effects of foreign exchange.

## Our financial review continued

### Cash flows

#### Cash flows from operations

Our net cash generated from operating activities increased from \$299.1 million in 2021 to \$845.6 million in 2022, primarily due to an overall increase in profitability of the operations and improved working capital management, which is supported by receivable financing arrangements with \$112.5 million utilised as at 31 December 2022 and \$151.0 million advances received from our customers as at 31 December 2022. Please refer to Note 4 Financial risk management of the consolidated financial statements for further details on receivable financing facilities.

#### Capital expenditure<sup>1</sup>

In 2022, Capital Expenditure was focused on drilling new exploration wells and the construction of additional well sets, to optimise our wellfield efficiency, as well as completion of the Kazan Soda debottlenecking expansion, with new decahydrate and caustic soda units. The table below sets out our total Capital Expenditure, split between Maintenance Capital Expenditure and Expansionary Capital Expenditure.

	2022 \$ million	2021 \$ million
<b>Capital Expenditure</b>	<b>80.1</b>	87.3
<b>Maintenance Capital Expenditure</b>	<b>39.9</b>	65.5
Eti Soda	19.1	14.6
Kazan Soda	20.8	50.8
<b>Expansionary Capital Expenditure</b>	<b>29.5</b>	13.4
Eti Soda	1.0	—
Kazan Soda	28.5	13.4
<b>Other</b>	<b>10.8</b>	8.4
Eti Soda	2.1	1.5
Kazan Soda	3.6	6.3
Corporate & Other	5.1	0.6

#### Free Cash Flow<sup>1</sup>

Our strong Free Cash Flow is supported by our strong operating margins and low maintenance capital expenditure, driven by our modern, well-invested and well-maintained production facilities. Our Free Cash Flow increased by \$437.8 million from \$303.3 million in 2021 to \$741.1 million in 2022, in line with our Adjusted EBITDA, achieving FCF Conversion of 88%, as set out below:

	2022 \$ million	2021 \$ million
Free Cash Flow	741.1	303.3
FCF Conversion (%)	88%	70%

### Net Debt<sup>1</sup> and funding

With a strong balance sheet and liquidity position, we decreased our Net Debt by \$415.9 million from \$1,778.6 million as at 31 December 2021, to \$1,362.7 million as at 31 December 2022.

Our Total Net Leverage Ratio<sup>1</sup> decreased from 4.1x Net Debt/EBITDA to 1.6x over the period.

	2022 \$ million	2021 \$ million
Borrowings	1,710.9	1,842.0
Lease liabilities	13.8	15.9
<b>Total financial liabilities</b>	<b>1,724.7</b>	<b>1,857.9</b>
Less: Cash and cash equivalents	(308.7)	(14.5)
Less: Restricted cash	(53.3)	(64.8)
<b>Net Debt</b>	<b>1,362.7</b>	<b>1,778.6</b>
<b>Total Net Leverage Ratio</b>	<b>1.6x</b>	<b>4.1x</b>

We completed the refinancing of our original facilities with a new term loan facility on 14 February 2022, continuing our balance sheet strategy of holding more of our credit facilities at the Group level, and aligning the terms and conditions with our overall Group cash management strategy. Additionally, we entered into revolving credit facility agreements during 2022 with an equivalent of \$125.5 million utilised as at 31 December 2022. Please refer to Note 4 *Financial risk management* of the consolidated financial statements for further details.

#### Post Balance Sheet Events

On 22 March 2023, the Company has declared a \$130 million dividend, which has been set off against receivables from Akkan Enerji.

**Ahmet Tohma**  
Chief Financial Officer

<sup>1</sup> See definitions of Alternative Performance Measures on page 197.

## Our Non-Financial and sustainability information statement

### Environmental matters

#### Our approach and key policies

Within our industry, we believe we produce soda ash with the lowest CO<sub>2</sub>e emissions and water intensity and waste, and we believe that we have the lowest impact on nature and the environment.

Our Environment Policy sets out our commitment to conducting business in an environmentally responsible way. Our policy outlines our high standards which we uphold in terms of energy usage, emissions, water usage, pollution, waste, biodiversity, customer safety and sustainable procurement.

#### Outcomes of policies and impacts of activities

During 2022:

- We saw a -1.5% reduction in Scope 1 & 2 CO<sub>2</sub>e emissions intensity compared to 2021, consistent with our long-term objectives.
- We saw an increase in water intensity of around 2% compared to 2021, due to changes in water quality at Kazan Soda.
- We sanctioned a new sodium chloride re-processing plant at Kazan Soda, which when operational will reduce waste.
- We trialled biomass in the cogeneration boilers at Eti Soda, reducing Scope 1 & 2 CO<sub>2</sub>e emissions intensity and fly ash waste.
- We installed 7MW of solar PV power and we are assessing our full renewable power potential in Türkiye. We estimate that we can deliver up to 100MW of PV solar and over 100MW of wind power by 2027.

### Colleagues

#### Our approach and key policies

Our colleagues are essential to our success. Providing a safe and healthy work environment is our number one priority and we are committed to ensuring the safety of all our employees, contractors and visitors across all our operations. Investing in our people and transparent, two-way communication between our leaders and our workforce are core parts of our culture. We are also an inclusive, performance and capability-based employer, that does not discriminate, among others, based on gender, ethnicity, religion, nationality or disability.

Our Business Ethics Policy outlines the business standards and behaviours we expect from our colleagues. Each of our operating sites and offices has its own Health & Safety Policy and Whistleblowing Policy which requires them to operate to international best practice standards, taking into account local laws and regulations.

#### Outcomes of policies and impacts of activities

During 2022:

- We reduced the number of LTI workplace accidents by around 40% compared to the prior year.
- We worked with dss+ to undertake a detailed review of the personal safety and process safety management practices at both Eti Soda and Kazan Soda, to identify areas for improvement.
- We welcomed 13 new female engineers and managers into our business and as of 31 December 2022, 35% of our middle management are women (in both technical and administrative roles).
- We worked with over 200 students as part of our internship programme, providing work opportunities for young women and men, so that today 31% of our workforce are under 30 years of age.
- We improved our overall employee satisfaction score to 76% and maintained low levels of employee turnover, which was only 7% across our business.
- We took actions to improve the work environment, including implementing the Employee Whistleblowing Hotline.

### Social matters

#### Our approach and key policies

One of our four strategic pillars “we.care” is centred around community engagement and positive social impact, where we aim to offer meaningful support to our employees and our local communities. We consider ourselves to be a part of the communities in which we operate, and we believe that by supporting our local communities we create long-term value for our communities and for our business. We align our social responsibility initiatives with the UN Sustainable Development Goals that are particularly relevant to our business.

We have demonstrated our commitment to effective engagement through a variety of community and social impact initiatives in Türkiye and the UK over the last several years with five areas of focus: building a sustainable future; environment and nature; youth and education; community support; and empowerment of women.

#### Outcomes of policies and impacts of activities

During 2022:

- We supported a diverse range of community and social impact projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions of approximately \$1.1 million.
- In the UK, we became the national community partner of the WRU, providing financial support for two major community initiatives across the nation of Wales: “Fit, Fed, Fun” and “Jersey for All”, with a specific aim of reaching children and families from poorer communities and those with disabilities and special educational needs.
- In Türkiye, we continued with our biodiversity project at Kazan Soda, our agricultural support and Greenhouse Project at Eti Soda and a variety of other social projects that have been running for several years.

## Our Non-Financial and sustainability information statement continued

### Respect for human rights

#### Our approach and key policies

We have zero tolerance for any form of child, forced labour, modern slavery or any other action that breaches an individual's human rights, and we support the rights of all people as set out in the Universal Declaration of Human Rights. We aim to apply our sustainability governance and practices to all our partners across our upstream and downstream supply chains.

Our Labour & Human Rights Policy and Modern Slavery Statement set out the principles which underpin the expected behaviour of all individuals working for or with our Group.

#### Outcomes of policies and impacts of activities

During 2022:

- No human rights violations were identified.
- We reviewed and published our Modern Slavery Statement, which can be found on our website.
- We registered nearly 60% of our suppliers (by value) onto the Sedex platform, to allow us to more effectively screen our suppliers in accordance with our own sustainability criteria.

### Anti-corruption and anti-bribery

#### Our approach and key policies

We expect that all individuals working for or with our Group conduct business responsibly and with integrity.

We have a number of policies which define our control measures against corruption and bribery including our Anti-bribery & Corruption Policy, our local Whistleblowing Policies, our Business Ethics Policy and our Supplier Code of Conduct. We aim to apply our sustainability governance and practices to all our partners across our upstream and downstream supply chains.

#### Outcomes of policies and impacts of activities

During 2022:

- We had no reported fines, penalties or settlements for corruption or bribery.
- We revised our Supplier Code of Conduct to better define our expectations of legal compliance, working conditions and business ethics amongst our suppliers.
- We registered nearly 60% of our suppliers (by value) onto the Sedex platform, to allow us to more effectively screen our suppliers in accordance with our own sustainability criteria.
- We developed and launched a blockchain enabled soda ash supply chain ecosystem called "ConnexSA", with the objective of delivering transparency and robust sustainability data and governance across our entire supply chain.

### Climate-related financial disclosures

#### Our approach and key policies

Within our industry, we believe we produce soda ash with the lowest CO<sub>2</sub>e emissions and water intensity and waste, and we believe that we have the lowest impact on nature and the environment<sup>1</sup>. Further reducing our CO<sub>2</sub>e emissions and water intensity is a priority for us. Because climate change is expected to increase the pressure on water resources and increase the risk of water scarcity, we operate with a well-defined water stewardship strategy to protect and preserve the water resources of our communities and our operations.

Our TCFD statement outlines our approach to assessing and managing climate-related financial disclosures. This forms part of our risk management process and allows us to set and manage climate-related targets.

#### Outcomes of policies and impacts of activities

During 2022:

- We committed to achieving Net Zero CO<sub>2</sub>e emissions by 2050 and reset our Scope 1 & 2 CO<sub>2</sub>e emissions intensity targets: to reduce by 20% within the next five years and by 40% within the next ten years, relative to a 2022 baseline.
- We reset our water intensity target, to reduce by 20% within the next five years, relative to a 2022 baseline.
- We announced West Soda, the first soda ash production facility globally to source all of its electrical needs entirely from renewable power sources.

<sup>1</sup> We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 4.44, Scope 1 & 2 CO<sub>2</sub>e emissions intensity of 0.343, water intensity of 2.04, and total waste directed to disposal of 73,384 mt (in each case for 2022), as these metrics provide a relative and comparable measure of performance across our industry.

## Our stakeholders

### Importance of materiality

We aim to create value for our stakeholders in everything we do, and we engage with our stakeholders to gain insights into what they want and need from us as a business. These insights allow us to determine those areas of interest for our stakeholders and help us to shape the way in which we do business.

#### Our 2022 materiality assessment

In November 2022, to inform our strategic decision-making, we commissioned the sustainability consultancy ERM to help us assess the material issues for our business and those of concern to our stakeholders. ERM engaged with our employees through a Sustainability Survey and also conducted interviews with our management team, our customers, our regulators, our local communities and our suppliers. ERM also considered key regulatory requirements and the expectations of leading rating agencies, using a range of published sources and sustainability questionnaires.

#### Key findings

The materiality assessment showed us that our most material issues – shown as “Priority topics” – are closely aligned with our areas of strategic focus. It also revealed that environmental and social issues were of the highest priority to our stakeholders.

#### Employee issues were prioritised

Occupational health, safety and wellbeing were identified as the highest priority for our business and stakeholders. Many internal interviewees commented that we have strong management systems in place around occupational health & safety, demonstrating that we are focused on prioritising those topics which matter most to our employees. We will ensure that these continue to be a core part of our business strategy.

The topic of workforce relations was also highlighted as a priority. This follows a reduction in employee satisfaction, following the coronavirus pandemic, partly because less socialising was possible between our colleagues. In response, we have developed a roadmap to reintroduce more social events to help motivate and engage our employees. Environmental impact related issues were also rated as priority topics, including water stewardship, CO<sub>2</sub>e emissions, energy use and efficiency and waste management. These topics are fundamental drivers of our business strategy, and we measure our performance and report our impact through KPIs.

#### Our 2022 Materiality Matrix



#### Environment

- 1 Closure and remediation
- 2 Biodiversity
- 3 Product lifestyle and circular economy
- 4 Climate resilience
- 5 Air quality
- 6 Energy use and efficiency
- 7 Waste management
- 8 Water stewardship
- 9 GHG emissions

#### Social

- 10 Talent attraction and retention
- 11 Skills training and development
- 12 Human rights
- 13 (Geo)political risk
- 14 Emergency preparedness and security
- 15 Workforce relations
- 16 Community relations and engagement
- 17 Sustainable supply chain management
- 18 Occupational health, safety and wellbeing

#### Governance

- 19 ESG governance structures
- 20 Data and cybersecurity
- 21 Corporate reputation and culture
- 22 Tax and revenue transparency
- 23 Customer satisfaction
- 24 Technology and innovation
- 25 Policy and regulatory landscape
- 26 Diversity, equity and inclusion
- 27 Anti-corruption and bribery
- 28 Business integrity, transparency and ethics

## Our stakeholders continued

### Sustainable Development Goals (“SDGs”)

In 2015, UN Member States adopted the 17 SDGs as part of the 2030 Agenda for Sustainable Development and encouraged companies to develop programmes to support this initiative. Sustainability is fundamental to our success and it is at the core of how we conduct our business. There are six SDGs in particular which we believe are relevant to our operations and where we believe we have made a significant impact.

#### SDG 5 – Gender equality

Promoting gender equality is a core part of our recruitment practices, our employment policies and practices, and our community and social engagement. We have set ourselves the target of having an equal number of female and male employees within our middle and senior management within the next ten years and we have recently begun to report on our gender pay. We also run community and social projects which focus on the empowerment of women. Our Eti Soda Greenhouse project employs women from the local community and at Kazan Soda we have developed a women’s entrepreneur project to support and encourage women to set up their own businesses, driving sustainable economic independence.



#### SDG 6 – Clean water and sanitation

Water is essential to our production but also to the wellbeing and sustainability of our host communities. Because climate change is expected to increase the pressure on water resources and increase the risk of water scarcity, we operate with a water stewardship strategy that is designed to protect and preserve the water resources of our communities and our operations. We have implemented several initiatives at Eti Soda and Kazan Soda which support the efficient use of water, promoting responsible water consumption without negatively impacting our host communities.



#### SDG 8 – Decent work and economic growth

Our employees and the communities in which we operate are key to the success of our business. We offer fair pay and an inclusive and supportive work environment with regular training and personal development opportunities. We also care for, invest in and support the communities in which we operate. Our aim is to ensure that these communities continue to be sustainable long after our sites are de-commissioned. By encouraging productive and inclusive employment, including members of our local communities, it allows us to support sustainable economic growth.



#### SDG 12 – Responsible consumption and production

We carefully design sustainability into our operational processes to minimise our environmental impact, by ensuring that we use efficient production methods to minimise energy consumption, CO<sub>2</sub>e emissions and water, and we minimise waste by recycling or commercialising by-products. We believe we already produce soda ash with the lowest impact on nature and the environment (in terms of energy intensity, emissions intensity, water intensity and waste) and we are committed to further improving this performance. By 2030, we plan to have developed the first soda ash production facility in the world using entirely renewable power sources.



#### SDG 13 – Climate action

We report in accordance with TCFD recommendations, which sets an important and transparent framework for reporting climate-related risks and opportunities. We have committed to achieving Net Zero CO<sub>2</sub>e emissions by 2050, and we have engaged ERM to help design and implement an emissions reduction pathway that is consistent with a “below 1.5°C” global warming outcome. Amongst other sustainability improvement targets, we have set the target of reducing our Scope 1 & 2 CO<sub>2</sub>e emissions intensity by 20% within the next five years and by 40% within the next ten years, and we have set the target of reducing our water intensity by 20% within the next five years, in all cases relative to a 2022 baseline.



#### SDG 15 – Life on land

Environmental stewardship is a cornerstone of our responsible approach to realising our strategic ambitions. Our stewardship encompasses our efforts to support initiatives that promote biodiversity and positively contribute to conserving the natural environment in which we operate. We have very limited impact on pre-existing land use, enabling our facilities to easily co-exist alongside the farming communities which surround us. Our impact on existing flora and fauna is also limited due, in part, to the relatively easy removal of surface pipelines and wellheads upon decommissioning, without the need for rehabilitating significant waste material dumps or open-cast mine areas.



## Our stakeholders continued

### Stakeholder types



#### Employees

##### About our stakeholders

Our employees are fundamental to the success of our business – driven by their hard work, entrepreneurial spirit, curiosity, and diversity. We employ around 1,373 people, including those with fixed-term contracts.

##### How we engage

- OHS monitoring and reporting
- Annual employee satisfaction surveys
- Employee representatives
- Regular employee meetings

##### Areas they have told us they are interested in

- Occupational health, safety, and wellbeing
- Employee training and development
- Communication with management
- Career opportunities
- Responsible management
- Ethical business practices

##### Company initiatives introduced

- Employee Whistleblowing Hotline
- Online training system
- Enhanced health, safety and wellbeing policies and initiatives



#### Customers

##### About our stakeholders

We supply large industrial customers and regional distributors in almost eighty countries, delivering to around one hundred and fifty different global destinations via an integrated global customer supply chain that operates 24/7 and is responsible for shipping our product around the world.

##### How we engage

- Sales, marketing and customer relationship teams
- Regular meetings and discussions
- Senior management visits
- Regular surveys
- Certifications

##### Areas they have told us they are interested in

- Sustainability
- GHG emissions
- Water stewardship
- Reliability of supply chain
- Occupational health, safety, and wellbeing
- Product life cycle and circular economy

##### Company initiatives introduced

- “ConnexSA”
- Annual Sustainability Report
- Customer surveys and NPS
- ISO 9001 Quality Management System



#### Suppliers

##### About our stakeholders

We have around two hundred and ten major suppliers, including suppliers of energy, processing chemicals and equipment, mainly located in Türkiye and Europe.

##### How we engage

- Supplier onboarding, evaluations and Supplier Code of Conduct
- Regular supplier meetings
- Supplier surveys
- Sedex audits
- Certifications

##### Areas they have told us they are interested in

- Occupational health, safety, and wellbeing
- Sustainable supply chain management
- Energy use and efficiency
- Product life cycle and circular economy

##### Company initiatives introduced

- Sedex membership
- Supplier screenings
- Supplier Code of Conduct
- Modern Slavery policy



#### Local communities

##### About our stakeholders

We believe that by supporting our local communities, we will create value for today and for the future. Eti Soda and Kazan Soda are both located in agricultural and farming areas.

##### How we engage

- Local community infrastructure, education and empowerment projects
- Social projects and charitable donations
- Participation in community events
- Regular community engagement meetings

##### Areas they have told us they are interested in

- Community relations and engagement
- Air quality
- Occupational health, safety, and wellbeing
- Waste management
- Business integrity, transparency and ethics

##### Company initiatives introduced

- Eti Soda Greenhouse project
- Local infrastructure investment
- Internships and scholarships
- Sponsorships and donations

## Our stakeholders continued

### Stakeholder types



#### Investors

##### About our stakeholders

Today, we are wholly-owned by the Ciner Group, one of Türkiye's largest industrial groups with operations in various sectors, including energy and mining, glass and chemicals, shipping, logistics and media.

##### How we engage

- Board meetings
- Shareholder meetings
- Legal, financial and sustainability reporting

##### Areas they have told us they are interested in

- Sustainability
- Occupational health, safety, and wellbeing
- GHG emissions
- Waste management
- Water stewardship
- Energy use and efficiency

##### Company initiatives introduced

- Publishing of our Annual Report
- ISO 14001 Environment Management System
- ISO 5001 Energy Management System
- CDP climate change and water disclosure
- Publishing of Annual Sustainability Report



#### Industry

##### About our stakeholders

The nature of our business means that we are an industrial minerals processing company, producing an inorganic industrial ingredient, and we are considered to be part of the broader chemicals industry.

##### How we engage

- Industry trade fairs
- Conferences and panels
- Legal, financial and sustainability reporting
- Certifications

##### Areas they have told us they are interested in

- Sustainability
- GHG emissions
- Water stewardship
- Diversity, equality and inclusion
- Community relations and engagement
- Human rights

##### Company initiatives introduced

- Member of
- European Soda Ash Producers Association
  - Middle East Trade Association
  - Istanbul Minerals and Metals Exporters Association ("IMMIB")
  - Istanbul Chemicals and Chemical Products Exporters' Association ("IKMIB")



#### Civil society

##### About our stakeholders

We consider civil society to be made up of broader society (beyond our local communities) including non-governmental organisations ("NGOs"), national and international organisations, academic institutions and research organisations.

##### How we engage

- Industry trade fairs
- Conferences and panels
- Legal, financial and sustainability reporting
- Certifications

##### Areas they have told us they are interested in

- Workforce relations
- Biodiversity
- Sustainable supply chain management
- Energy use and efficiency
- GHG emissions
- Natural resource use

##### Company initiatives introduced

- UN Global Compact, including CEO Water Mandate endorsing company
- Turkish Red Cross



#### Regulators

##### About our stakeholders

We are governed and regulated by national and local government organisations in the counties and regions in which we operate and by global and national regulatory bodies in the countries and regions in which we sell our products, as well as global trends and United Nations initiatives.

##### How we engage

- Official correspondence
- Regular meetings
- Audits and field visits
- Legal, financial and sustainability reporting
- Certifications

##### Areas they have told us they are interested in

- Occupational health, safety, and wellbeing
- GHG emissions
- Community relations and engagement
- Energy use and efficiency
- Waste management
- Water stewardship
- Technology and innovation

##### Company initiatives introduced

- EU REACH registration

# Risk management

## Our approach to risk management

Effective risk management enables us to identify and mitigate potential threats and take advantage of opportunities associated with our strategy and operations. Our Board oversees our principal risks and responses, while the Audit & Risk Committee monitors the effectiveness of our risk management approach and internal controls. The executive management team is responsible for our day-to-day activities and is therefore responsible for the management of our financial and non-financial risk across all areas of our business. Accountability of our overall risk position currently lies with the Board and our Chief Strategy & Risk Officer, reporting to our CEO.

In 2022, we operated an Audit & Risk Focus Group, which we transitioned post period end into a formal Board committee on 8 February 2023. The Audit & Risk Committee assists the Board in relation to financial reporting, internal controls, whistleblowing, fraud and compliance, review and monitoring of the annual audit, as well as risk management, other than operational and sustainability risk areas which it has delegated to the Sustainability Committee. In 2023, a key focus of the Audit & Risk Committee will be to review, for Board approval, an updated enterprise risk management framework which has been developed by the executive management team during 2022. For more information on the Audit & Risk Committee please see the Audit & Risk Report on page 100.

## 2022 risk assessment

In 2022, the executive management actively managed the risks which the Group faces whilst also conducting a detailed review and reassessment of existing and potential risks to the Group, supported by Deloitte. The 2022 risk assessment considered the risks identified in our 2021 report as well as those typical within the industry in which we operate. It assessed the potential impact and likelihood of occurrence of each identified risk and was reviewed by executive management and members of the operational, legal and finance teams to ensure that the identified risks accurately reflected our business and operations.

The 2022 risk assessment identified the principal risks which we believe could materially impact the Group's performance, future prospects or reputation, and also included other risks that were not recognised as principal risks but which could affect our business and operations to some extent. All identified risks will be maintained within the Enterprise Risk Register and provide the Board and executive management with an assessment of the Group's principal and other risk exposures, and the responses to each risk.

The risk areas identified in the 2022 risk assessment, divided between principal risks (in bold) and other risks, are summarised on this page and discussed in more detail on pages 64 to 71. These have been reviewed and approved by the Audit & Risk Committee and the Board. The Enterprise Risk Register will be further refined during 2023.

## Operational risks

Risks that relate to the process, supply chain or corporate functions that support operating activities

- **Health & safety**
- **Key production & export facilities**
- **Environmental impact** (particularly water)
- **Emergency response & disaster recovery**
- **Transportation & logistics**
- Employees
- Quality control
- Closure & remediation

## Strategic risks

Risks that challenge the strategy and strategic vision or risks that pose a threat to executing the strategy of the business

- **Strategy execution**
- **Information technology ("IT") & cybersecurity**
- **Key person dependency**
- Shareholder conflict
- Minority & strategic partners
- Executive management: talent management & succession
- Corporate governance

## External risks

Risks that may arise from the external operating environment

- **Communities**
- **Macroeconomic**
- **Geopolitical**
- **Customer & external stakeholder expectations** (especially around sustainability)
- Climate
- Natural disaster
- Reputation
- Competition
- Communicable disease
- Product substitution

## Financial risks

Risk that relate to current and future financial performance, balance sheet and financial reporting

- **Netback price**
- **Production costs** (particularly energy)
- **Financial liquidity**
- Foreign exchange ("FX") exposures
- Balance sheet & leverage
- Creditors & customer receivables
- Exchange controls
- Financial reporting
- Tax

## Legal & regulatory risks

Risks that may arise from the legal and regulatory landscape

- **Legal & regulatory compliance**
- Patents & intellectual property ("IP")
- Environmental permits (water, emissions, waste, nature)
- Licences, leases & other permits

## Our principal risks and uncertainties

The 2022 risk assessment identified the principal risks which we believe are capable of materially impacting the Group's performance. These have been reviewed and approved by the Audit & Risk Committee and the Board. Please see below a summary of our principal risks as well as our response to each.

### Health & safety



#### Description of risk

The Group's operations could expose employees to hazards, and a failure to establish and maintain effective personal and process safety management policies and procedures could lead to incidents or injury which could expose the Group to litigation and potential reputational damage.

#### Response to risk

- During 2022, we contracted dss+ to undertake a detailed review of the personal safety and process safety management practices at our facilities.
- Together with dss+, we conducted a detailed risk-based safety assessment at our facilities to identify and prioritise areas for improvement.
- To immediately improve safety in these areas, we rolled out a new safety observation programme to promote safer working practices and behaviours, assigned dedicated maintenance teams and revised operating procedures for those areas which represented the greatest risk.
- Together with dss+, we developed a comprehensive safety improvement programme to be rolled out during 2023 to help us develop a deeper, broader and stronger safety culture throughout the Group.
- We are aiming for a significant reduction in LTI workplace accidents in 2023.

#### Key

Low impact

Medium impact

High impact

Low likelihood

Medium likelihood

High likelihood

### Key production & export facilities



#### Description of risk

The Group is heavily reliant on two production facilities (Eti Soda and Kazan Soda) and one bulk export facility (Derince Port) and any disruption to these facilities, including unplanned production curtailments or shutdowns, sabotage or natural disaster (including earthquakes) could have a significant impact on the financial and operating performance of the Group and our relationships with customers.

#### Response to risk

- The Group's operating facilities are relatively new (Eti Soda – 2009; Kazan Soda – 2017) and are well maintained and well operated with significant in-built redundancy – delivering high levels of operational availability and reducing unplanned shutdowns and the risk of failure.
- Both Eti Soda and Kazan Soda are located in an area of low seismic (earthquake) risk.
- Each year, thorough preventative maintenance is completed at all facilities. In 2022, the routine four-year major maintenance overhauls were completed at both Eti Soda and Kazan Soda, on time and on budget.
- The Company maintains a large inventory of spare parts and equipment, with common components across Eti Soda and Kazan Soda, and an experienced maintenance and engineering team that are able to quickly repair or replace most critical equipment, in the event of a failure.
- We are developing alternative export routes, in different parts of Türkiye and utilising different transportation routes to mitigate the potential impact of a natural disaster or operational disruption at Derince Port.

## Our principal risks and uncertainties continued

### Environmental impact (particularly water)



#### Description of risk

We believe we have the lowest water intensity compared to synthetic soda ash producers. However, the water catchment area surrounding the Group's operations is already experiencing water stress, which is likely to increase as a result of climate change. Because the Group's operations are water intensive, there is a risk that the Company will be unable to secure sufficient water to sustain its operations or could potentially face growing competition for water with local communities.

#### Response to risk

- We operate with a well-defined water stewardship strategy to protect and preserve the water resources of our communities and our operations, and we maintain the ISO 14001 Environmental Management System.
- Climate Resilience and Water Stewardship Working Groups have been established to develop response strategies.
- We actively monitor our water intensity and have ongoing operational reviews to apply technologies and efficiency measures to reduce water consumption.
- We have set the target to further reduce our water intensity by 20% over the next five years (relative to a 2022 baseline).

#### Key

- Low impact
- ▲ Low likelihood
- Medium impact
- ▲ Medium likelihood
- High impact
- ▲ High likelihood

### Emergency response & disaster recovery



#### Description of risk

By its nature, large scale mineral processing (and solution-extraction) brings with it a number of potential hazards, including but not limited to, surface subsidence, industrial accidents, environmental incidents and the risk of fire or explosions. If these potential hazards materialise they could have a material adverse impact on the Group's operations, either through damage to key facilities, reputational damage, or potential liabilities if harm is caused to individuals or the environment.

#### Response to risk

- The Sustainability Committee has oversight of operational risks, including health & safety.
- Safety equipment is in place to enhance early detection of any incident and reduce the impact.
- There is an Emergency Action Plan in place covering the impact of each potential hazard, which is reviewed periodically.

## Our principal risks and uncertainties continued

### Transportation & logistics



#### Description of risk

Due to the often significant time which it takes to transport our product to our customers, combined with the essential nature of our product in the production processes in which it is used and the relatively small quantities of product inventory which our customers typically hold at their facilities, the reliability of our customer supply chain is critical. In addition, a substantial portion of our costs are attributable to the transportation expenses in relation to delivering product to our customers. Any increase in transportation costs or interruptions to our customer supply chain, could have a negative impact on the financial performance of the Group and our relationships with our customers, if we are unable to deliver products in a timely or cost-effective manner.

#### Response to risk

- Security and reliability of supply is one of the most important factors defining our relationships with our customers and we have a long track record of delivering product to our customers in a timely and cost-effective manner.
- We have time chartered a fleet of vessels to be better able to control delivery schedules and transportation costs for a significant part of our export volumes.
- We are developing a product storage and logistics hub at Terneuzen, Netherlands to reduce supply chain risk, provide further logistics flexibility and better serve our customers in north-west Europe and the UK.

#### Key

- Low impact
- ▲ Low likelihood
- Medium impact
- ▲ Medium likelihood
- High impact
- ▲ High likelihood

### Strategy execution



#### Description of risk

The Group may fail to execute its strategy and may not meet its strategic objectives. Amongst others, this could be due to insufficient financial resources being available when needed or the lack of infrastructure needed to facilitate growth. A failure to achieve strategic objectives or to grow at the expected rate could have a negative impact on the operating and financial performance of the Group, the relationship with financial stakeholders and the overall reputation of the Group.

#### Response to risk

- There is regular and thorough Board oversight, evaluation and review of the Group's strategy and execution against its strategic objectives.
- During 2023, the Group will hold a strategy review day including executive management and the Board.
- Management is incentivised to deliver on the long-term strategy and growth of the Group.
- The Group is committed to a capital allocation policy with Total Net Leverage Ratio of not more than 2x Net Debt to Last Twelve Months EBITDA.
- The Group maintains a broad range of relationships with international lending banks and generates significant cash flow to be able to fund its growth plans.

## Our principal risks and uncertainties continued

### Information technology (“IT”) & cybersecurity



#### Description of risk

If the IT used within the Group does not meet operational needs or experiences faults or failure, this could have a negative impact on the ability to conduct operations or execute business, in turn impacting the financial performance of the Group. In addition, the Group is in the process of separating its IT systems from the Ciner Group and this could expose the Group to potential operational issues.

#### Response to risk

- We invest in, maintain and develop robust IT systems at our headquarters, our production facilities and within our customer supply chain to support our global operations.
- Our IT systems are centrally managed, but physically segregated. They are regularly tested and are fully ISO 27001 certified. Our information security management system is externally audited once a year and internally audited twice a year within the scope of ISO 27001.
- Post period end, we have engaged a professional search firm to recruit a Chief Information Officer who, amongst other things, will be responsible for our global IT strategy and implementation, to ensure standalone management of IT as our Group expands globally.

#### Key

Low impact

Medium impact

High impact

Low likelihood

Medium likelihood

High likelihood

### Key person dependency



#### Description of risk

The Group is reliant on the knowledge, skills and experience held within key members of the executive management team and other key employees. Any attrition could have a negative impact on the Group’s ability to achieve its strategic goals and objectives. Because our operations are highly specialised, we could face difficulties in replacing key management and staff, which could have a material impact on the ability of the Group to execute its strategy and impact the long-term operating and financial performance of the Group.

#### Response to risk

- Post period end, a thorough succession plan is being developed to ensure sufficient quality and depth of succession resources in key managerial areas, which will be reviewed and approved by the Board.
- The strength and depth of the talent pool within operations and management are constantly developing. We aim to attract, develop and retain the best talent. We engage with potential employees through multiple channels including participating in university career days and providing internship opportunities.
- Post period end, we have engaged a professional search firm to recruit a Global Head of Human Resources who, amongst other things, will focus on broadening and deepening the pool of next generation leaders within our Group.

## Our principal risks and uncertainties continued

### Communities



#### Description of risk

We consider ourselves a part of the communities in which we operate and by supporting our local communities, we believe we create long-term value for our communities and for our business. However, there are already some concerns among local stakeholders regarding the eventual closure of our facilities and the impact which this may have on local communities, especially as social support and employment opportunities are generally limited. There is a risk that the Group may encounter rising community expectations that are increasingly difficult to meet, with social licence to operate implications.

#### Response to risk

- Eti Soda and Kazan Soda management and employees regularly meet with local community leaders on a formal and informal basis.
- In Türkiye we operate in mainly agricultural areas but we have very limited impact on pre-existing land use, enabling our facilities to easily co-exist alongside the farming communities which surround us.
- We seek to align our social responsibility initiatives with those UN SDGs relevant to our operations.
- We support a diverse range of community projects in Türkiye and the UK with our time, capabilities and total direct financial and charitable contributions, which in 2022 amounted to \$1.1 million.
- Our aim is to maintain and increase our community engagement and social impact over time, with the objective of having a long-term positive impact on more people within the communities that matter to us.

#### Key

- Low impact
- ▲ Low likelihood
- Medium impact
- ▲ Medium likelihood
- High impact
- ▲ High likelihood

### Macroeconomic



#### Description of risk

The demand and price for our products could be impacted by a range of macroeconomic factors, particularly as the Group supplies to large industrial customers in every major economic region of the world, including significant quantities to emerging economies. An economic recession in one or more regions may negatively affect the demand and/or price for our products.

#### Response to risk

- The market for soda ash is forecast to remain tight in terms of supply-demand balances until at least 2030.
- Soda ash is an essential ingredient in a variety of industrial processes and has no economically feasible and environmentally viable substitute in almost all such processes, providing significant shelter from macroeconomic factors.
- Many of the products in which soda ash is used are important to facilitating the energy transition, including container and flat glass, PV solar, lithium batteries for EVs and a variety of other environmental applications.
- The annual demand for soda ash globally is forecast to grow by a further 16 million mtpa by 2030, with 75% of this growth being driven by sustainable end uses, most of which exhibit long-term, non-cyclical structural growth<sup>1</sup>.

## Our principal risks and uncertainties continued

### Geopolitical



#### Description of risk

The demand and price for our products could be impacted by a range of geopolitical factors, particularly as the Group supplies to almost eighty countries around the world. These could include conflicts, such as that between Russia and Ukraine, and other political factors, such as Brexit. Consequences of these geopolitical factors, including sanctions and trade deals, could have a material impact on how the Group conducts its operations and business.

#### Response to risk

- During 2022, against the backdrop of the Russia-Ukraine conflict and the subsequent impact on the energy market, the soda ash market remained resilient, with product prices and Group profitability increasing.
- The market for soda ash is forecast to remain tight in terms of supply-demand balances until at least 2030.
- Soda ash is an essential ingredient in a variety of industrial processes and has no economically feasible and environmentally viable substitute in almost all such processes, providing significant shelter from geopolitical factors.
- The Group has low cash production costs as well as lower energy intensity and a lower level of fixed costs, relative to other higher cost synthetic soda ash producers that represent over 70% of global soda ash supply. As a result, the Group expects to be able to substantially maintain its profitability even if global soda ash demand declines.

#### Key

- |                |                   |                 |
|----------------|-------------------|-----------------|
| Low impact     | Medium impact     | High impact     |
| Low likelihood | Medium likelihood | High likelihood |

### Customer & external stakeholder expectations

(especially around sustainability)



#### Description of risk

The expectations of customers and other external stakeholders are evolving rapidly, especially regarding sustainability, and the Group is likely to face new demands as a result – especially following an IPO. While there is a degree of uncertainty over the nature and scale of these demands, they may result in increased capital expenditure<sup>3</sup> and operating costs for the Group, with possible implications for customer and other external stakeholder relations if expectations cannot be met.

#### Response to risk

- There is regular and thorough Board oversight, evaluation and review of the Group's strategy and execution against its strategic objectives.
- Executive management closely monitors customer and other external stakeholder expectations.
- Sustainability is integrated into everything we do and it is embedded throughout our governance and management framework.
- Within our industry, we believe we are a sustainability leader because we produce soda ash with the lowest Scope 1 & 2 CO<sub>2</sub>e emissions intensity, water intensity and waste, compared to synthetic soda ash producers and we believe that we have the lowest impact on nature and the environment<sup>2</sup>.
- Through our various sustainability initiatives, we plan to maintain, and potentially extend, our leadership position over time.

## Our principal risks and uncertainties continued

### Netback price<sup>3</sup>



#### Description of risk

The financial performance of the Group is dependent on the price at which we sell our products and/or the cost of distributing our products to our customers. A decline in the price of soda ash and sodium bicarbonate, or an increase in transportation costs could have a significant impact on the Group's revenues and profitability. Price fluctuations are principally driven by supply-demand balances, amongst other factors, which may be outside the Group's control.

#### Response to risk

- The Group goes through an annual sales contracting process in the fourth quarter of each year, which defines the volume and pricing structure of sales to each customer for the following year's deliveries and provides some visibility over future year revenues.
- The Group has low cash production costs as well as lower energy intensity and a lower level of fixed costs, relative to other higher cost synthetic soda ash producers that represent over 70% of global soda ash supply. As a result, the Group expects to be able to substantially maintain its profitability even if global soda ash demand declines.

#### Key

Low impact

Medium impact

High impact

Low likelihood

Medium likelihood

High likelihood

### Production costs (particularly energy)



#### Description of risk

Approximately 60% of our Cash costs (\$ per mt) is related to energy costs, mainly natural gas. As a result, the Group is vulnerable to increases in the cost of energy, and particularly natural gas, and if we are unable to pass such cost increases on to our customers, this would impact our profitability.

#### Response to risk

- Since 2022, we have been able to pass natural gas cost increases on to substantially all of our customers, thereby maintaining our profitability, by increasing our sales prices for soda ash albeit with certain time lags, either through formal price adjustment mechanisms in our sales contracts, or through implicit adjustments of our contracted prices by capitalising on the tight supply-demand dynamics.
- Within our sales contracts for 2023 we have approximately 70% of our volumes sold on a fixed price basis and approximately 30% of our volumes sold on a variable price basis linked to energy input costs, which effectively allows us to adjust our sales prices to our customers based on changes in our natural gas costs, whilst maintaining our profitability.
- Post period end, executive management is evaluating the potential for hedging a significant volume of our anticipated natural gas purchases and thereby removing natural gas price volatility by locking in the future prices that we will pay for a significant proportion of our natural gas.

## Our principal risks and uncertainties continued

### Financial liquidity



#### Description of risk

The Group is exposed to financial liquidity risk as a result of customer credit arrangements, variable interest rates, foreign exchange exposures, capital expenditure<sup>3</sup> commitments, tax and debt service payments and increases in working capital as our business grows. There is a risk that changes in the pricing of our products, macroeconomic changes impacting the financial condition of our customers or other changes in the operating and financial landscape could have a negative effect on the cash flow and financial liquidity available to the Group.

#### Response to risk

- The Group manages liquidity risk by maintaining adequate reserves, suitable banking facilities, and reserve borrowing facilities.
- The Group continuously monitors cash flow projections and matches the maturity profiles of financial assets and liabilities.
- The Group has a strategy to maintain a minimum of \$100 million cash liquidity. In addition, it also maintains a committed RCF facility with an initial size of \$170 million.
- The Group's credit facilities have both fixed and variable interest rates and the Group employs an active system to manage interest rate exposure using fixed/floating interest rate contracts. It also uses derivative instruments where necessary for hedging purposes.
- The Group manages currency risk between its operating entities in Türkiye which have a mix of Turkish lira and US dollar cost exposure and Group functional currency of the US dollar to minimise the impact of volatility in exchange rates.

#### Key

Low impact

Medium impact

High impact

Low likelihood

Medium likelihood

High likelihood

### Legal & regulatory compliance



#### Description of risk

Any failure to comply with the legal & regulatory obligations to which the Group is subject could expose the Group to potential fines and/or reputational damage. The range of potential areas for concern could include IP litigation, competition and environmental regulation. Furthermore, regulatory authorities have the ability to order operations to be temporarily or permanently closed under certain circumstances, which could have a material negative impact on the ability of the Group to operate.

#### Response to risk

- The Board, Audit & Risk Committee and executive management regularly monitor and review key risks. This is supported by a range of policies, including those regarding adherence to anti-money laundering, sanctions compliance, and anti-bribery and corruption requirements.
- Our Chief Legal Officer and Company Secretary closely monitor any changes to relevant legislation, and legal and regulatory frameworks and our ongoing compliance.
- The Group uses its own registered trademarks and patents.
- All contracts are carefully reviewed by internal and specialist external counsels as required, including all distribution contracts which are reviewed by anti-trust counsel.
- In 2022, no significant instances of non-compliance were noted, and the Group did not incur significant fines or non-monetary sanctions.

<sup>1</sup> Source: Advancy research, March 2023.

<sup>2</sup> We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 4.44, Scope 1 & 2 CO<sub>2</sub>e emissions intensity of 0.343, water intensity of 2.04, and total waste directed to disposal of 73,384 mt (in each case for 2022) as these metrics provide a relative and comparable measure of performance across our industry.

<sup>3</sup> See definitions of Alternative Performance Measures on page 197.

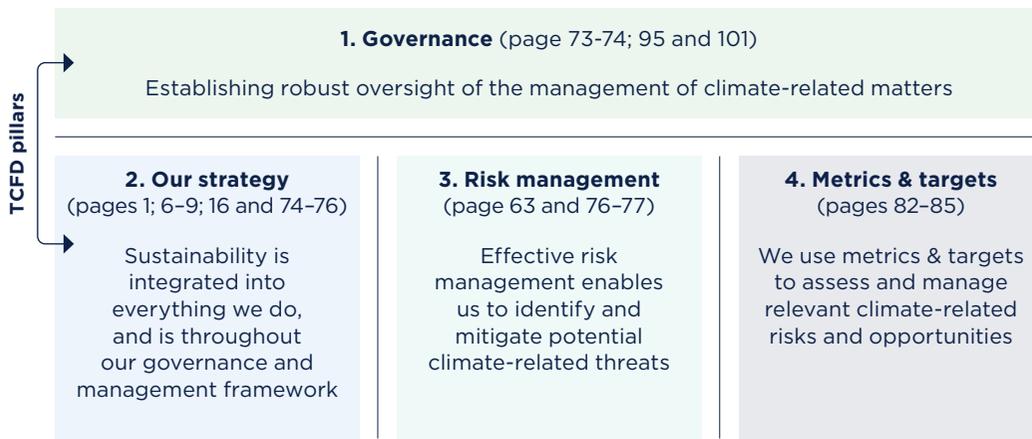
# TCFD<sup>1</sup>

Climate change presents a significant global risk, and we are committed to protecting the environment and nature by using natural resources responsibly.

This is our first Annual Report disclosure in line with the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). We do not yet consider ourselves fully compliant with the TCFD recommendations. The following section is structured around the four core pillars of TCFD (Governance, Strategy, Risk Management and Metrics & Targets) and it describes the work we have so far completed to align our reporting with the TCFD recommendations.

During 2022, we strengthened the alignment of our reporting on climate-related matters with the TCFD recommendations, and also with the growing expectations of our stakeholders. We are committed to continuing to enhance our climate-related disclosures and throughout this section we have set out our commitments to further improve our disclosures, including those initiatives which we intend to implement at both a Group and at an operational level. In addition to our TCFD disclosure, both Eti Soda and Kazan Soda have continued to report to the CDP (formerly, the Carbon Disclosure Project) and detailed reports and scores can be found on the CDP website (for Kazan Soda, see CDP and for Eti Soda, see CDP).

## Our TCFD-informed approach to climate-related matters



<sup>1</sup> Non-financial group data is based on Turkish operations and UK and Turkish corporate and administrative functions; it does not include US associates, discontinued operations and subsidiaries.



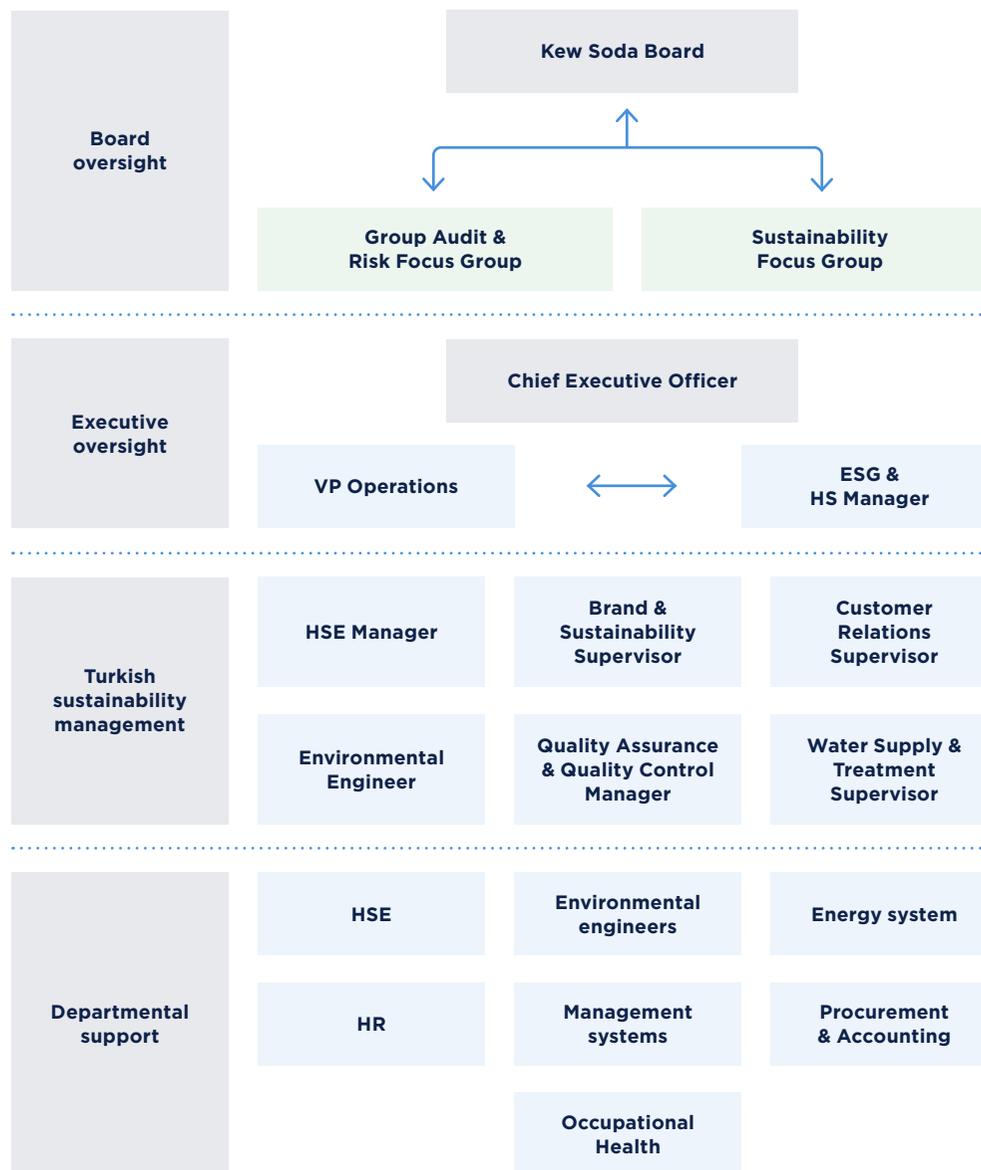
# TCFD continued

## 1. Governance

### Board oversight

Managing climate change is one of our strategic priorities, and the responsibility and oversight for this sits with our Board and its committees. At Board level, our CEO has overall responsibility for sustainability and our strategic responses to the associated risks and opportunities. To support the oversight of climate-related matters, the Board established two “Focus Groups” in 2022, which were formally constituted as Board committees in February 2023. These include the Audit & Risk Committee and the Sustainability Committee, chaired by Samantha Hoe-Richardson and Rosalind Kainyah, respectively. Both Samantha and Rosalind bring significant sustainability-related experience to these committees, from their past executive and non-executive roles where they have either served as head of environment and sustainability at large UK corporations or have experience in environmental law and policy, as well as Board-level sustainability experience within other corporations.

### Our oversight of climate-related matters in 2022



From 2023, the Sustainability Committee will support the Board’s oversight of and advise upon climate-related matters, as well as the development and implementation of sustainability initiatives and strategy across the Group. The Committee will seek to approve our new sustainability framework and, to ensure that we are performing and reporting in a manner consistent with best practices, the Committee will also review our performance against our policies and targets. The Sustainability Committee will meet at least four times during 2023.

In relation to TCFD, the Audit & Risk Committee was established to further assist the Board with reviewing the Group’s risk management and internal controls, alongside its audit and financial, whistleblowing, fraud, and compliance oversight. In 2023, we plan to approve a revised enterprise risk management framework following a comprehensive risk assessment which will take into consideration all of our key risks, including those related to sustainability, legal and regulatory compliance, and climate-related risks. The Audit & Risk Committee will meet at least four times during 2023.

Climate-related matters are considered when annual budgets, business plans and risk management policies are adopted by the Board. We currently have several climate-related targets associated with the performance of our operating facilities. In 2023, we will look to establish consolidated climate-related targets for our Group as a whole.

## TCFD continued

### Management's role

Climate change represents a significant business risk. We acknowledge our role in the global initiative to ensure that we achieve a “below 1.5°C” global warming outcome. Climate-related risks have the potential to impact our operations, and managing our exposure to the risks and seizing opportunities to enhance our climate resilience are a core part of our sustainable operating model.

In 2022, executive management worked alongside our local Sustainability Management Committees at each operation to ensure oversight in the setting and monitoring of sustainability-related targets. Local working groups at each operation, supported the local committees, co-ordinated and implemented initiatives on the ground to enable us to realise our metrics and targets. Progress against approved targets and action plans were reviewed at monthly meetings of the local committees and working groups.

To further enhance our management of climate-related matters across our operations, in 2023 we are working towards incorporating sustainability and climate-related KPIs into our performance reviews and our approach to remuneration. We have also appointed a Turkish Sustainability Director who, working with executive management, strengthens sustainability governance and strategy implementation at our operations.

### Our climate governance commitments

We are committed to enhancing our climate-related governance structures to further align with the TCFD guidance. To achieve this, we have committed to the following actions during 2023:

**Finalise management roles and responsibilities and convene topic-specific working groups, across our operations, as they relate to climate change.**

**Establish formal oversight and reporting structures for the Sustainability Committee, as it relates to climate-related governance and oversight of performance.**

**Develop formal internal sustainability guidance, setting out policies, responsibilities, and team composition (including new positions).**

**Set a regular schedule of working sessions to further enhance the Board's understanding of how climate-related issues are managed.**

## 2. Our strategy

We define our purpose as *“to responsibly produce essential ingredients for a sustainable future”*. This is our guiding principle upon which we make our strategic decisions and conduct our corporate activities. Sustainability is integrated into everything we do, and it is embedded throughout our governance and management framework.

Our climate-related risks and opportunities have been identified with various timescales and are summarised in the table on page 75.

### Time horizons we use to assess our climate-related risks and opportunities

Short term	Medium term	Long term
0-2 years	2-5 years	5-30 years

We have undertaken high-level scenario analyses for both Eti Soda and Kazan Soda to identify relevant TCFD-aligned climate-related risks and opportunities across the following categories: technology, legal, market, reputational, acute physical and chronic physical, products and services, resource efficiency and energy sources.

### Impact of climate-related risks and opportunities on our business strategy and financial planning

Our plans to reduce our CO<sub>2</sub>e emissions and water intensity are driven by the impact that climate-related risks and opportunities have on our strategy. These targets are described in more detail in the Metrics & Targets section on page 82. We also consider climate-related issues within our financial planning process and their potential impact on our financial performance. Identified climate-related issues feed into our plans and decisions, and our capital expenditures<sup>1</sup> and allocation of funding have been influenced by these issues in the past. For example, to highlight the impact of our products on climate change, we decided to perform a life-cycle assessment certification and we have demonstrated that our Scope 1 & 2 CO<sub>2</sub>e emissions intensity is around one-third of the level of synthetic soda ash producers.

Further information regarding the impact of the energy transition and physical climate-related risks and opportunities across our business are shown in the tables on page 75. These were identified based on our own internal evaluation, and we are currently working with the global sustainability consultancy ERM to update our findings and strengthen our climate-related assessment and quantification.

<sup>1</sup> See definitions of Alternative Performance Measures on page 197.

## TCFD continued

## Transition risks and opportunities for our Group

Item	Risk/opportunity	Description
<b>Carbon price</b>	<b>Risk</b>	Türkiye has a national GHG emission reduction target of 21%, equivalent to 246 million mt of CO <sub>2</sub> e from the Business as Usual (“BAU”) level by 2030. Climate-related risks, especially the risk of implementation of European Green Deal Carbon Border Adjustment Mechanism (“CBAM”), and potential inclusion of soda ash within the scope and the expected Emissions Trading System (“ETS”) in Türkiye, has influenced our financial planning. Furthermore, there is an expectation that carbon-related taxation will be introduced to organisations, without taking into consideration sector averages or benchmarking Scope 1 & 2 CO <sub>2</sub> e intensity values.
<b>Changing customer behaviour and priorities</b>	<b>Risk</b>	Currently, 100% of the steam and approximately 16% of electrical energy required by Eti Soda is fuelled by coal. Fossil fuel use remains an issue with increasing scrutiny from stakeholders and customers as to the provenance of the soda ash and its accumulated carbon footprint. We have committed to achieving Net Zero Scope 1 & 2 CO <sub>2</sub> e emissions by 2050 and to reducing our Scope 1 & 2 CO <sub>2</sub> e emissions intensity by 20% within the next five years and by 40% within the next ten years, relative to a 2022 baseline.
<b>Shift in customer preferences</b>	<b>Opportunity</b>	Soda ash is the tenth most consumed industrial ingredient in the world. It is used in glass production (including solar PV glass), powdered detergents and various chemical processes including the production of lithium carbonate used in EV batteries and in the production of silicates and various sodium-based chemicals, including sodium bicarbonate. Within an increasingly environmentally conscious world, there is a growing demand for lower carbon more sustainably produced natural soda ash.
<b>Use of lower-emission sources of energy</b>	<b>Opportunity</b>	At Eti Soda we plan to increase the use of biomass to reduce coal usage, as well as to reduce fly ash waste. Following the success of an initial biomass trial, we are planning that biomass will account for around 4% of all cogeneration fuel consumption at Eti Soda in 2023, gradually increasing to 12% over the next five years, reducing Scope 1 & 2 CO <sub>2</sub> e emissions intensity and waste. During 2022 we installed 7MW of solar PV capacity at our facilities which came on-stream during the first quarter of 2023, with a further 3MW planned by year end 2023. We have performed wind power tests and we are conducting an ongoing feasibility study to assess our full renewable power potential in Türkiye. We estimate that we can deliver up to 100MW of solar PV and over 100MW of wind power by 2027.
<b>Use of new technologies</b>	<b>Opportunity</b>	Increasing awareness of climate change issues, as well as the desire to transition to a lower carbon economy, directs us to various energy efficiency and Scope 1 & 2 CO <sub>2</sub> e reduction initiatives, which have helped us achieve cost savings from reduced fuel, raw materials and energy usage as well as improve our sustainability performance. We have been assessing the opportunity to generate renewable energy to supplement our power needs at Kazan Soda and Eti Soda, and we are aiming to significantly increase the amount of renewable energy we produce and use at both facilities. Amongst others, we are also planning to develop the use of carbon capture and liquification/storage technologies for process and combustion CO <sub>2</sub> emissions and to reduce our water consumption through the use of dry air-cooling systems.
<b>Reduced production due to water scarcity</b>	<b>Risk</b>	Türkiye is likely to experience water scarcity due to the impact of climate change. Water is an essential input to our production process, as well as being important to the local communities in which we operate. An increased risk of water scarcity could mean that we are unable to secure sufficient water to sustain our operations or we could potentially face growing competition for water with local communities. In order to help mitigate this risk, we have committed to reducing our water intensity by 20% over the next five years, relative to a 2022 baseline.
<b>Logistics disruption due to extreme weather</b>	<b>Risk</b>	Almost 80% of our products are transported by sea, mainly in bulk format and today our product is transferred from our operations to our export facilities using road transport. There is a risk of disruption to inland transportation due to extreme weather conditions. Product transfer onto vessels can also only be completed at maximum rates in dry weather conditions. A concurrent loss of product at sea due to weather could result in significant delivery delays and inventory loss. In 2023, we will be developing a new logistics hub at Terneuzen, Netherlands which will serve as a hub for our product in Northern Europe and the UK, and which will partially mitigate the impacts of severe weather disruption to our logistical operations.

## TCFD continued

### Resilience within our climate strategy

We have conducted a high-level scenario analysis to understand how each identified climate-related risk and opportunity may develop under different climate scenarios. The table below shows which scenarios were considered for the physical and transition risks and opportunities at Eti Soda and Kazan Soda. The time horizons which were considered are already described on page 74.

There was one scenario used to represent physical risk and one used to represent

transition risk, as these are regarded as the most realistic scenarios, given current policies and a warming trajectory of 2.6°C by 2100. We have also disclosed how climate-related risks and opportunities may impact our strategies and financial expenditure.

During 2023, we plan to conduct an updated, more in-depth assessment with the support of ERM, which will consider two scenarios (low- and high-carbon) for transition and physical risks and opportunities as recommended by TCFD.

Climate-related scenario	Scenario analysis coverage	Parameters
<b>Transition scenario – International Energy Agency’s (“IEA”) NZE 2050</b>	Company-wide (Kazan Soda and Eti Soda)	We aim to have Net Zero CO <sub>2</sub> e emissions by 2050
<b>Physical Climate Scenario – RCP 4.5 (from the Intergovernmental Panel on Climate Change; IPCC)</b>	Company-wide (Kazan Soda and Eti Soda)	We aim to align with the 1.5°C scenario

### Our climate strategy commitments

Develop a medium and long-term plan for reducing (and potentially eliminating) CO<sub>2</sub>e emissions for the Group.

Develop a water stress focused climate resilience assessment for the Group.

Develop a water consumption reduction strategy (with a particular focus on opportunities at Kazan Soda).

Prepare for Science Based Targets initiative (“SBTi”) recommitment for the Group by 2026.

## 3. Risk management

### Identifying and assessing climate-related risks

Our risk assessment activities consider emerging regulation, and physical, market and technology risks, as recommended by TCFD guidance.

We review climate-related risks as part of our enterprise risk management review. This is currently a separate process completed at Eti Soda and Kazan Soda. From 2023, we plan to cover it at Group level. Our climate risk management process is integrated into a multi-disciplinary, Group-wide risk management process that is reviewed more than once a year, following the principles of: Define; Analyse; Plan; Monitor & Measure and React/Respond.

Risks are evaluated in terms of their probability of occurrence and the potential impact which they may have on our business and strategy on a scale of 1-5, where the lowest probability of occurrence is 1 and the highest is 5 and where, in terms of likely impact, 1 indicates that the outcome of the risk is of little significance and 5 is very significant. Risk impacts are categorised under a number of categories including financial loss, reputational loss, production loss, climate change impact, and water impact.

### Our integrated approach to climate-related risk management

We understand the importance of the integration of climate-related risk management within our wider risk management framework. Effective risk management enables us to identify and mitigate potential threats and take advantage of potential opportunities associated with our strategy, business and operations. The executive management team is responsible for our day-to-day risk management activities, including the management of our climate-related risks. Accountability of our overall risk position currently lies with the Board and our Chief Strategy & Risk Officer, reporting to the CEO. Alongside the newly formed Sustainability Committee and Audit & Risk Committee, the Board ultimately oversees our risk management procedures, including climate change risks. Executive management at the site level regularly reviews our operational and sustainability risk management framework, with the oversight of our Chief Operating Officer and Chief Strategy & Risk Officer, to ensure its effectiveness.

## TCFD continued

Currently climate-related risks and opportunities are assessed annually and audited external integrated systems auditors (to ISO 1400, ISO 50001 and ISO 14064-1 standards) during site audits. In 2023, we are planning an in-depth review and re-evaluation of our current processes around integrated climate risk and opportunity analysis.

### Our climate-related risk management commitments

**Develop enterprise level risk inventory, including sustainability and climate-related risks.**

**Agree a process for monitoring, responding to and updating the climate-related risk register.**

**Conduct a more detailed climate scenario analysis.**

**Further focus on financial quantification of the identified climate-related risks.**

## 4. Metrics & targets

As part of our approach to monitor our performance across important sustainability areas, we track several environmental metrics to evaluate our impact and progress. These include operational metrics related to:

- energy use and CO<sub>2</sub>e emissions;
- water usage in terms of withdrawal, recycling and discharge; and
- waste generation and disposal.

Our metrics are listed on pages 82–85 of this report.

Our CO<sub>2</sub>e emissions methodology is informed by the following guidance:

- GHG Protocol Corporate Accounting and Reporting Standard (revised edition);
- requirements of the UK's DEFRA Environmental Reporting Guidelines; and
- ISO 14064-1.

Refer to pages 26–45 of our Operating sustainably report, for details of our performance against these and other sustainability-related key performance indicators.

### Our climate metrics & targets commitments

**Develop a Group-wide decarbonisation roadmap to achieve short, medium and long-term targets for our Scope 1 and 2 CO<sub>2</sub>e emissions.**

**Develop a Group-wide five and ten-year Scope 3 CO<sub>2</sub>e emissions reduction target.**

**Seek validation of our Group-level Net Zero target by the SBTi by 2026.**

**Maintain our research and development focus to identify new projects and technologies that will support reaching our targets.**

## Concluding statement

We believe sustainable business is good business, and we are committed to operating sustainably in an environmentally and socially responsible way. As such, tackling climate change is one of our key priorities. Today, we are the only soda ash producer in the world outside China to use the solution-extraction method on a commercial scale, which we believe allows us to produce soda ash with the lowest CO<sub>2</sub>e emissions intensity and water intensity within our industry and with almost no waste. As a result, we believe that we have the lowest impact on nature and the environment<sup>1</sup> within our industry, and we are confident this will enable us to benefit from climate-related opportunities ahead.

We have made a good start in strengthening the alignment of our reporting on climate-related matters with the recommendations of the TCFD. We are already capturing a broad range of metrics and we will look to further improve our disclosures over time, setting measurable targets in line with the SBTi. We have developed an action plan for 2023, including steps to improve our internal processes and external scenario analysis, and we are committed to continue disclosing to other frameworks, in addition to our TCFD disclosures.

<sup>1</sup> We determine our impact on nature and the environment in comparison to our peers through the assessment of our energy intensity of 4.44, Scope 1 & 2 CO<sub>2</sub>e emissions intensity of 0.343, water intensity of 2.04, and total waste directed to disposal of 73,384 mt (in each case for 2022) as these metrics provide a relative and comparable measure of performance across our industry.

## Section 172 statement

Our formal Section 172 Statement is set out on this page. Further information regarding how the principles underpinning Section 172 are reflected across our wider business are incorporated by cross-reference in the table at the end of the statement.

In their discussions and decisions during 2022, the Directors have acted in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (and in doing so have regard to the matters set out under Section 172(1) (a) – (f) of the Companies Act 2006).

### Stakeholders

The Board and its committees recognise the value and importance to our business of all stakeholders. The Board actively engages, directly and indirectly, with our employees and our wider stakeholders to ensure that their opinions and concerns are taken into account when making decisions. The Sustainability Committee now oversees engagement with stakeholders, with particular focus on our employees and the communities in which we operate. Our Chief Operating Officer has responsibility for our operations at Eti Soda and Kazan Soda, with responsibility for health & safety and direct engagement with employees at those sites. He reports outcomes of employee engagement to the CEO and, going forward, also to the Sustainability Committee, ensuring that the employee voice is heard at Board level. Our Global Sustainability Director provides additional oversight of health & safety as well as local community engagement, and she also regularly reports to the Sustainability Committee. This structure ensures that the Board is kept fully apprised of the material issues associated with these stakeholder groups.

To facilitate a greater understanding and prioritisation of broader stakeholder issues, this year we conducted a materiality assessment where we considered the interests of all stakeholders, including our employees. These interests have been used to inform our engagement programmes with employees, customers and local communities. We seek to provide an environment which carefully considers the interests of our employees, ensuring that their workplace is safe and fair. This year, our priority focus has been on the personal safety and process safety management practices at both Eti Soda and Kazan Soda, with the objective of achieving international best practice standards. To help achieve this, the Board recommended the services of an expert safety consultancy to support management.

In August 2022, the Board visited our Turkish operations. Site visits allow for direct communication with employees, providing an opportunity for employees to give direct feedback and for the Board to develop a more in-depth understanding of the operations of the business.

### Responsible business strategy

During the year, the Board discussed different elements of our strategy to ensure the long-term success of the Group. Our strategy aims to grow the business organically through investment in and the development of our existing assets, as well as the development of new greenfield projects in Wyoming, US, using innovation and operational experience to ensure our processes are low cost, efficient and sustainable. Post period end, in February 2023, committees were established to allow the Board to delegate responsibility and ensure that key issues can be considered in more detail.

The newly formed Sustainability Committee has oversight for the development and implementation of the Group's sustainability initiatives including the review of sustainability strategy, policies, compliance systems and monitoring processes, and to ensure that the Group is performing and reporting in a manner consistent with international best practice.

The Board acknowledges its responsibility for maintaining the reputation of the Group as a leader within its industry. This year the

Board completed a comprehensive review of governance policies, which included a new sustainability policy as well as an update of existing policies to ensure we conduct our business to international best practice standards. In 2023, we are planning a strategy day, involving the senior executive management and the Board, which will allow us to review progress against our strategic priorities, to assess the future growth opportunities for the Group and to further refine our approach to sustainable business development.

Section 172 factor	Relevant disclosures
<b>The likely consequences of any decision in the long term</b>	<ul style="list-style-type: none"> <li>Our business model (page 16)</li> <li>Our strategy (page 18)</li> <li>Key performance indicators (page 51)</li> <li>Risk management and Principal risks (page 63)</li> <li>Board activities (page 97)</li> </ul>
<b>Interests of employees</b>	<ul style="list-style-type: none"> <li>Our stakeholders (page 59)</li> <li>Operating sustainably report – Our people (page 31)</li> </ul>
<b>Fostering the Company's business relationships with suppliers, customers and others</b>	<ul style="list-style-type: none"> <li>Our business model (page 16)</li> <li>Our strategy (page 18)</li> <li>Our stakeholders (page 59)</li> </ul>
<b>Impact of operations on the community and the environment</b>	<ul style="list-style-type: none"> <li>Our strategy (page 18)</li> <li>Our stakeholders (page 59)</li> <li>Operating sustainably report – Our people (page 31)</li> <li>TCFD (page 72)</li> </ul>
<b>Maintaining a reputation for high standards of business conduct</b>	<ul style="list-style-type: none"> <li>Risk management and Principal risks (page 63)</li> <li>Corporate governance (page 98)</li> </ul>
<b>Acting fairly between members of the Company</b>	<ul style="list-style-type: none"> <li>Our stakeholders (page 59)</li> </ul>

## Our performance indicators<sup>2</sup>

### Social performance indicators

Employee demography <sup>1</sup>	2020	2021	2022
<b>Total number of employees</b>	<b>1,340</b>	<b>1,408</b>	<b>1,373</b>
Male	1,210	1,274	1,224
Female	130	134	149
<b>Number of permanent employees</b>	<b>1,229</b>	<b>1,296</b>	<b>1,372</b>
Male	1,099	1,162	1,223
Female	130	134	149
Türkiye	1,207	1,273	1,346
UK	22	23	26
<b>Temporary employees (fixed term contracts)</b>	<b>111</b>	<b>112</b>	<b>1</b>
Male	111	112	1
Female	0	0	0
Türkiye	111	112	1
UK	-	-	-
<b>Non-guaranteed hours employees</b>	<b>0</b>	<b>0</b>	<b>0</b>
Male	0	0	0
Female	0	0	0
Türkiye	0	0	0
UK	-	-	-
<b>Full-time employees</b>	<b>1,340</b>	<b>1,408</b>	<b>1,373</b>
Male	1,210	1,274	1,224
Female	130	134	149
Türkiye	1,318	1,385	1,347
UK	22	23	26
<b>Part-time employees</b>	<b>0</b>	<b>0</b>	<b>0</b>
Male	0	0	0
Female	0	0	0
Türkiye	0	0	0
UK	-	-	-
<b>Contractors (temporary agency staff)</b>	<b>0</b>	<b>3</b>	<b>0</b>
<b>Percentage of employees covered by collective bargaining agreements</b>	<b>0</b>	<b>0</b>	<b>0</b>

Employee demography <sup>1</sup>	2020	2021	2022
<b>Total number of employees by age group</b>			
18-30	439	429	428
30-50	777	836	853
50+	124	143	92
<b>Other indicators of diversity</b>			
Minority groups	13	16	18
Disabled employees	32	31	34

1 Calculations based on headcount as at year end (31 December) for each of the reported years.

2 Non-financial Group data is based on Turkish operations and UK and Turkish corporate and administrative financials; it does not include US associates, discounted operations and subsidiaries.

Ratio of basic salary	2020	2021	2022
<b>Ratio of basic salary and remuneration (eg bonuses) of women to men for each employee category by significant locations of operations<sup>1</sup></b>			
Eti Soda	-15%	-17%	-19%
Kazan Soda	-30%	-21%	-29%

1 Significant areas of operations defined as locations that have over 100 FTE.

The ratio of basic salary has been calculated in line with UK Gender Pay Gap reporting requirements, using the snapshot date of 5 April.

Annual total compensation ratio	2020	2021	2022
<b>Ratio of annual total compensation for the highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)</b>	<b>152:1</b>	<b>212:1</b>	<b>159:1</b>

Calculations based on the total remuneration (including salary and bonuses) of individuals employed during each of the reported years, against the CEO's total remuneration for those years.

Gender balance of Board	2020	2021	2022
<b>Gender</b>			
Male	7	9	7
Female	1	1	3
<b>Age group</b>			
Under 30	0	0	0
30-50	3	3	2
Over 50	5	7	8
<b>Other</b>			
Minority	0	1	1

## Our performance indicators continued

### Social performance indicators continued

Employee retention/turnover	2020	2021	2022
<b>Number of employees hired</b>	<b>76</b>	<b>168</b>	<b>185</b>
Under 30	39	106	121
30-50	28	55	52
Over 50	9	7	12
<b>Gender</b>			
Male	57	149	156
Female	19	19	29
<b>Number of employees left</b>	<b>81</b>	<b>101</b>	<b>106</b>
Under 30	40	46	52
30-50	36	48	38
Over 50	5	7	16
<b>Gender</b>			
Male	64	87	91
Female	17	14	15
<b>Employee retention rate (remaining headcount during set period/starting headcount during set period) x 100</b>	<b>95%</b>	<b>93%</b>	<b>93%</b>

### Occupational health & safety

SGK reporting	2020	2021	2022
<b>Eti Soda</b>			
Total workforce headcount	549	554	582
Total working hours (thousands)	997.4	1,087.60	1,153.90
Number of fatalities	0	0	0
Number of work accidents	27	17	8
Total number of LTI <sup>1</sup> workplace accidents	22	14	5
Number of LTI lost workdays	266	112	26
Accident Frequency Rate <sup>2</sup>	27	16	7
LTI Severity Rate <sup>3</sup>	267	103	23
<b>Kazan Soda</b>			
Total workforce headcount	744	743	800
Total working hours (thousands)	1,215.70	1,465.90	1,583.40
Number of fatalities	0	0	0
Number of work accidents	39	35	21
Total number of LTI workplace accidents	33	30	21
Number of LTI lost workdays	355	600	402
Accident Frequency Rate	32	24	13
LTI Severity Rate	292	409	254
<b>Group</b>			
Total workforce headcount <sup>4</sup>	1,293	1,297	1,382
Total working hours (thousands)	2,213.10	2,553.40	2,737.40
Number of fatalities	0	0	0
Number of workplace accidents	66	52	29
Total number of LTI workplace accidents	55	44	26
Number of LTI lost workdays	621	712	428
Accident Frequency Rate	30	20	11
LTI Severity Rate	281	279	156

1 LTI Lost time injury.

2 Accident Frequency Rate = Number of work accidents divided by total working hours x 1 million.

3 LTI Severity Rate = Number of LTI workdays divided by total working hours x 1 million.

4 OHS data for Turkish sites only - headcount includes employees, trainees and leavers.

## Our performance indicators continued

### Social performance indicators continued

#### Occupational health & safety continued

RIDDOR reporting	2020	2021	2022
<b>Eti Soda</b>			
Total workforce headcount	549	554	582
Total working hours (thousands)	997.4	1,087.60	1,153.90
Total non-fatal reportable injuries <sup>1</sup>	5	4	1
Total recordable injuries <sup>2</sup>	4	1	0
<b>Total number of reportable and recordable injuries<sup>3</sup></b>	<b>9</b>	<b>5</b>	<b>1</b>
Deaths	0	0	0
Dangerous occurrences <sup>4</sup>	4	1	2
Total incapacitation days	177	81	9
Reportable non-fatal injury rate <sup>5</sup>	911	722	172
<b>Kazan Soda</b>			
Total workforce headcount	744	743	800
Total working hours (thousands)	1,215.70	1,465.90	1,583.40
Total non-fatal reportable injuries	10	17	13
Total recordable injuries	5	5	2
<b>Total number of reportable and recordable injuries</b>	<b>15</b>	<b>22</b>	<b>15</b>
Deaths	0	0	0
Dangerous occurrences	5	0	7
Total incapacitation days	301	558	372
Reportable non-fatal injury rate	1,344	2,288	1,625
<b>Group</b>			
Total workforce headcount <sup>6</sup>	1,293	1,297	1,382
Total working hours (thousands)	2,213.10	2,553.40	2,737.40
Total non-fatal reportable injuries	15	21	14
Total recordable injuries	9	6	2
<b>Total number of reportable and recordable injuries</b>	<b>24</b>	<b>27</b>	<b>16</b>
Deaths	0	0	0
Dangerous occurrences	9	1	9
Total incapacitation days	478	639	381
Reportable non-fatal injury rate	1,160	1,619	1,013

1 Total number of all reportable non-fatal injuries = Injuries resulting in incapacitation of 7+ days and certain serious injury incidents. In relation to RIDDOR, an accident is a separate, identifiable, unintended incident, which causes physical injury. This specifically includes acts of non-consensual violence to people at work.

2 Total number of recordable injuries = Injuries resulting in incapacitation of 3+ days up to 7 days inclusive.

3 All accidents with LTI of 3+ days incapacitation.

4 Dangerous occurrences are categorised under reportable incidents; however, they are not classified under total number of accidents.

5 Reportable non-fatal injury rate = Number of all reported non-fatal injuries divided by workforce headcount x 100,000.

6 OHS data for Turkish sites only – headcount includes employees, trainees and leavers.

Community engagement	2020	2021	2022
<b>Number of projects</b>	<b>17</b>	<b>16</b>	<b>19</b>
OpCos <sup>1</sup> : \$ spent on projects to support local communities (\$m)	\$0.30	\$0.40	\$0.58
WE Soda Ltd: \$ spent on projects to support local communities (\$m)	\$0.00	\$0.00	\$0.55
<b>Total: \$ spent on projects to support local communities (\$m)</b>	<b>\$0.30</b>	<b>\$0.40</b>	<b>\$1.13</b>

1 Operating companies (Eti Soda and Kazan Soda).

## Our performance indicators continued

### Environmental performance indicators

GHG emissions <sup>1,5,6</sup>	2020	2021	2022
Scope 1 (mt CO <sub>2</sub> e)	1,301,598 <sup>A</sup>	1,444,645 <sup>A</sup>	<b>1,502,425<sup>A</sup></b>
Scope 2 (market based) (mt CO <sub>2</sub> e)	213,998 <sup>A</sup>	246,077 <sup>A</sup>	<b>213,187<sup>A</sup></b>
Scope 2 (location based) (mt CO <sub>2</sub> e)	213,998 <sup>A</sup>	287,297 <sup>A</sup>	<b>274,360<sup>A</sup></b>
Scope 3 (mt CO <sub>2</sub> e) <sup>2,3</sup>	-	-	<b>1,040,197<sup>A</sup></b>
Total Scope 1 & Scope 2 (market based)	1,515,596 <sup>A</sup>	1,690,722 <sup>A</sup>	<b>1,715,612<sup>A</sup></b>
Carbon Emissions intensity (Scope 1 & 2 market mt CO <sub>2</sub> e/mt production) <sup>4</sup>	0.358 <sup>A</sup>	0.348 <sup>A</sup>	<b>0.343<sup>A</sup></b>
Total Scope 1 & Scope 2 (location based)	1,515,596 <sup>A</sup>	1,731,942 <sup>A</sup>	<b>1,776,785<sup>A</sup></b>
Carbon emissions intensity (Scope 1 & 2 location based mt CO <sub>2</sub> e/mt production) <sup>4</sup>	0.358 <sup>A</sup>	0.357 <sup>A</sup>	<b>0.355<sup>A</sup></b>

- 1 We have calculated our carbon footprint where we have operational control with respect to the internationally recognised standards provided by the Greenhouse Gas Protocol, published by the World Business Council for Sustainable Development and the World Resources Institute ("WBCSD/WRI Protocol"). Gases included in the calculation; CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. Source of GWP Values: IPCC 5th Assessment Report.
- 2 Scope 3 emissions calculations for 2022 include categories 1, 3, 4, 5, 6, 7 and 9.
- 3 Scope 3 emissions were not calculated according to the GHG protocol prior to 2022.
- 4 Carbon emission intensity is calculated as the total Scope 1 and 2 emissions across Eti and Kazan divided by the total mt of soda ash and sodium bicarbonate production across both sites.
- 5 <sup>A</sup> This data was subject to independent limited assurance by ERM CVS. ERM CVS's assurance report is available on page 201. For our 2022 basis of preparation for assured data please visit our website [www.wesoda.co.uk](http://www.wesoda.co.uk).
- 6 The CO<sub>2</sub>e emissions presented in the table above relates to the production activities of Eti Soda and Kazan Soda operations for the respective annual reporting periods.

Energy	2020	2021	2022
<b>Total energy purchased (MWh)</b>	<b>486,358</b>	<b>652,947</b>	<b>623,546</b>
Electricity	486,358	652,947	623,546
Heating	-	-	-
Cooling	-	-	-
Steam	-	-	-
<b>Total sold (MWh)</b>	<b>1,203,436</b>	<b>987,733</b>	<b>948,324</b>
Electricity	1,203,436	987,733	948,324
Heating	-	-	-
Cooling	-	-	-
Steam	-	-	-
<b>Energy consumption from renewable sources (MWh)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Solar power	-	-	-
Wind	-	-	-
<b>Energy consumption from non-renewable sources (MWh)</b>	<b>6,655,084</b>	<b>6,671,542</b>	<b>6,824,311</b>
Diesel fuel	10,140	13,915	20,495
Fuel oil	281	-	-
Coal	893,185	943,543	922,095
Natural gas	5,751,478	5,714,085	5,881,722
<b>Total energy consumption (MWh)<sup>1</sup></b>	<b>5,938,006</b>	<b>6,336,756</b>	<b>6,499,533</b>
<b>Total energy consumption (MMBtu)<sup>1</sup></b>	<b>20,261,320</b>	<b>21,621,913</b>	<b>22,177,330</b>
<b>Total energy intensity (MWh/mt production)<sup>2</sup></b>	<b>1.404</b>	<b>1.306</b>	<b>1.300</b>
<b>Total energy intensity (MMBtu/mt production)<sup>2</sup></b>	<b>4.791</b>	<b>4.456</b>	<b>4.435</b>

- 1 Total energy consumption is the sum of all renewable, non-renewable and purchased energy consumed less energy sold.
- 2 Energy intensity is calculated as the total MWh across Eti and Kazan divided by the total mt of soda ash and sodium bicarbonate production across both sites.

1 MWh equals 3.4121 MMBTU.

## Our performance indicators continued

### Environmental performance indicators continued

Water consumption	2020	2021	2022
<b>Total water withdrawal (m<sup>3</sup>) from all areas (fresh vs other)</b>	Fresh water	Fresh water	Fresh water
<b>i. Fresh water (≤1,000mg/L Total Dissolved Solids);</b>			
<b>ii. Other water (&gt;1,000mg/L Total Dissolved Solids).</b>			
Surface water	-	-	-
Ground water	-	-	-
Sea water	-	-	-
Produced water	-	-	-
Third-party water (fresh) <sup>1</sup>	9,184,164	9,632,199	10,208,333 <sup>A</sup>
<b>Total water withdrawal (m<sup>3</sup>) from water-stressed areas (fresh vs other)</b>	Fresh water	Fresh water	Fresh water
<b>i. Fresh water (≤1,000mg/L Total dissolved solids);</b>			
<b>ii. Other water (&gt;1,000mg/L Total dissolved solids).</b>			
Surface water	-	-	-
Ground water	-	-	-
Sea water	-	-	-
Produced water	-	-	-
Third-party water (fresh) <sup>1</sup>	9,184,164	9,632,199	10,208,333 <sup>A</sup>
<b>Total water discharge (m<sup>3</sup>) to all areas (fresh vs other)<sup>2</sup></b>	<b>4,575,536</b>	<b>4,743,125</b>	<b>5,000,435</b>
<b>i. Fresh water (≤1,000mg/L Total Dissolved Solids);</b>			
<b>ii. Other water (&gt;1,000mg/L Total Dissolved Solids).</b>			
Surface water (fresh)	34,683	57,918	134,183 <sup>A</sup>
Surface water (other) <sup>3</sup>	665,626	749,406	680,653 <sup>A</sup>
Ground water (fresh)	-	-	-
Ground water (other) <sup>4</sup>	3,875,227	3,935,801	4,185,599
Sea water	-	-	-
Third-party water	-	-	-
<b>Total water discharge (m<sup>3</sup>) all areas with water stress (fresh vs other)<sup>2</sup></b>	<b>4,575,536</b>	<b>4,743,125</b>	<b>5,000,435</b>
<b>i. Fresh water (≤1,000mg/L Total Dissolved Solids);</b>			
<b>ii. Other water (&gt;1,000mg/L Total Dissolved Solids).</b>			
Surface water (fresh)	34,683	57,918	58,535
Surface water (other) <sup>3</sup>	665,626	749,406	756,301
Ground water (fresh)	-	-	-
Ground water (other) <sup>4</sup>	3,875,227	3,935,801	4,185,599
Sea water	-	-	-
Third-party water	-	-	-
<b>Amount of water recycled and re-used (m<sup>3</sup>)</b>	<b>3,722,260</b>	<b>4,345,627</b>	<b>3,947,169<sup>A</sup></b>
<b>Recycled and re-used water rate (%)</b>	<b>41</b>	<b>45</b>	<b>39</b>
<b>Water intensity (total water withdrawal m<sup>3</sup>/mt production)</b>	<b>2.17</b>	<b>1.99</b>	<b>2.04<sup>A</sup></b>

1 Classified as fresh water due to the importance of the water in the catchment.

2 Discharges exclude water which is consumed by the operation. These consumptive losses are dominated by evaporative losses from the cooling towers and hence the withdrawals do not match the discharge.

3 Includes water discharge sent to local farmers for agricultural use at Eti Soda.

4 Groundwater discharge is dominated by water returned to the exhausted trona caverns for entrainment.

Total waste generated (mt)	2020	2021	2022
<b>Total waste</b>	<b>944,874.8</b>	<b>1,041,021.4</b>	<b>1,113,574.5</b>
Total waste directed to disposal	67,032.9	70,383.8	73,383.7
Total waste diverted from disposal	877,841.9	970,637.6	1,040,190.9
<b>Total hazardous waste</b>	<b>200.9</b>	<b>1,703.4</b>	<b>150.6</b>
Total hazardous waste directed to disposal	0.2	0.2	0.2
Total hazardous waste diverted from disposal	200.8	1,703.2	150.4
<b>Total non-hazardous waste</b>	<b>944,673.8</b>	<b>1,039,318.0</b>	<b>1,113,423.8</b>
Total non-hazardous waste directed to disposal	67,032.7	70,383.6	73,383.5
Total non-hazardous waste diverted from disposal	877,641.1	968,934.4	1,040,040.4
<b>Hazardous waste diverted from disposal</b>			
Recycled	0.0	0.0	0.0
<b>Onsite</b>			
Preparation for re-use	0.0	0.0	0.0
Other recovery operation	0.0	0.0	0.0
<b>Offsite</b>			
Recycled	20.3	50.4	54.4
Preparation for re-use	180.5	1,652.8	96.0
Other recovery operation	0.0	0.0	0.0
<b>Non-hazardous waste diverted from disposal</b>			
Recycled	0.0	0.0	0.0
<b>Onsite</b>			
Preparation for re-use	535,688.2	574,320.4	650,107.6
Other recovery operation	69,622.8	79,582.3	71,117.6
<b>Offsite</b>			
Recycled	983.2	1,150.7	1,266.2
Preparation for re-use	4.4	9.6	14.6
Other recovery operation	271,342.5	313,871.5	317,534.4
<b>Total waste prevented</b>	<b>877,841.9</b>	<b>970,637.6</b>	<b>1,040,190.8</b>
<b>Hazardous waste directed to disposal</b>			
Incineration with energy recovery	0.0	0.0	0.0
<b>Onsite</b>			
Incineration without energy recovery	0.0	0.0	0.0
Landfilling	0.0	0.0	0.0
Other Disposal Operations	0.0	0.0	0.0
<b>Offsite</b>			
Incineration with energy recovery	0.2	0.2	0.2
Incineration without energy recovery	0.0	0.0	0.0
Landfilling	0.0	0.0	0.0
Other Disposal Operations	0.0	0.0	0.0

## Our performance indicators continued

### Environmental performance indicators continued

Total waste generated (mt) continued	2020	2021	2022
<b>Non-hazardous waste directed to disposal</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Incineration with energy recovery	0.0	0.0	0.0
<b>Onsite</b>			
Incineration without energy recovery	67,032.7	70,271.8	73,226.3
Landfilling	0.0	0.0	0.0
Other Disposal Operations	0.0	0.0	0.0
<b>Offsite</b>			
Incineration with energy recovery	0.0	0.0	0.0
Incineration without energy recovery	0.0	111.7	157.2
Landfilling	0.0	0.0	0.0
Other Disposal Operations	0.0	0.0	0.0

Responsible value chain	2020	2021	2022
<b>Number of Group's suppliers that were screened/vetted in Sedex using sustainability criteria<sup>1</sup></b>	<b>0</b>	<b>0</b>	<b>45</b>
<b>Number of Group's suppliers onboarded in Sedex platform</b>	<b>1</b>	<b>2</b>	<b>98</b>
<b>The total number of Group suppliers<sup>1</sup></b>	<b>210</b>	<b>210</b>	<b>210</b>

<sup>1</sup> Supplier selection criteria based on those suppliers providing goods and materials directly relating to production of our product and with whom we conduct repeat business, making up 93% of total spend.

Compliance with laws and regulations	2020	2021	2022
<b>Total number of significant instances of non-compliance with laws and regulations<sup>1</sup></b>	<b>1</b>	<b>1</b>	<b>1</b>
Instances for which fines were incurred	1	1	1
Instances for which non-monetary sanctions were incurred	0	0	0
Monetary value of fines incurred (\$)	1,930	25,659	10,688

<sup>1</sup> Significant instances of non-compliance are defined as any instance of non-compliance where WE Soda is notified by ministries and governmental institutes, by official letter.

#### Membership associations

<b>Industry associations, other membership associations, and national or international advocacy organisations</b>	CEO Water Mandate, ESaPa, OAID – Middle East Exporters Association, Native Mining Development Foundation, CDP, EcoVadis, Beypazarı Chamber of Commerce, Ankara Chamber of Commerce, İstanbul Chamber of Commerce, Turkish Statistical Institute (“TUIK”), Central Bank of the Republic of Türkiye (“TCMB”), İMMİB, İstanbul Chemicals and Chemical Products Exporters Association (“İKMİB”), EPD Türkiye, UNGC, WEPs, Cefic (“European Chemical Industry Council”), Sedex
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## Our performance indicators continued

### Environmental performance indicators continued

Waste stream	2020			2021			2022		
	Disposed	Diverted from disposal	Total waste	Disposed	Diverted from disposal	Total waste	Disposed	Diverted from disposal	Total waste
Waste from petroleum refining, natural gas purification and pyrolytic processing of coal	0	6	6	0	10	10	0	0	0
Waste from organic chemical processes	0	14	14	0	3	3	0	9	9
Primer, paints, varnishes	0	1	1	0	2	2	0	1	1
Fly ash	26,516	61,194	87,710	33,797	68,785	102,582	29,986	75,535	105,521
Bottom ash	40,517	0	40,517	36,475	205	36,680	43,240	0	43,240
Waste from physical and mechanical surface treatments and forming of metals and plastics	0	1	1	0	0	0	0	0	0
Oil waste and liquid fuel waste	0	95	95	0	40	40	0	39	39
Waste packaging and absorbents, wiping clothes, filter materials and protective clothes	0	266	266	0	292	292	0	239	239
Waste not otherwise specified	0	9	9	0	44	44	0	39	39
Construction waste	0	215	215	0	1,646	1,646	0	286	286
Human and animal health and/or waste from research on these subjects	0	0	0	0	0	0	0	0	0
Waste from waste management facilities	0	1	1	0	1	1	0	19	19
Municipality waste	0	581	581	112	825	937	157	801	958
Calcium carbonate	0	406,357	406,357	0	433,828	433,828	0	475,952	475,952
Sodium chloride	0	90,826	90,826	0	106,811	106,811	0	109,500	109,500
Purge	0	318,275	318,275	0	358,145	358,145	0	377,771	377,771

This Strategic Report was approved by the Board of Directors, and signed on its behalf by:

**Alasdair Warren**

Director

28 April 2023

# Governance



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## Chair's introduction



“

We produce and supply one of life's essential ingredients – and one of the key raw materials to enable the energy transition and a sustainable future. I am extremely proud of the work our colleagues have done – adding value not only for our financial stakeholders but also for society as a whole, the global soda ash supply chain, and the communities in which we operate.”

**Didem Ciner**  
Chair

### Dear Stakeholders,

This is my first annual report as the Chair, following my appointment by the Board in June 2022. Having been a Non-executive Director of the Board since 2018, I would say the past year has been an exciting period of change and development for the Group. I have the pleasure of summarising the key areas of focus for the Board during 2022, with the full details of all the activities of the Board set out on page 97.

### Board changes

As a large private company, we have the objective of executing an initial public offering (“IPO”) of our shares when market conditions allow. We also aspire to the highest standards in everything we do, including corporate governance, reporting and disclosure, and our aim is to align our governance with the UK Corporate Governance Code and practices. With this objective in mind, the last year has seen significant changes to the composition of our Board. Along with a new Chair, a new Senior Independent Director and new Non-executive Directors have been appointed, and new Board committees have been formed. I am pleased to say that our new Board also fulfils our objective of achieving both gender and ethnic diversity.

## Chair's introduction continued

I am pleased to welcome Harry Kenyon-Slaney as our new Senior Independent Director, as well as Samantha Hoe-Richardson and Rosalind Kainyah, who all became Non-executive Directors formally in early 2023, having attended Board meetings as designate Non-executive Directors since May 2022. They all bring a wealth of valuable experience and I look forward to working closely with each of them towards an ever-brighter future for our Group.

Despite the significant number of changes in the Board, the transition has gone smoothly and our new Board members have received full inductions, including visits to our Turkish production facilities, Eti Soda and Kazan Soda, and our bulk export facility at Derince Port in September 2022.

During 2022, the Board developed two Focus Groups (Audit & Risk and Sustainability), with the purpose of ensuring greater oversight of business performance, and we also approved the terms of reference for four Board committees (including our existing Focus Groups). Our Audit & Risk Focus Group spent time discussing the audit process, as well as IPO-related finance workstreams. Post period end, on 8 February 2023, the Audit & Risk and Sustainability Focus Groups were constituted into formal Board committees, and the Remuneration and Nomination Board committees were also formed.

### Health & safety

Being our number one priority, the health & safety of our workforce has been a topic which we have discussed in every Board meeting this year. Despite an improving long-term trend in our safety performance, during 2022, the Board decided to take steps to significantly and permanently reduce the number of LTI workplace accidents, with the objective of achieving international best practice in this area.

With this aim, the Board supported the engagement of dss+ in October 2022 to undertake a detailed review of the personal safety and process safety management practices at both Eti Soda and Kazan Soda, to identify areas for improvement. The introduction of a more structured safety framework, following this review, has already seen an improvement in our safety performance.

Furthermore, since the end of 2020 and with the constraints of the coronavirus pandemic reducing, we have undertaken employee surveys to better understand the needs of our employees and be able to take actions to improve their wellbeing. With this in mind, we developed a roadmap to reintroduce social events with the aim to increase the overall satisfaction of our employees, which had been reduced due to coronavirus-related restrictions.

### Sustainability

I wish to congratulate all of our colleagues for their extraordinary focus on sustainable operations throughout our business this year, and for the numerous innovations and improvements which they continue to make. With sustainability at the core of our strategy, for many years we have proudly received a variety of medals from EcoVadis. In 2022, we achieved a Gold Medal for the Group and an industry-leading corporate ESG risk rating score from Sustainalytics.

We define our purpose as *"to responsibly produce essential ingredients for a sustainable future"*. This is our guiding principle upon which we make our strategic decisions and conduct our corporate activities. Within our Group, we all believe that sustainable business is good business, thus sustainability is woven into our business and strategy and embedded throughout our governance and management framework.

This year, with the objective of benchmarking our sustainability performance against international best practice, the Board engaged Environmental Resources Management ("ERM") to review our sustainability policies and processes and to determine the material sustainability risks for our business and our stakeholders. As part of this engagement, we further developed our sustainability framework which will continue to be refined and improved in 2023. We also agreed to increase our environmental accountability and governance by reporting against the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, which set an important and transparent framework for reporting climate-related risks and opportunities. We believe this will help us track and communicate our progress more effectively.

## Chair's introduction continued

### Innovation, transparency and growth

Innovation is a core part of our culture; it has always been one of the most important drivers in the development of our business and we believe that it is a differentiating factor in our customer offering. We also believe that greater sustainability transparency will drive sustainable development throughout our industry and, with an ever-more environmentally conscious society, we believe the world will need growing quantities of sustainably produced soda ash to support the energy transition.

In October 2022, we announced that we had developed a new blockchain-based supply chain ecosystem called "ConnexSA". We believe that "ConnexSA" will provide more transparent, reliable and verifiable sustainability data to all stakeholders within the soda ash supply chain, and we have the vision that it will be adopted globally in the coming years, with other industry participants introduced into the project during 2023.

In 2022, we also saw exciting progress in our growth plans as we announced West Soda, a new greenfield soda ash development project located in Wyoming in the United States. We plan to bring West Soda on-stream by 2030, adding around 3 million mt per year of sustainably produced, low-carbon soda ash into the growing market for our product. If developed as planned, this will be the first soda ash production facility in the world to source all of its electrical needs entirely from renewable power sources. When combined with our other planned growth projects, we are aiming to see our production more than double by the end of this decade, from around 5 million mt per annum today to over 11 million mt per annum by 2030.

### Areas of focus for 2023

An IPO has been a strategic objective for several years. Having completed extensive preparation, in 2022 a decision was taken by the Board to postpone an IPO due to weak and volatile equity market conditions. The Board will continue to assess the potential to execute an initial public offering ("IPO") when market conditions allow. As always, we will be further developing and executing our various growth projects globally, further improving our global customer supply chain and implementing new elements within our sustainability strategy. First and foremost, we are focused on safety, and we will continue to develop our safety culture and practices, working alongside dss+. We are aiming for a further significant reduction in LTI workplace accidents in 2023 and we believe that, over time, we can achieve zero LTI workplace accidents.

Finally, it's very important for me to express my commitment to gender diversity within our management team and throughout our business; it is an important area of focus for me and for the Board.

I would like to take this opportunity to thank all our stakeholders for their ongoing support, the Board for its unwavering service and guidance, and all of our colleagues for their extraordinary efforts that provide the foundations for our success. Finally, I would like to thank our management team for delivering such an excellent performance. Together, we look forward to the years ahead.



**Didem Ciner**  
Chair

April 2023

## Board of Directors

### Meet our Board

#### Committees

Audit & Risk Committee



Nomination Committee



Remuneration Committee



Sustainability Committee



Committee Chair



**Didem Ciner**  
Chair

**Appointed** November 2018, became Chair June 2022

**Committees:** N

Ikbal Didem Ciner has served as the Chair of the Board since 8 June 2022, and as a Non-executive Director since 6 November 2018. In addition to her role as Chair, Mrs Ciner was appointed as President and board member of Ciner Glass, the container glass operations of the Ciner Group, in 2019 to lead the expansion of the company's operations in the UK, Belgium and Türkiye. Mrs Ciner has significant experience following a number of senior roles across the wider Ciner Group, one of Türkiye's leading industrial groups with interests in the mining, energy, glass, chemicals, media, and maritime sectors. Mrs Ciner is also the President of Ciner Media Group, where she is responsible for managing its three national TV channels and its most frequently visited news websites. In addition to overseeing the development of Ciner Media into one of Türkiye's leading independent media and publishing groups, Mrs Ciner was responsible for launching Bloomberg HT, a joint venture with Bloomberg Television and Türkiye's only business-focused television channel, and the acquisition of Show TV, one of Türkiye's most popular entertainment channels. Mrs Ciner is married to Mr Turgay Ciner, the Principal Shareholder. Mrs Ciner holds a BA in International Relations from Koç University, Istanbul and an MSc in Comparative Politics from the London School of Economics.



**Alasdair Warren**  
Chief Executive Officer

**Appointed** May 2022

**Committees:** N/A

Alasdair Warren has served as a Director of the Company since 18 May 2022, as a Director of WE Soda Ltd since 8 January 2019 and as Group Chief Executive Officer since 1 November 2019. Prior to joining WE Soda, Mr Warren served as the Head of Corporate and Investment Banking for the European, Middle East and Africa region at Deutsche Bank, based in London. Prior to that, Mr Warren was an investment banking Partner at Goldman Sachs in London for 11 years, serving in a number of roles, including the Global Head of Financial Sponsor Coverage, the Head of European Equity Capital Markets and Derivatives, and the Co Head of UK Investment Banking. Mr Warren holds a BSc (Hons) in Geology from the University of Nottingham.



**Ahmet Tohma**  
Chief Financial Officer

**Appointed** May 2022

**Committees:** N/A

Ahmet Tohma has served as a Director of the Company since 18 May 2022, as a Director of WE Soda Ltd since 25 February 2022 and as Group CFO since 1 March 2022. He joined WE Soda from Sisecam Chemicals Resources, where he previously served as the CFO of our former US soda ash business through the NYSE listed company Sisecam Resources LP and its US affiliates, prior to the sale of a controlling interest to Sisecam in December 2021. Mr Tohma also served as the Chief Financial Officer of our US subsidiary company, Ciner Enterprises Inc., and as Finance Director at the Ciner Group. From 2003 until August 2019, Mr Tohma worked in various management roles at Türkiye Garanti Bankasi in Türkiye across corporate finance, internal audit and project financing. Mr Tohma holds a BSc in Industrial Engineering from the Middle East Technical University.

## Board of Directors continued



**Mehmet Ali Erdogan**  
Chief Legal Officer

**Appointed** July 2016, became Chief Legal Officer January 2019

**Committees:** N/A

Mehmet Ali Erdogan has served as a Director of the Company and WE Soda Ltd since 1 July 2016 and as Chief Legal Officer within the Group since 1 January 2019. Mr Erdogan has considerable experience in both the commercial and corporate law sectors, specialising in energy and infrastructure law, property law, financial restructuring and cross-border transactions. Mr Erdogan holds a BA in Law from the University of Istanbul and a Postgraduate Diploma in Law from Goldsmiths College, London. He has completed the Legal Practice Course at the College of Law, London and he also holds a Graduate Diploma in Law from the University of Westminster.



**Nicholas Hall**  
Chief Strategy & Risk Officer

**Appointed** April 2023

**Committees:** N/A

Nicholas Hall has served as Chief Strategy & Risk Officer since 6 March 2023 and as a Director of the Company since 19 April 2023. Prior to joining the Group, Mr Hall served as a Managing Director at JP Morgan Cazenove based in London. Mr Hall was employed at JP Morgan Cazenove for 27 years, serving in a number of roles including as senior client executive within the UK Investment Bank and the head of UK Equity Capital Markets. Mr Hall holds a BSc (Hons) in Economics from the University of Exeter.



**Rosalind Kainyah, MBE**  
Independent Non-executive Director

**Appointed** February 2023 (Attended Board meetings as designate during 2022)

**Committees:** S R A

Rosalind Kainyah has served as a Director of the Company since 8 February 2023. She also serves as founder and managing director of Kina Advisory Limited, a position she has held since 2013. Having started her career as an independent environmental law and policy consultant and then subsequently as a lawyer in the corporate and environment team at Linklaters LLP, Ms Kainyah has 20 years of experience as a senior executive and as a non-executive director, sustainability, governance and remuneration committee chair, serving on a number of boards across a range of extractive industries and financial institutions. As an executive, Ms Kainyah served as director of external relations at De Beers UK Limited from 2004 to 2006, before being appointed as president of the De Beers Group Inc., US from 2006 to 2009. From 2009 to 2013 she served as vice president of external affairs and corporate social responsibility at Tullow Oil Plc. Ms Kainyah holds a BA in English from the University of Ghana, an LLB (Hons) from the University of London and an LLM from University College London.



**Harry Kenyon-Slaney**  
Senior Independent Director

**Appointed** February 2023 (Attended Board meetings as designate during 2022)

**Committees:** N S

Harry Kenyon-Slaney has served as a Director of the Company since 8 February 2023. He also serves as a Senior Advisor to McKinsey & Company supporting its transformation services. Mr Kenyon-Slaney served in a number of senior executive roles for Rio Tinto Plc from 1990 to 2015, having previously held an executive position at Anglo American Plc between 1984 and 1990. Notably Mr Kenyon-Slaney served on the Executive Committee of Rio Tinto Plc from 2009 to 2015 in his capacity as the Divisional CEO of the Diamonds and Minerals Products Group from 2009 to 2012 and as the Divisional CEO of the Energy Products Group from 2012 to 2015. Having completed the successful divestment of the Energy Products Group in 2015, he assumed chair and non-executive director positions at a number of natural resources and industrial manufacturing companies. He has had a broad career which has stretched across natural resources, energy, industrial minerals, manufacturing and logistics as well as extensive experience of complex stakeholder management in Africa, Japan, India, North America and Australia. Mr Kenyon-Slaney holds a BSc in Geology from Southampton University and completed the International Executive Programme at INSEAD, France.

## Board of Directors continued



**Sir Peter Westmacott**  
Independent Non-executive Director

**Appointed** February 2023 (Attended Board meetings as designate during 2022)

**Committees:**

Sir Peter Westmacott has served as a Director of the Company since 8 February 2023, having previously served as a Director of WE Soda Ltd from 1 January 2019 until 8 February 2023. He has had an extensive diplomatic career spanning 43 years across several continents, including four years in Iran before the 1979 revolution and a secondment to the European Commission in Brussels. Sir Peter has undertaken numerous roles including Deputy Private Secretary to HRH The Prince of Wales between 1990 and 1993, Foreign and Commonwealth Office's Director for the Americas between 1997 and 2000, and Deputy Under Secretary of State for the Wider World from 2000 to 2001. Sir Peter has also served as Ambassador to Türkiye, France and US from 2002 to 2006, 2007 to 2012 and 2012 to 2016, respectively. After a semester spent as a Resident Fellow at Harvard's Kennedy School of Government, Sir Peter took up a number of corporate roles in the UK including, amongst others, as a non-executive director at Ernst & Young. He is now a Senior Advisor at Chatham House, a Distinguished Ambassadorial Fellow of the Atlantic Council, Chairman of Tikehau Capital UK and a non-executive director of Volex Ltd, Glasswall Holdings and Ciner Glass Ltd. Sir Peter holds an MA in European History and French from the University of Oxford.



**Sait Ergun Ozen**  
Independent Non-executive Director

**Appointed** February 2023 (Attended Board meetings as designate during 2022)

**Committees:**

Sait Ergun Ozen has served as a Director of the Company since 8 February 2023, having previously served as a Director of WE Soda Ltd from 1 January 2019 until 8 February 2023. He has over 30 years of experience in banking and business administration, having previously served for 16 years as the CEO and President of Türkiye Garanti Bankasi, from 2000 until 2016, before retiring from this role and becoming a non-executive member of the board at Garanti Bank. He started his career at Türkiye Is Bankası in 1987, before joining Garanti Bank in 1993, serving in various treasury and investment banking roles. Mr Ozen holds a BA in Economics from Stony Brook University.



**Samantha Hoe-Richardson**  
Independent Non-executive Director

**Appointed** February 2023 (Attended Board meetings as designate during 2022)

**Committees:**

Samantha Hoe-Richardson has served as a Director of the Company since 8 February 2023. She is also a non-executive director of 3i Infrastructure plc and Assured Guaranty UK Ltd, an adviser on climate change and sustainability to the board of Laing O'Rourke, having previously served on the board of Lancashire Holdings Limited for nine years, becoming the chair of its audit committee. As an executive, Ms Hoe-Richardson was Head of Environment & Sustainability for Network Rail and prior to this spent 16 years with Anglo American plc in a variety of strategic roles including Head of Environment and as a director and founder of Anglo American Zimele Green Fund (Pty) Ltd, which supports entrepreneurs in South Africa. Prior to her roles with Anglo American, Ms Hoe-Richardson worked in investment banking and within audit. She holds an MA in Nuclear and Electrical Engineering from the University of Cambridge and has a Chartered Accountancy qualification.



**Gürsel Usta**  
Non-executive Director

**Appointed** May 2022

**Committees:** N/A

Gürsel Usta has served as a Director of the Company since 18 May 2022, having previously served as a Director of WE Soda Ltd from 1 January 2019 until 1 April 2023. Since January 2023, Mr Usta has served as the chairman of Park Holding, one of the main holding companies of the Ciner Group, where he previously served as vice-chairman from January 2016 to January 2023. In addition, since March 2015, Mr Usta has served as chief executive officer of Ciner Glass & Chemicals. Mr Usta has previously held various leadership roles within the Ciner Group, including his position as chief executive officer of Ciner Energy & Mining, chairman of the board of directors of Ciner Media and chief executive officer of Ciner Aviation and Tourism. Mr Usta holds a BA in Economics and Finance from the Faculty of Political Science of Ankara University.

## Management team



**Tanzer Ergul**  
Chief Operating Officer

Tanzer Ergul has served as Chief Operating Officer since February 2023, having been with the Group for over 15 years. Previously, Mr Ergul had served as Vice President of Operations since 2018 and as General Manager of both Eti Soda and Kazan Soda since 2015 and 2018, respectively. In 2007, Mr Ergul joined the Ciner Group as a Project Manager for the construction of the Eti Soda project after ten years of experience working for Eti Maden. Mr Ergul holds a BSc and MSc in Chemical Engineering from Middle East Technical University.



**Oguz Erkan**  
CEO of US Operations

Oguz Erkan serves as the Chief Executive Officer of the Group's operations in the United States and as a board representative of SiseCam Wyoming, a position he has held since June 2019. Mr Erkan served as President and CEO of SiseCam Chemicals Resources from 2019 until April 2022 and previously as Director of International Operations & Coordination at Ciner Enterprises, Inc. from 2015 to 2019. During 2015, Mr Erkan served as a director for the Ciner Group in London, UK and from 2012 until 2015 as General Manager for Kasimpasa AS, a subsidiary of the Ciner Group, having previously served as Project Director for Middle East and North Africa within the Ciner Group from 2009 to 2012. Mr Erkan holds two BA degrees in Marketing and in International Business from Northwest Missouri State University.



**Dr Mahmut Kursun**  
Vice President Logistics

Dr Mahmut Kursun has served as Vice President of Logistics since 2019. Prior to this role, Dr Kursun served as Chief Information Officer for the Ciner Group and as General Manager of Digital Media at Ciner Media. From 1997 to 2003, Dr Kursun worked within the Ciner Group's energy and mining financing team. Dr Kursun holds a BSc in Mechanical Engineering from Bosphorus University and an MSc and PhD in Industrial Engineering from the same university.



**Sinan Solaklar**  
Vice President Sales & Marketing

Sinan Solaklar serves as Vice President of Sales & Marketing, a position he has held within the Group since 2009. Mr Solaklar has almost 40 years of experience in the soda ash industry, having previously served as Sales & Marketing Director for soda ash at SiseCam from 1983 to 2008. Mr Solaklar holds a BA in Marketing from the Faculty of Economics of Istanbul University.

## Management team continued



**Mehmet Unver**  
General Manager Kazan Soda

Mehmet Unver has served as the General Manager of Kazan Soda since February 2023, having previously served as Vice General Manager of Kazan Soda since 2018. Mr Unver joined the Group in 2005 and has previously held various technical and operational positions at Eti Soda. Mr Unver holds a BSc in Chemical Engineering from the Middle East Technical University.



**Nazif Akay**  
General Manager Eti Soda

Nazif Akay has served as the General Manager of Eti Soda since February 2023, having previously served as Vice General Manager of Eti Soda since 2019. Mr Akay joined the Group in 2008 and has previously held various technical and operational positions at Eti Soda. Mr Akay holds a BSc in Chemical Engineering from Gazi University.



**Anita Siddle**  
Global Sustainability Director

Anita Siddle has served as the Global Sustainability Director since February 2023, having previously served as the Global ESG and H&S Manager since 2022 and having joined the Group in 2020. Ms Siddle has a broad range of experience across finance, pharmacy, marketing and technical product management within the banking, cosmetics, fast-moving consumer goods (“FMCG”) and healthcare industries, including new product development, quality assurance, legal and regulatory, packaging and formulation responsibilities. Ms Siddle holds a BSc in Pharmacy from the University of Nottingham University.



**Edward Westropp**  
Head of Investor Relations  
& Communications

Edward Westropp has served as the Head of Investor Relations & Communications for the Group since September 2022, having previously served as the Vice President of Investor Relations & Communications for Lundin Energy AB until its sale to Aker BP ASA in June 2022. Mr Westropp has more than 17 years of experience as a financial communications and investor relations consultant with FTI Consulting, Inc. Mr Westropp holds a BA in Theological Studies from Heythrop College, University of London.

## Governance at a glance

During 2022, we commenced steps to transition our governance structure to be aligned with the UK Corporate Governance Code and more aligned with UK listed corporate governance standards by 2023. During the year, we developed two Focus Groups (Audit & Risk and Sustainability) to support the Board with greater scrutiny on specific matters. Post period end, from February 2023, the following governance structure is now in place, with four formal committees reporting to the Board.

### Our Board

The Board is collectively responsible for the governance of the Company and aims to do so in an ethical and efficient manner. This includes the approval of the Group's strategy, oversight of operations, as well as responsibility for risk management and the management of resources. The agreed matters reserved for the Board include the approval of annual and half-yearly results, the Group's strategy, the annual budget and health & safety and sustainability matters.

### Board committees

During 2022, the Board developed two Focus Groups, set up to support the Board with greater scrutiny on specific matters. The Audit & Risk Focus Group met for the first time in late 2022; the Sustainability Focus Group did not meet during 2022. With effect from 8 February 2023, both Focus Groups and two additional committees were constituted by the Board as formal committees. The terms of reference of each Committee are documented and agreed by the Board. The terms of reference of each Committee will be reviewed annually.

The key responsibilities of each Committee are set out below.

#### Audit & Risk Committee

The role of this Committee is to assist the Board with reviewing the Group's annual and half-year financial statements, accounting policies, narrative reporting, internal controls and risk management, whistleblowing, fraud, and compliance. The Audit & Risk Committee will meet at least four times during 2023.

#### Nomination Committee

The role of this Committee is to assist the Board in reviewing the structure, size, performance and composition of the Board and the executive management team. It is also responsible for reviewing succession plans for the Directors and the Proposed Directors, including the Chair and CEO, and other senior executives. The Nomination Committee will meet at least twice during 2023.

#### Remuneration Committee

The role of this Committee is to recommend to the Board the compensation policy of the Group for senior executives and Directors, the remuneration of senior executives and Directors, the grant of awards under the incentive plans for the Group, and the preparation of an annual remuneration report for approval by shareholders. The Remuneration Committee will meet at least twice during 2023.

#### Sustainability Committee

Sustainability is at the core of our business strategy. The Sustainability Committee will oversee and advise the Board and executive management in relation to the development and implementation of the sustainability initiatives and strategy of the Group. The Sustainability Committee will meet at least four times during 2023.

### The executive management team

The Board delegates to the executive management team who work with and support the Chief Executive Officer with the day-to-day management of the business, health & safety, the implementation of strategy, financial planning, and risk management.

## Governance at a glance continued

### Attendance

	Board	Audit & Risk Focus Group	Overall attendance
Total number of meetings held	5	1	
<b>Directors<sup>1</sup></b>			
Didem Ciner	5/5	-	100%
Alasdair Warren	5/5	1/1	100%
Ahmet Tohma	5/5	1/1	100%
Mehmet Ali Erdogan	5/5	1/1	100%
Gürsel Usta	5/5	-	100%
<b>New Non-executive Directors<sup>2</sup></b>			
Samantha Hoe-Richardson <sup>3</sup>	2/3	1/1	75%
Rosalind Kainyah	3/3	1/1	100%
Harry Kenyon-Slaney	3/3	-	100%
Ergun Ozen <sup>4</sup>	3/5	0/1	50%
Sir Peter Westmacott	5/5	-	100%

1 Nicholas Hall is excluded from this table because he only joined the Board in April 2023.  
 2 New Non-executive Directors were advisers until they joined the Board in February 2023.  
 3 Samantha Hoe-Richardson missed the May Board meeting due to a conflicting appointment, while as an adviser to the Board.  
 4 Ergun Ozen missed the May and November Board meetings due to a conflicting appointment and illness, respectively. He missed the Audit & Risk Focus Group meeting due to a conflicting appointment.

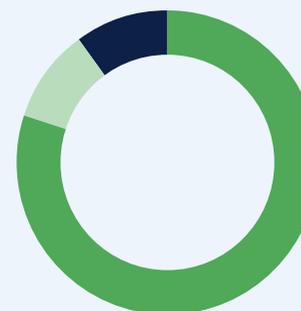
### Snapshot of the Board, as at 31 December 2022

#### Independence of the Board



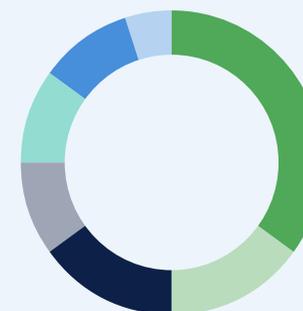
50% Independent  
50% Non-Independent

#### Tenure of the Board



80% 0-3 years  
10% 3-6 years  
10% 6+ years

#### Professional background



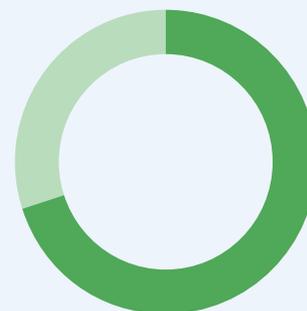
35% Finance  
15% Legal  
15% Mining  
10% Chemicals  
10% Environment  
10% Media  
5% Diplomacy

#### Age of the Board



20% Under 50 years  
30% 50-60 years  
50% Over 60 years

#### Gender of the Board



70% Male  
30% Female

## Board activities in 2022

In addition to regular business updates, the Board meetings include discussions on health & safety, macroeconomic conditions and outlook, operations, financial and strategic updates, and sustainability. The principal matters considered by the Board during 2022 are detailed below.

Matters Considered	Discussion and outcome
<b>Health &amp; safety</b>	<ul style="list-style-type: none"> <li>The Board recognised the significance of LTI workplace accidents and took steps to address the risks, with the objective of urgently and permanently reducing occurrences. The Board engaged dss+ to undertake a detailed review of the personal safety and process safety management practices at both Eti Soda and Kazan Soda and identify areas for improvement. The introduction of a more structured framework following this review has already seen a downward trend in safety incidents.</li> <li>Throughout the year, the Board noted decreasing cases of coronavirus.</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>The Board engaged ERM to undertake a comprehensive review of the Group's current sustainability strategy, processes and policies, and to benchmark this against global best practices.</li> <li>The Board decided to increase the Group's environmental accountability and governance by reporting against the TCFD recommendations.</li> <li>The Board approved the development of a new blockchain-based supply chain ecosystem called "ConnexSA" which allows for more transparent, reliable and verifiable sustainability data to all stakeholders within the supply chain.</li> </ul>
<b>Community engagement</b>	<ul style="list-style-type: none"> <li>The Board approved numerous sponsorship and community engagement initiatives across the UK and Türkiye, pledging to invest approximately \$1.1 million across a range of projects.</li> </ul>
<b>Macroeconomic updates</b>	<ul style="list-style-type: none"> <li>The Board was presented with data and analysis on macroeconomic changes throughout the year, including the impact of the coronavirus pandemic, the impact of the Russia-Ukraine war and the energy crisis in Europe, and the impact of rising inflation and interest rates, and the potential prospect of stagflation.</li> </ul>
<b>Supply chain</b>	<ul style="list-style-type: none"> <li>The Board approved the renewal of all regional distributor contracts for a further five years.</li> <li>The Board discussed plans to measure supply chain performance with new KPIs.</li> <li>The Board approved the requirement for our suppliers and regional distributors to align with the Group's sustainability values.</li> </ul>

Matters considered	Discussion and outcome
<b>Board structure</b>	<ul style="list-style-type: none"> <li>With the objective of becoming fully compliant under the UK Corporate Governance Code in 2023, the Board commenced a restructuring process.</li> <li>The new structure was discussed, and it was decided that the Board would be made up of ten directors, excluding the Chair, with at least a 50:50 split of executive and non-executive members.</li> <li>The Board discussed a skills matrix, to ensure that the proposed Board demonstrated a diversity in thought and background.</li> <li>The Board approved terms of reference for each of the new committees.</li> </ul>
<b>IPO</b>	<ul style="list-style-type: none"> <li>The Board discussed the proposal of an IPO on the London Stock Exchange.</li> <li>The decision was taken by the Board to postpone the IPO due to weak and volatile equity market conditions.</li> </ul>
<b>Product pricing</b>	<ul style="list-style-type: none"> <li>The Board discussed supply and demand factors impacting the global soda ash market, and factors impacting the pricing of soda ash in each regional market.</li> <li>The Board discussed the factors which had supported an increase in the price of soda ash, with a predicted further tightening of supply-demand balances over time which was expected to be supportive of robust soda ash pricing in the future.</li> </ul>
<b>Financing</b>	<ul style="list-style-type: none"> <li>The Board approved a simplification of the Group's financing structure with the objective to consolidate all debt at the holding company level, and the introduction of a new revolving credit facility and receivables financing facility to further improve financial liquidity.</li> <li>The Board also approved an extension of the holding company term loan, a facility to facilitate the restructuring of operating company debt.</li> </ul>
<b>Production growth</b>	<ul style="list-style-type: none"> <li>The Board discussed a number of production growth projects with the objective of addressing rising global demand for natural soda ash and resulting in Group production increasing from approximately 5 million mtpa to over 11 million mtpa by 2030.</li> <li>The Board discussed progress on the Kazan Soda debottlenecking project and the Kazan Soda expansion project.</li> </ul>
<b>West soda</b>	<ul style="list-style-type: none"> <li>The Board reviewed the progress of Project West, the Group's new greenfield development project in Wyoming US that was announced on 12 October 2022, noting that if developed as planned it will lead to an additional approximately 3 million mtpa of production, with start-up of operations before 2030.</li> <li>The Board also noted that the project is planned to be developed using entirely renewable electrical power, significantly reducing Scope 1 &amp; 2 CO<sub>2</sub>e emissions intensity.</li> </ul>

## Corporate governance

### Statement of Corporate Governance arrangements

For the year ended 31 December 2022, under The Companies (Miscellaneous Reporting) Regulations 2018, the Group has applied the Wates Corporate Governance Principles for Large Private Companies (the Wates Principles), published by the Financial Reporting Council (“FRC”) in December 2018 and available on the FRC website.

Wates Principle	More information
<b>Principle One: Purpose and Leadership</b>	<ul style="list-style-type: none"> <li>• Purpose Statement (page 02)</li> <li>• Our business model (page 16)</li> <li>• Governance at a glance – Framework (page 95)</li> </ul>
<b>Principle Two: Board Composition</b>	<ul style="list-style-type: none"> <li>• Governance at a glance – Snapshot of the Board (page 96)</li> <li>• Meet our Board (page 90)</li> </ul>
<b>Principle Three: Director Responsibilities</b>	<ul style="list-style-type: none"> <li>• Meet our Board (page 90)</li> </ul>
<b>Principle Four: Opportunity and Risk</b>	<ul style="list-style-type: none"> <li>• Audit &amp; Risk Focus Group Report (page 100)</li> <li>• Risk management (page 63)</li> <li>• Principal risks and uncertainties (page 64)</li> <li>• TCFD (page 72)</li> </ul>
<b>Principle Five: Remuneration</b>	<ul style="list-style-type: none"> <li>• Introduction to the Remuneration Committee (page 103)</li> </ul>
<b>Principle Six: Stakeholder Relationships and Engagement</b>	<ul style="list-style-type: none"> <li>• Stakeholders (page 59)</li> <li>• S172 (page 78)</li> </ul>

For further information on our compliance against Wates Corporate Governance Principles for Large Private Companies, please see our Governance Statement on our website:

[www.wesoda.co.uk/corporate-governance-statement-2022](http://www.wesoda.co.uk/corporate-governance-statement-2022)

### Alignment with the UK Corporate Governance Code

As our business continues to grow, the Board has commenced steps to transition and enhance our approach to governance, with the aim to adhere to the UK Corporate Governance Code in 2023. We started this journey during 2022, strengthening areas of our governance framework in accordance with the Code. Having conducted a gap analysis between our current governance and the UK Corporate Governance Code, we believe we have already made significant steps in implementing many areas of the Code.

#### Board leadership and company purpose

During the year, we took steps to ensure that the core values and beliefs held by the shareholder and the Board informed expected behaviours and practices throughout the Group. These steps included enhanced safety practices and procedures, increased training and development of employees, and starting the journey to ensure that our suppliers and distributors aligned with the sustainability values of our Group.

Despite an improving long-term trend in our safety performance, during 2022 the Board decided to take steps to significantly and permanently reduce the number of LTI workplace accidents with the objective of achieving international best practice in this area. The Board worked with dss+ to gain insight into areas of improvement within our existing safety practices, policies and procedures, allowing the Board to prioritise key actions. We also took actions to improve the work environment, implementing systems including the Employee Whistleblowing Hotline to ensure that our workforce is able to raise matters of concern, in confidence.

These initiatives demonstrate particular progress in line with Principle E.

The Board also prioritised extensive stakeholder engagement with the aim of understanding their views, working with ERM to develop a materiality matrix based on priority areas of importance for all stakeholders. The findings from this work are being used to further improve our stakeholder engagement initiatives, not only with our employees but also with our customers, suppliers, distributors and the communities in which we operate.

Providing greater clarity around our purpose was also of importance during 2022, with the Board agreeing to define our purpose post period end in February 2023 as “*to responsibly produce essential ingredients for a sustainable future*”.

#### Division of responsibilities<sup>1</sup>

In 2022, the Board agreed a new governance framework to support greater accountability and responsibility, and more effective decision making, as well as agreeing the terms of reference for all Board sub-committees. During the restructuring of the Board, the UK Corporate Governance Code was considered. In line with Principle G and Provision 11, we appointed new Non-executive Directors, with 50% of our Board, excluding the Chair, now comprising Independent Directors. One new appointment was a Senior Independent Director (“SID”) which allows us to align with Provision 12.

<sup>1</sup> There is widespread awareness and appreciation amongst the Board of Directors regarding formal requests to disclosure on any conflicts of interest, to comply with requirements of relevant company law and governance standards. Any conflicts of interest are recorded in the Kew Soda Directors’ Interests record, a rigorous approach to identify and manage such conflicts of interests that may or may not arise.

## Corporate governance continued

### Composition, succession and evaluation<sup>2</sup>

As part of the restructuring of the Board, the aim was to appoint members who could offer a balance of skills, backgrounds, experience and knowledge.

We also took steps to improve diversity on the Board, appointing two female Independent Non-executive Directors, one of whom is also ethnically diverse.

The new Independent Non-executive Directors were recruited through a professional search firm, with extensive board recruitment experience. Our new Board members went through an induction process which lasted several months and included the opportunity to visit our key production sites and directly engage with colleagues across the Group. The induction process also included familiarisation with the Board, and our key policies and stakeholders. Our newest appointments to the Board were able to observe meetings as designates during 2022, as part of their induction process.

The Board also agreed terms of reference for a Nomination Committee (which was formalised post period end, in February 2023) as per Provision 17. We believe that further progress against Section 3 will occur as the Nomination Committee establishes succession plans and the Board undergoes its first board evaluation, following the restructure.

<sup>2</sup> In 2022, WE Soda appointed several Non-executive Directors. The Board intends to comply with the principles of the UK Corporate Governance Code – Principle L, Provision 21. At least every three years, the Chair will oversee an external evaluation of Board members, with internal evaluation in intermediate years.

### Audit, risk and internal control

The Board has made significant progress in 2022 to align with Section 4, with the establishment of an Audit & Risk Focus Group (formalised as a Board committee post period end, in February 2023). The Board engaged Deloitte to support the Audit & Risk Focus Group and management team in developing our enterprise risk management framework and used this to further refine the principal risks for Board approval. The Focus Group also worked with PricewaterhouseCoopers LLP (“PwC”) to consider the audit strategy for the 2022 full-year results. As the Audit & Risk Committee of the Board is now formally ratified, further progress against Section 4 is planned.

### Remuneration

In 2022, the Board developed a remuneration policy which covers appropriate and fair levels of remuneration including base salary, pension and benefits, bonuses and proposed share plans, should the Group move forward with an IPO. This policy was designed in accordance with the UK Corporate Governance Code, market practice and the guidelines of UK institutional investors and advisory bodies. The policy has been tested against the six factors listed in Provision 40 of the UK Corporate Governance Code: clarity, simplicity, risk, predictability, proportionality, and alignment to culture. The Board also developed the terms of reference for a Remuneration Committee, with the formalisation of the committee ratified post period end, in February 2023.

### Board committees

In February 2023, we transitioned two existing Focus Groups into formal Board committees (Audit & Risk and Sustainability) and also formally constituted two additional Board committees (Nomination and Remuneration). The Audit & Risk Focus Group met in 2022 towards the end of the year and we have provided a report of its activities on page 100. On pages 101-103, we also provide an introduction from the other committees, laying out where each will be focusing during 2023.



## Introduction to our new committees

### Audit & Risk Committee



**Samantha Hoe-Richardson**  
Audit & Risk Committee Chair

#### Committee members

- Rosalind Kainyah
- Ergun Ozen

#### Dear Stakeholders,

I am pleased to present the report for the Audit & Risk Focus Group for the financial year ended 31 December 2022, which sets out our key activities and introduces the role and areas of focus for the Focus Group, as it transitions to a Board committee, which I am happy to confirm took place on 8 February 2023.

The purpose of the Audit & Risk Committee is to provide formal and transparent arrangements for considering how to apply financial reporting, risk management and internal control principles, and to maintain an appropriate relationship with the

Company's auditors. During 2022, the Focus Group met for the first time, playing a central role in overseeing the annual audit process, managing the relationship with our auditor PwC and continuing to support the development of IPO-related workstreams.

This year, one of the other key areas of focus was to build upon and further develop the existing risk management framework for the business. By working with members of the finance and operations management team, and with support from Deloitte, a more formalised approach to risk has been developed. I am also pleased to report that post period end, in March 2023, the Company appointed an experienced executive who will now be responsible for overseeing strategy and risk across the business. In 2023, the Audit & Risk Committee will continue to work with management to further develop and review the enterprise risks and risk management framework, to present to the Board for approval.

Another area of focus was the audit strategy for the 2022 accounts. A representative from PwC attended all of our meetings. We discussed the process and timeline, preparation and strategy for the 2022 audit. In addition, we considered key judgements and the proposed materiality threshold. The Committee reviewed the Annual Report and financial statements, and challenged management on key disclosures that were material to reporting and was satisfied with the explanations provided. A recommendation was made to the Board in support of the Annual Report and financial statements.

As the Focus Group has now become a Board committee, we expect to see further development in the audit and risk processes of the Group and we look forward to making further progress on this in 2023.

**Samantha Hoe-Richardson**  
28 April 2023

#### Role of the Audit & Risk Committee

The key roles of the committee include, amongst others:

- Monitoring the integrity of the financial statements.
- Advising the Board as to the appropriate risk appetite, risk tolerance and risk strategy for the business.
- Reviewing the content in the annual report and accounts, to determine whether it is a fair and balanced representation.
- Reviewing the Group's internal controls and risk management systems.
- Reviewing the adequacy of arrangements for stakeholders, including employees, to raise concerns in confidence.
- Internal and external audit arrangements.

Please see the full list of duties in the terms of reference for the Audit & Risk Committee, available on our website.

#### Areas of focus

- Oversee development and approval of an appropriate enterprise risk management framework.
- IPO preparations.
- Consideration of the appointment of an internal auditor.
- Asset retirement obligation cost, including an independent review.

#### Activities of the Audit & Risk Focus Group in 2022

Matters considered	Key discussion and outcome
<b>Year end 2021 audit</b>	The Committee was debriefed by PwC on the process undertaken for the year end 2021 audit and annual report.
<b>Audit strategy</b>	The Committee considered the audit strategy presented by PwC for the year end 2022 audit. This included focus, materiality levels, scope and timelines.
<b>Key estimates &amp; judgements and basis of preparation</b>	Review of the key estimates and judgements used in the preparation of the year end 2022 accounts along with a review of the assumptions used to support the going concern basis of preparation.
<b>Related parties</b>	Review of Kew Soda Ltd Group related party transactions, the nature of the relationship as well as detail on any transaction which occurred during the period. The year end balances were also reviewed as part of the process.

**Tasks relating to the development from private to public**

As the Group considers an IPO, the Committee discussed workstreams related to this process. This included the development of a comprehensive enterprise risk management framework and the development of a risk register, as well as the advancement of existing policy frameworks.

## Introduction to our new committees continued

### Sustainability Committee



**Rosalind Kainyah**  
Sustainability Committee Chair

#### Committee members

- Samantha Hoe-Richardson
- Sir Peter Westmacott
- Harry Kenyon-Slaney

#### Dear Stakeholders,

I am delighted to introduce the Sustainability Committee, which was formalised into a Board committee from a Focus Group on 8 February 2023.

Sustainability sits at the core of the Group's business and strategy. We know that sustainable business is good business because to achieve long-term success, we need a strong culture of safety coupled with responsible operating practices and environmental stewardship, a strong social licence to operate and ethical business practices. The Group's focus on sustainability is intended to benefit all stakeholders, including our host communities and countries, employees, customers, distributors and suppliers.

The purpose of the Sustainability Committee is to support the executive management in fulfilling its responsibilities regarding all sustainability matters, and to ensure that the Group is performing and reporting from a sustainability perspective in a manner consistent with international best practice.

In 2023, the Sustainability Committee aims to meet at least four times, and will seek to further develop the Group's sustainability framework and strategy. This will include reviewing our work with dss+ and ERM, considering and implementing recommendations where appropriate, and taking appropriate actions based on the responses from our employee and customer engagement surveys. You can read more about these activities during 2022 in the Operating sustainably section of this report on pages 26–50.



**Rosalind Kainyah**  
28 April 2023

#### Role of the Sustainability Committee

The key roles of the committee include, amongst others:

- Assisting and advising our CEO and Board on the development and implementation of Group policy and strategy in relation to sustainability matters, as well as establishing appropriate sustainability targets.
- Monitoring and reporting progress against the Group's sustainability objectives and roadmap.
- Reviewing incident reports including, amongst others, safety and environmental.
- Reviewing the Group's stakeholder engagement including community relations and, pursuant to Provision 5 of the UK Corporate Governance Code, engagement with the Group's workforce, with the aim of strengthening the "employee voice" in the boardroom and developing a better understanding of employee views.
- Overseeing the Group's reporting in relation to sustainability matters.
- Overseeing the Group's external sustainability-related audits and assessing the management response to any findings.

Please see the full list of duties in the terms of reference for the Sustainability Committee available on our website.

## Introduction to our new committees continued

### Nomination Committee



**Harry Kenyon-Slaney**  
Nomination Committee Chair

#### Committee members

- Didem Ciner
- Samantha Hoe-Richardson

#### Dear Stakeholders,

I am pleased to announce the formation of the Nomination Committee as of 8 February 2023. The purpose of the Nomination Committee is to establish a formal, rigorous and transparent procedure for the appointment of directors to the Board. It will also assist with succession planning and reviewing the annual Board evaluation in accordance with the UK Corporate Governance Code.

In 2023, we intend to meet at least twice, where we will endeavour to establish succession plans, develop our approach to the first internal evaluation following the restructuring of the Board in 2022, and report on the formal induction process of our most recent Board members. We aim to make progress against Section 3 of the UK Corporate Governance Code as the Nomination Committee begins its work.



**Harry Kenyon-Slaney**  
28 April 2023

#### Role of the Nomination Committee

The key roles of the committee include, amongst others:

- Reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes.
- Ensuring plans are in place for orderly succession to both the Board and senior management positions.
- Reviewing the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to perform and compete effectively.
- Keeping fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates.
- Identifying and nominating for the approval of the Board candidates to fill Board vacancies.
- Reviewing the results of the annual Board performance evaluation process that relate to the composition of the Board and succession planning.
- Reappointment of any non-executive directors at the conclusion of their specified term of office.

Please see the full list of duties in the terms of reference for the Nomination Committee available on our website.

## Introduction to our new committees continued

### Remuneration Committee



**Ergun Ozen**  
Remuneration Committee Chair

#### Committee members

- Rosalind Kainyah
- Sir Peter Westmacott

#### Dear Stakeholders,

I am pleased to announce the formation of the Remuneration Committee as of 8 February 2023. The purpose of the Committee is to establish a procedure for developing policy on executive remuneration and to set or oversee as appropriate the remuneration packages of individual Directors, senior executive management and employees of the Group.

In 2022, in preparation for the IPO process, the remuneration policy (which would become effective upon an IPO) was updated in line with the UK Corporate Governance Code and tested against the six factors in Provision 40. The policy is comprehensive and includes base salary, pension and benefits, annual bonus, a restricted share plan, executive director remuneration, IPO-related bonuses, recovery and withholding of performance-related compensation, shareholding requirements, recruitment policy, termination of employment, non-executive director compensation, consideration of employment conditions elsewhere in the Group and consideration of stakeholder views. In 2023, the Committee aims to meet at least twice and will approve and recommend to the Board the compensation policy for senior executive management and Directors.

**Ergun Ozen**  
28 April 2023

#### Role of the Remuneration Committee

The key roles of the committee include, amongst others:

- Delegated responsibility for determining the Directors' remuneration policy and setting remuneration for the Chair and the Executive Directors and senior executive management, including the Company Secretary, in accordance with the principles and provisions of the UK Corporate Governance Code.
- Establishing remuneration schemes that support alignment with long-term stakeholder interests.
- Designing remuneration policies and practices which support strategy and promote long-term sustainable success.
- Reviewing the ongoing appropriateness and relevance of the remuneration policy.
- Approving any payment to, and/or any non-cash benefit to be provided to, or for the benefit of an Executive Director or senior executive management.
- Approving the design of, and determine targets for, any bonuses or incentive payments.
- Setting appropriate performance targets in connection with the equity grants, options or awards.
- Determining the policy for, and scope of, pension arrangements for each Executive Director and senior executive management.

Please see the full list of duties in the terms of reference for the Remuneration Committee available on our website.

This Strategic Report was approved by the Board of Directors, and signed on its behalf by:

**Ikbal Didem Ciner**  
Director  
28 April 2023

**Harry Kenyon-Slaney**  
Director

## Directors' report

The Directors present their report together with the audited Consolidated and Parent Company financial statements of Kew Soda Ltd (the Company or Parent Company together with its subsidiaries referred to as the Group) for the year ended 31 December 2022.

### Principal activities

The principal activities of the Group, which are intended to continue into the future, are mining for and processing of trona to produce sodium carbonate (soda ash) and sodium bicarbonate, which are essential raw materials used in the manufacture of glass, dry powder soaps, chemicals, EV batteries, paper and other consumer and industrial products. The Company is focused on building a portfolio of assets in the global soda ash business. The Group operates through a number of subsidiaries which are set out in Note 33 *Group companies* to the consolidated financial statements.

### Information available in Strategic Report

In accordance with the Companies Act 2006 (Companies Act), the following items have been reported in other sections of the Annual Report and are included in this Directors' Report by reference:

- Details of the Directors of Kew Soda can be found on pages 90–92.
- The Strategic Report commencing on page 01 contains details of likely future developments within the Group and the Company believes that the report fulfils the requirements set out in Section 414C of the Companies Act.

- Details of the Group's governance arrangements and its compliance with the Wates Corporate Governance Principles for Large Private Companies (the Wates Principles), published by the Financial Reporting Council ("FRC") in December 2018 and alignment with the UK Corporate Governance Code is available in the Corporate Governance pages 98–99.
- Information on Kew Soda's management of financial risk, including an indication of the objectives and policies of the Company as well as exposure to the relevant risks, is disclosed in Note 4 *Financial risk management* to the consolidated financial statements page 136.
- Information on the use of financial instruments by the Group is disclosed in Note 2.22 *Derivative financial instruments* to the consolidated financial statements page 128.
- Details of our stakeholder engagement activities for both our UK and global employees, suppliers, customers and other stakeholders can be found in the Stakeholders section (pages 59–62), S172 Statement (page 78) and Operating sustainably section starting on page 26.
- Our GHG emissions and energy consumption for the previous three years is disclosed with the Performance Indicator Table on page 82. Our environmental performance including discussion of our energy efficiency action is detailed within the Operating sustainably section starting on page 40.

- The Group's disclosures related to the recommendations of the TCFD can be found on pages 72–77.
- The Group's disclosures related to employee engagement, diversity and inclusion can be found on pages 33–35.

### Directors

The Directors who served in office during the financial year and subsequently to the date of signing, except as noted, were as follows:

- Didem Ciner
- Gürsel Usta
- Alasdair Warren
- Ahmet Tohma
- Mehmet Ali Erdogan  
Started as Company Secretary on 26 May 2022
- Nicholas Hall  
(appointed on 19 April 2023)
- Rosalind Kainyah  
(appointed on 8 February 2023)
- Harry Kenyon-Slaney  
(appointed on 8 February 2023)
- Peter Westmacott  
(appointed on 8 February 2023)
- Sait Ergun Ozen  
(appointed on 8 February 2023)
- Samantha Hoe-Richardson  
(appointed on 8 February 2023)

### Support for Directors

The Board has adopted a policy whereby Directors may, in the furtherance of their duties, seek independent professional advice at the Company's expense. Each Director has the benefit of a deed of indemnity from the Company in respect of claims made and liabilities incurred, in either case arising out of the bona fide discharge by the Director of his or her duties. The Company has also arranged appropriate insurance cover in respect of legal action against the Directors of the Company and its subsidiaries. The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

## Directors' report continued

### Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the consolidated financial statements. In addition, Note 2 *Significant accounting policies*, to the consolidated financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to foreign exchange, interest rate, credit and liquidity risks.

The Group is funded by bank borrowings as set out in Note 26 *Borrowings*.

The financial statements have been prepared on the going concern basis, as the Directors have determined that the Group has sufficient resources and liquidity to continue in operational existence and to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. In assessing the Group's ability to adopt the going concern basis, the Directors have tested the Group's ability to meet its liabilities as they fall due in a variety of cash flow scenarios, including a severe but plausible downside scenario, which still results in positive operational cash flows. This scenario applies severe but plausible economic downside assumptions to the Group's base case forecast resulting from the continued economic and social uncertainties surrounding the general outlook in the global economy.

The key adjustments made included a sales volume sensitivity, a netback price sensitivity, a natural gas supply and price cost sensitivity. After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

### Results and dividends

The consolidated financial statements for the year ended 31 December 2022 are set out in the financial statements section of this report. The Group's profit after tax for the year was \$817.1 million, of which \$732.7 million was attributable to owners of the Company (2021: profit of \$356.3 million, of which \$302.8 million was attributable to owners of the Company).

During 2022, no ordinary dividends were declared and paid (2021: nil). The Directors do not recommend the payment of any further final dividend for the year (2021: nil).

### Share capital

At the date of this report, 153,702,471 Ordinary Shares of \$1.00 each have been issued and are fully paid up. The rights and obligations attached to the Company's Ordinary Shares are set out in the Articles.

### Significant shareholdings

As at 31 December 2022, the holders of significant interests in the Company's share capital are shown in the table below.

	Number of shares	% of issued capital
Akkan Enerji ve Madencilik A.Ş.	153,692,471	99.9

### Donations

During the year the Group contributed \$1.1 million (2021: \$0.39 million) to charitable causes and did not make any political donations.

### Branch outside the UK

In 2018, the Group established a branch in Beijing, China to develop relationships with the market and finance institutions in China.

### Statement of corporate governance arrangements

During the year ended 31 December 2022, five of the Directors (Didem Ciner, Gürsel Usta, Alasdair Warren, Mehmet Ali Erdogan and Ahmet Tohma) sat on the board of directors of the Company's subsidiary, WE Soda Ltd. Leveraging this relationship between Kew Soda Ltd and WE Soda Ltd, the Directors rely on the structure and expertise of the board of directors of WE Soda Ltd and oversee the decision-making process of the subsidiaries of Kew Soda Ltd.

### Auditors

Each person who is a Director at the date of approval of this Annual Report confirms that as far as each Director is aware, there is no relevant audit information of which the Group's and Company's Auditors are unaware. In addition, each Director has taken all the steps they ought to have taken as a Director to make themselves aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

The auditors, PwC, have indicated their willingness to accept reappointment. The Directors shall propose a resolution to reappoint them subsequent to approval of the financial statements.

### Post balance sheet events

Details of the post balance sheet events for Kew Soda Ltd can be found in Note 40 *Post balance sheet events* of the notes to the consolidated financial statements on pages 174-175.

### Directors' confirmation

The Directors consider that the Annual Report taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's and the Company's position and performance, business model and strategy.

This Directors' Report was approved by the Board of Directors, and signed on its behalf by:

**Mehmet Ali Erdogan**  
Director  
28 April 2023

## Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report 2022 and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the parent company financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group and parent company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and parent company's auditors are aware of that information.

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# Independent auditors' report to the members of Kew Soda Ltd

## Report on the audit of the financial statements

### Opinion

In our opinion, Kew Soda Ltd's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit, the parent company's loss and the group's and parent company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report 2022 (the "Annual Report"), which comprise: Consolidated and Parent Company Statements of Financial Position as at 31 December 2022; Consolidated and Parent Company Statements of Profit or Loss and Other Comprehensive Income, Consolidated and Parent Company Statements of Changes in Equity and Consolidated and Parent Company Statements of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

## Independent auditors' report to the members of Kew Soda Ltd continued

### Responsibilities for the financial statements and the audit

#### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax regulations, and environmental laws and regulations in Türkiye and the United States, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias included within significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Review of Board meeting minutes and discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect fraudulent financial reporting;

- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Assessing significant judgements and estimates, to ensure that there are no indications of management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

#### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



#### Jason Burkitt (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors

London  
28 April 2023

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Note	2022 \$000s	2021 \$000s
<b>Continuing operations</b>			
Revenue	9	1,773,748	892,113
Cost of sales	10	(995,412)	(550,359)
<b>Gross profit</b>		<b>778,336</b>	<b>341,754</b>
Administrative expenses	11	(56,570)	(40,966)
Marketing expenses	12	(5,200)	(5,624)
Other operating income	13	92,120	204,033
Other operating expenses	13	(46,546)	(79,890)
<b>Profit from operations</b>		<b>762,140</b>	<b>419,307</b>
Finance income	14	47,812	24,264
Finance expenses	14	(184,280)	(228,758)
Share of net profit/(loss) of associates accounted for using the equity method	34	2,924	-
<b>Profit before tax</b>		<b>628,596</b>	<b>214,813</b>
Taxation	15	188,552	69,710
<b>Total profit for the financial year from continuing operations</b>		<b>817,148</b>	<b>284,523</b>
Profit from discontinued operations	5	-	71,810
<b>Total profit for the financial year</b>		<b>817,148</b>	<b>356,333</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		732,786	302,841
Non-controlling interest		84,362	53,492
		<b>817,148</b>	<b>356,333</b>
<b>Basic and diluted earnings per share - continuing operations</b>	32	<b>5.316</b>	<b>1.851</b>
<b>Basic and diluted earnings per share - discontinued operations</b>	32	<b>-</b>	<b>0.467</b>
<b>Total profit for the financial year</b>		<b>817,148</b>	<b>356,333</b>

## Consolidated Statement of Profit or Loss and Other Comprehensive Income continued

For the year ended 31 December 2022

	Note	2022 \$000s	2021 \$000s
<b>Other comprehensive expense</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
- Accumulated (loss)/gain on remeasurement of defined benefit plans		(592)	20,627
- Accumulated (loss)/gain on remeasurement of defined benefit plans of investments accounted for using the equity method		10,733	-
<i>Items that will be reclassified subsequently to profit or loss:</i>			
- Foreign currency translation reserve	32	(143,759)	(922,882)
- Hedge accounting		-	5,424
<b>Total other comprehensive loss for the year, net of income tax</b>		<b>(133,618)</b>	<b>(896,831)</b>
<b>Total comprehensive profit/(loss) for the year</b>		<b>683,530</b>	<b>(540,498)</b>
<b>Total comprehensive profit/(loss) for the year attributable to:</b>			
Owners of the Company		615,519	(490,087)
Non-controlling interest		68,011	(50,411)
<b>Total comprehensive profit/(loss) for the year</b>		<b>683,530</b>	<b>(540,498)</b>
<b>Total comprehensive profit/(loss) for the year attributable to:</b>			
Continuing operations		683,530	(638,439)
Discontinued operations	5	-	97,941
<b>Total comprehensive profit/(loss) for the year</b>		<b>683,530</b>	<b>(540,498)</b>

The Notes on pages 118 to 175 form part of these consolidated financial statements.

## Consolidated Statement of Financial Position

As at 31 December 2022

	Note	2022 \$000s	2021 \$000s
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	443,818	392,765
Mining reserves	17	590,617	696,443
Intangible assets	18	23,629	159
Mining assets	19	90,031	82,066
Inventories	25	18,626	14,523
Prepaid expenses	20	18,817	27,541
Other receivables	21	553,986	494,240
Deferred tax assets	15	558,644	363,175
Goodwill	22	12,686	14,317
Right-of-use assets	39	11,653	10,397
Investments accounted for using the equity method	34	336,231	326,667
		<b>2,658,738</b>	<b>2,422,293</b>
<b>Current assets</b>			
Trade receivables	21	360,115	149,868
Other receivables	21	257,304	34,971
Cash and cash equivalents	24	308,735	14,494
Prepaid expenses	20	9,108	7,136
Inventories	25	28,375	23,791
Other current assets	23	75,987	76,642
		<b>1,039,624</b>	<b>306,902</b>
<b>Total assets</b>		<b>3,698,362</b>	<b>2,729,195</b>

## Consolidated Statement of Financial Position continued

As at 31 December 2022

	Note	2022 \$000s	2021 \$000s
<b>Non-current liabilities</b>			
Borrowings	26	1,367,315	1,388,574
Lease liabilities	39	9,504	10,543
Trade payables	27	2,879	-
Other payables	27	14,928	3
Employee benefits	29	4,097	1,899
Tax liability	15	530	2,065
Mine closure provision	30	68,854	-
Deferred tax liability	15	153,933	178,914
Deferred income (contract liabilities)	31	16,436	1,742
Other non-current liabilities	23	322	1,158
		<b>1,638,798</b>	<b>1,584,898</b>
<b>Current liabilities</b>			
Borrowings	26	337,570	422,740
Lease liabilities	39	4,309	5,399
Trade payables	27	302,703	103,326
Other payables	27	40,676	26,880
Tax liability	15	20,672	19,359
Provisions		50	1,828
Employee benefits	29	4,098	2,252
Deferred income (contract liabilities)	31	134,519	8,675
Other current liabilities	23	6,596	10,300
		<b>851,193</b>	<b>600,759</b>
<b>Total liabilities</b>		<b>2,489,991</b>	<b>2,185,657</b>

## Consolidated Statement of Financial Position continued

As at 31 December 2022

	Note	2022 \$000s	2021 \$000s
<b>Equity</b>			
Share capital	32	153,702	153,702
Share premium	32	1,382,131	1,382,131
Capital contribution in kind	6	131,038	131,038
Restricted profit reserves	32	53,302	47,421
Accumulated other comprehensive gain/(loss) that will not be reclassified subsequently to profit or loss		10,126	(119)
– Actuarial gain on remeasurement of defined benefit plans		10,126	–
Accumulated other comprehensive loss that will be reclassified subsequently to profit or loss:		(1,899,077)	(1,771,565)
– Foreign currency translation reserve	32	(1,899,077)	(1,771,565)
Retained profits		1,192,837	465,932
<b>Equity attributable to owners of the Company</b>		<b>1,024,059</b>	<b>408,540</b>
Non-controlling interest		184,312	134,998
<b>Total equity</b>		<b>1,208,371</b>	<b>543,538</b>

The Notes on pages 118 to 175 form part of these consolidated financial statements.

The consolidated financial statements on pages 110 to 175 were approved by the Board on 28 April 2023 and were signed on its behalf.

**Ahmet Tohma**  
Director  
28 April 2023

**Mehmet Ali Erdoğan**  
Director  
28 April 2023

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital	Share premium	Capital contribution in kind	Restricted profit reserves	Accumulated loss on remeasurement of defined benefit plans <sup>1</sup>	Other reserves <sup>2,4</sup>	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest <sup>3</sup>	Total equity
<b>At 1 January 2021</b>	<b>153,702</b>	<b>1,382,131</b>	<b>-</b>	<b>26,890</b>	<b>(6,365)</b>	<b>2,191</b>	<b>(956,238)</b>	<b>169,225</b>	<b>771,536</b>	<b>883,665</b>	<b>1,655,201</b>
<b>Equity-based compensation plan activity</b>	-	-	-	-	-	-	-	-	-	286	286
<b>Dividend distribution</b>	-	-	-	-	-	-	-	-	-	(78,130)	(78,130)
<b>Transfer</b>	-	-	-	20,531	-	-	-	(20,531)	-	-	-
- Profit for the year	-	-	-	-	-	-	-	302,841	302,841	53,492	356,333
- Other comprehensive (loss)/income for the year	-	-	-	-	20,643	1,756	(815,327)	-	(792,928)	(103,903)	(896,831)
<b>Total comprehensive (loss)/income for the year</b>	<b>153,702</b>	<b>1,382,131</b>	<b>-</b>	<b>-</b>	<b>20,643</b>	<b>1,756</b>	<b>(815,327)</b>	<b>302,841</b>	<b>(490,087)</b>	<b>(50,411)</b>	<b>(540,498)</b>
- Disposal of a subsidiary	-	-	-	-	(14,397)	(3,947)	-	14,397	(3,947)	(620,412)	(624,359)
- Acquisition of a subsidiary <sup>5</sup> (Refer to Note 6)	-	-	131,038	-	-	-	-	-	131,038	-	131,038
<b>At 31 December 2021</b>	<b>153,702</b>	<b>1,382,131</b>	<b>131,038</b>	<b>47,421</b>	<b>(119)</b>	<b>-</b>	<b>(1,771,565)</b>	<b>465,932</b>	<b>408,540</b>	<b>134,998</b>	<b>543,538</b>
<b>Equity-based compensation plan activity</b>	-	-	-	-	-	-	-	-	-	(18,697)	(18,697)
<b>Dividend distribution</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Transfer</b>	-	-	-	5,881	-	-	-	(5,881)	-	-	-
- Profit for the year	-	-	-	-	-	-	-	732,786	732,786	84,362	817,148
- Other comprehensive (loss)/income for the year	-	-	-	-	10,245	-	(127,512)	-	(117,267)	(16,351) <sup>3</sup>	(133,618)
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,245</b>	<b>-</b>	<b>(127,512)</b>	<b>732,786</b>	<b>615,519</b>	<b>68,011</b>	<b>683,530</b>
<b>At 31 December 2022</b>	<b>153,702</b>	<b>1,382,131</b>	<b>131,038</b>	<b>53,302</b>	<b>10,126</b>	<b>-</b>	<b>(1,899,077)</b>	<b>1,192,837</b>	<b>1,024,059</b>	<b>184,312</b>	<b>1,208,371</b>

1 Accumulated other comprehensive income that will not be reclassified subsequently to profit or loss.

2 Accumulated other comprehensive income that will be reclassified subsequently to profit or loss.

3 Includes USD16,247,329 (2021: USD107,555,667) of foreign currency translation loss allocated to non-controlling interest.

4 Other comprehensive (loss)/income for 2021 is net of USD3,947,000 recycled to the income statement on disposal of the subsidiary.

5 Since Kew Soda Ltd. acquired more than 90% of the shares in a company (TC Soda) by issuing its own shares in return, as required by the Companies Act, 2006, the difference between the USD131.0 million fair value of TC Soda and the nominal value of the shares issued by Kew Soda Ltd. has been credited to equity under "Capital contribution in kind".

The Notes on pages 118 to 175 form part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Notes	2022 \$000s	2021 \$000s
<b>Cash flow from operating activities</b>			
Total profit for the year from continuing operations		817,148	284,523
<b>Adjustments for:</b>			
Depreciation and amortisation expenses	16, 18	60,200	95,979
Retirement benefit		3,329	1,525
Provisions arising from penalties and legal claims		-	384
Finance income		(53,727)	(29,090)
Finance expense		102,736	69,158
Discount expense/(income) (net)		(966)	1,481
Bank charges		30,927	20,976
Net foreign exchange loss		14,484	46,717
Income tax credit	15	(188,552)	(69,710)
Increase in inventories		(7,077)	(17,768)
(Increase)/decrease in trade and other receivables		(222,501)	(37,285)
Increase/(decrease) in trade and other payables		351,493	(11,288)
(Gains)/loss on disposals of fixed assets		(494)	30
Compensation income		-	(60,065)
Adjustments related to share of net profit/loss of associates accounted for using the equity method	34	2,438	-
Other dividend income	34	(5,362)	-
Other cash (outflows)		(1,776)	(222)
<b>Cash generated from operations</b>		<b>902,300</b>	<b>295,345</b>
Tax return payments		(56,658)	(62,139)
Paid retirement benefit obligation		(85)	(113)
<b>Net cash generated from operating activities (continuing operations)</b>		<b>845,557</b>	<b>233,093</b>
Net cash generated from operating activities (discontinued operations)	5	-	66,047
<b>Total net cash generated from operating activities</b>		<b>845,557</b>	<b>299,140</b>
<i>Cash flow from investing activities:</i>			
Purchase of property, plant and equipment	16	(80,143)	(87,311)
Cash received from acquisition of subsidiaries		131	596
Disposals of property, plant and equipment		1,250	7
Interest received		710	524
Dividend received from equity-accounted investments		16,542	-
Dividend received from discontinued operations		-	1,000
Payments made in conjunction with equity investment, net		(12,450)	-
Cash inflow from non-trading related party balances		-	397,414
Cash outflow to non-trading related party balances		(288,630)	(162,600)
<b>Net cash (used in)/generated from investing activities (continuing operations)</b>		<b>(362,590)</b>	<b>149,630</b>
Net cash generated from investing activities (discontinued operations)	5	-	272,478
<b>Total net cash (used in)/generated from investing activities</b>		<b>(362,590)</b>	<b>422,108</b>

## Consolidated Statement of Cash Flows continued

For the year ended 31 December 2022

	Note	2022 \$000s	2021 \$000s
<i>Cash flow from financing activities:</i>			
Proceeds from borrowings		168,109	-
Repayments of borrowings		(259,857)	(459,914)
Repayments of lease liabilities		(4,556)	(6,614)
Interest paid		(81,404)	(94,955)
Borrowing costs incurred		(10,722)	(15,263)
Transfer from discontinued operation into continuing operations		-	300,000
Distributions to non-controlling interest shareholder of subsidiary		(58)	(49,892)
Cash used to repay restricted bank balances		-	(39,295)
Other cash inflows		-	1,613
<b>Net cash used in financing activities (continuing operations)</b>		<b>(188,488)</b>	<b>(364,320)</b>
Net cash used in financing activities (discontinued operations)	5	-	(338,663)
<b>Total net cash used in financing activities</b>		<b>(188,488)</b>	<b>(702,983)</b>
Effects of exchange rate changes on cash and cash equivalents		(238)	(11,641)
<b>Net generated/(used in) cash and cash equivalents</b>		<b>294,241</b>	<b>6,624</b>
Cash and cash equivalents at beginning of the year	24	14,494	7,870
<b>Cash and cash equivalents at end of the year</b>	24	<b>308,735</b>	<b>14,494</b>
<b>Cash and cash equivalents at the end of the year attributable to:</b>			
	Note	2022 \$000s	2021 \$000s
Continuing operations		308,735	14,494
Discontinued operations		-	-
<b>Total cash and cash equivalents in the statement of cash flows</b>		<b>308,735</b>	<b>14,494</b>

The Notes on pages 118 to 175 form part of these consolidated financial statements.

## Notes to the Consolidated Financial Statements

(Tabular amounts in thousands of US dollars, except where noted)

### 1. General information

Kew Soda Ltd (the Company or Parent Company or Kew Soda) is a private company limited by shares incorporated and domiciled in the United Kingdom on 1 July 2016 and registered in England and Wales under the Companies Act 2006, which serves as an intermediate holding company for the Group. The address of the registered office is 23 College Hill, London, EC4R 2RP, United Kingdom. The copies of the consolidated financial statements and Annual Report for Kew Soda Ltd., which is the largest and smallest group to consolidate, can be obtained from the Company Secretary at 23 College Hill, London, EC4R 2RP, United Kingdom. WE Soda is the trading name for Kew Soda Ltd.

Until 21 December 2021 and prior to the “2021 Strategic Transactions” (as defined below), the Company’s portfolio of assets comprised two controlled businesses in Türkiye, namely, Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş. (“Eti Soda”) and Kazan Soda Elektrik Üretim A.Ş. (“Kazan Soda”), and one controlled business in the United States, SiseCam Wyoming LLC (“SiseCam Wyoming”, formerly named Ciner Wyoming LLC).

The Company and its subsidiaries (both direct and indirect) are referred to as the “Group”.

The immediate parent and ultimate holding company of Kew Soda Ltd is Akkan Enerji ve Madencilik A.Ş. (“Akkan Enerji”), which is incorporated in Türkiye and is part of the wider “Ciner Group”. The Ciner Group’s ultimate controlling party is Mr Turgay Ciner. The Company and WE Soda are parent companies in the Akkan Group, both preparing publicly available financial statements. WE Soda Ltd’s registered office is 23 College Hill, London, EC4R 2RP, United Kingdom.

The Group has completed a series of transactions referred to as “2021 Strategic Transactions”, which completed on 21 December 2021 and consist of:

- (i) Ciner Enterprises Inc.’s (“CEI”) sale of 60% of its interest in Ciner Resources Corporation, which was converted and renamed to SiseCam Chemicals Resources LLC (“SiseCam Chemicals Resources”) on 21 December 2021, to SiseCam Chemicals USA Inc. (“SiseCam”);
- (ii) The Ciner Group’s sale of its 10% interest in Pacific Soda LLC (“Pacific Soda”) and 60% interest in Atlantic Soda LLC (“Atlantic Soda”) to SiseCam thereby retaining 40% of the shares in each of Pacific Soda and Atlantic Soda; and
- (iii) the acquisition by WE Soda Ltd (“WSL”) of a 40% indirect interest in each of Pacific Soda and Atlantic Soda, through an in-kind contribution of TC Soda to the capital of Kew Soda.

Subsequent to the 2021 Strategic Transactions, the global soda ash business of the Company comprises two controlled businesses in Türkiye, Eti Soda and Kazan Soda, and three investments, namely an indirect investment in SiseCam Wyoming, and indirect investments in each of Pacific Soda and Atlantic Soda. Pacific Soda and Atlantic Soda together form the Pacific development project and Atlantic Soda was merged with Pacific Soda.

The Ciner Group transferred Soda World Ltd (“Soda World”) to the Group on 21 January 2022, and since then Soda World has been consolidated as a subsidiary into the Group’s financial statements. Soda World is the direct contracting party with the Group’s end-users and distributors and the direct holder of certain export receivables from Eti Soda and Kazan Soda.

Additionally, the Ciner Group had incorporated WE İç ve Dış Ticaret A.Ş. (“WIDT”) in Türkiye, which was acquired by Soda World as a wholly-owned subsidiary on 18 March 2022, and will act as the Group’s sole export intermediary for the export of products from Türkiye, replicating the cash flow and VAT processing benefits of Ciner İç ve Dış Ticaret A.Ş. (“CIDT”) following its transfer. It is intended that WIDT will gradually take over the role of CIDT in Türkiye until the 2023 year end and exporting products on behalf of Kazan Soda and Eti Soda to Soda World pursuant to a resale agreement. Under Turkish regulations, WIDT’s application to become a foreign trade company (“FTC”) can only be submitted when specific trading thresholds have been met (in excess of USD100 million of export sales in a calendar year). This threshold has been exceeded during financial year 2022 and completion of the approval process for the application to become a foreign trade company is being closely monitored by the management.

### 2. Significant accounting policies

#### 2.1 Financial information

The financial information is presented in US dollars (“USD”). Foreign operations are included in accordance with the policies set out in this Note.

#### 2.2 Basis of preparation

The Company has prepared consolidated financial statements which comply with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments. The disclosed policies have been applied consistently by the Group for both the current and previous financial year with the exception of the new standards adopted.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.2 Basis of preparation continued

##### Going concern

The financial statements as of and for the year ended 31 December 2022 have been prepared on the going concern basis, as the Directors have determined that the Group has sufficient resources and liquidity to continue in operational existence and to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. In assessing the Group's ability to adopt the going concern basis, the Directors have tested the Group's ability to meet its liabilities as they fall due in a variety of cash flow scenarios, including a severe but plausible downside scenario, which still results in positive operational cash flows. This scenario applies severe but plausible economic downside assumptions to the Group's base case forecast resulting from the continued economic and social uncertainties surrounding the general outlook in the global economy.

The key adjustments made included a sales volume sensitivity, a netback price sensitivity, a natural gas supply and price cost sensitivity.

##### General

The disclosed policies have been applied consistently by the Group for both the current and previous financial year with the exception of the new standards adopted.

#### 2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) as of each year end. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

See Note 2.8 *Subsidiaries* for further details.

#### Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a major line of business or geographical area of operations. The results of discontinued operations are presented separately in the consolidated income statement.

#### 2.4 New and revised IFRSs

The Group has evaluated the effects of new and revised standards and interpretations on its operations, which are implemented after its effective date.

*(a) Standards, amendments and interpretations that are issued and effective as at 31 December 2022*

- **Amendment to IFRS 16, 'Leases'** – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021); As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16; effective from annual periods beginning on or after 1 January 2022. The application of these is not expected to have a material impact on the Group in the future reporting periods or on foreseeable future transactions.
  - **Amendments to IFRS 3, 'Business combinations'** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **Amendments to IAS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - **Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss-making.
  - **Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial Instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.**

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.4 New and revised IFRSs continued

*(b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2022*

Below is a list of new and revised IFRSs that are not yet mandatorily effective (but allow early application) for the accounting periods starting on or after 1 January 2023 that the Group has not yet adopted. The application of these is not expected to have a material impact on the Group in the future reporting periods or on foreseeable future transactions.

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8**; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12** – Deferred tax related to assets and liabilities arising from a single transaction; effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **Amendment to IFRS 16** – Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendment to IAS 1** – Non-current liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
- **IFRS 17**, ‘Insurance Contracts’, as amended in December 2021 and amendments to IFRS 17, Initial Application of IFRS 17 and IFRS 9 – Comparative Information; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

#### 2.5 Acquisitions

On an acquisition that qualifies as a business combination in accordance with IFRS 3 Business Combinations, the assets and liabilities of a subsidiary are measured at their fair value as at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill which is treated as an intangible asset. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to the statement of comprehensive income in the year of acquisition.

If the Group acquires a group of assets or equity in a company it can apply a ‘concentration test’ that, if met, eliminates the need for further assessment. This test is optional, and where substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset (or a group of similar assets), the assets acquired would not represent a business. For a group of assets or equity in a company that does not constitute a business combination in accordance with IFRS 3 Business Combinations, the cost of the acquired group of assets or equity is allocated to the individual identifiable assets acquired based on their relative fair value.

The Company adopted IFRS 3 Business Combinations as its accounting policy regarding acquisitions under common control.

#### 2.6 Business combinations

Business combinations are accounted for using the acquisition method.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed, are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests (“NCI”) that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets.

The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.7 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for NCI over the fair value of the identifiable net assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs") that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

#### 2.8 Principles of consolidation and equity accounting

##### (a) Subsidiaries

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Investments in subsidiaries represent equity holdings in subsidiaries and long-term amounts owed by subsidiaries. Such investments are valued at cost less any impairment provisions. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of the investment is the higher of fair value less cost to disposal and value in use.

The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits arising therefrom, are eliminated.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it (i) derecognises the assets (including goodwill) and liabilities of the subsidiary; (ii) derecognises the carrying amount of any non-controlling interest; (iii) derecognises the cumulative translation differences, recorded in equity; (iv) recognises the fair value of the consideration received; (v) recognises the fair value of any investment retained; (vi) recognises any surplus or deficit in profit and loss; and (vii) reclassifies the parent's share of components previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

##### (b) Non-controlling interests ("NCI")

Non-controlling interests represent the equity in a subsidiary not attributable, directly and indirectly, to the Parent Company and are presented separately within the consolidated statement of financial position, separately from equity attributable to owners of the parent. Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

##### (c) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see Note 2.8 *Equity method*), after initially being recognised at cost.

Details of the associates are set out in Note 34 *Interests in equity-accounted associates*.

##### (d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

##### (d) Equity method continued

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or CGUs. Non-financial assets suffered from an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.8 Principles of consolidation and equity accounting continued

##### (e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Kew Soda Ltd.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### 2.9 Revenue recognition

Revenue represents the sales value, net of value added tax (“VAT”) and equivalent taxes applied to the Group’s sales. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for customer returns, rebates, commissions and taxes related to sales.

The core principle of revenue recognition is that the Group should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, IFRS 15 Revenue from Contracts with Customers introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Accordingly, revenue is recognised when (or as) a performance obligation is satisfied, ie when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group recognises sales revenue related to the transfer of promised goods or services when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Group is or expects to be entitled to exchange for those goods or services.

Sales revenue is recognised on individual sales when control transfers to the customer. In most instances, control passes, and sales revenue is recognised, when the product is delivered to the vessel or vehicle on which it will be transported once loaded, the destination port or the customer’s premises. There may be circumstances when judgement is required based on the five indicators of control below.

- The customer has the significant risks and rewards of ownership and has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the good or service.
- The customer has a present obligation to pay in accordance with the terms of the sales contract. For shipments under the Incoterms Cost, Insurance and Freight (“CIF”)/Carriage Paid to (“CPT”)/Cost and Freight (“CFR”), this is generally when the ship is loaded, at which time the obligation for payment is for both product and freight.
- The customer has accepted the asset. Sales revenue may be subject to adjustment if the product specification does not conform to the terms specified in the sales contract, but this does not impact the passing of control. Assay and specification adjustments have been immaterial historically.
- The customer has legal title to the asset. The Group usually retains legal title until payment is received for credit risk purposes only.
- The customer has physical possession of the asset. This indicator may be less important as the customer may obtain control of an asset prior to obtaining physical possession, which may be the case for goods in transit.

The Group sells some portion of its products on CFR or CIF Incoterms. This means that the Group is responsible (ie acts as principal) for providing shipping services and, in some instances, insurance after the date at which control of goods passes to the customer at the loading port. The Group therefore has separate performance obligations for freight and insurance services that are provided solely to facilitate sale of the commodities it produces. Other Incoterms commonly used by the Group are Free on Board (“FOB”), where the Group has no responsibility for freight or insurance once control of the goods has passed at the loading port, and Delivered at Place (“DAP”), where control of the goods passes when the product is delivered to the agreed destination. For these Incoterms there is only one performance obligation, being for provision of product at the point where control passes.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.10 Leases

The date of initial application of IFRS 16 Leases for the Group was 1 January 2019.

The Group has applied IFRS 16 using the cumulative catch-up approach which requires the Group to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.

The Group has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease for lease contracts entered into prior to the adoption date. Accordingly, the definition of a lease in accordance with IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease will continue to be applied to those leases entered or changed before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract).

#### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.10 Leases continued

##### The Group as lessee continued

The Group did not make any such adjustments for the years presented.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the year in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss (see Note 8 *Profit from operations*).

#### 2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When the Group borrows funds specifically for the purpose of the qualifying assets, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

Financial investment revenues from the temporary investing of unused portion of investment loan are deducted against the borrowing costs eligible for capitalisation. All other borrowing costs are recorded in the income statement in the year in which they are incurred.

#### 2.12 Foreign currencies

For the purpose of the consolidated financial statements, the results and financial position of each company in the Group are expressed in US dollars, which is the presentation currency for the consolidated historical financial information.

The presentation currency of the Group is the US dollar based on the assessment that the Group's revenue mix will be predominantly US dollar denominated due to nature of the industry and US Dollar presentation will enhance comparability with the industry peer group.

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Any change in the functional currencies of the operations and entities and their immediate parents are evaluated and detailed in Note 2.28. *Critical accounting judgements and key source of estimation uncertainty* "Identification of functional currencies".

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into US dollars using exchange rates prevailing at the end of each reporting date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Exchange differences on monetary items are recognised in profit or loss in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 4 *Financial risk management*); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting date.

##### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

##### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### 2.14 Property, plant and equipment

Property, plant, and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.

Properties during construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes costs related to the acquisition of the mentioned asset (employee benefits, site preparation, delivery cost, instalment, and montage costs etc.) These assets are classified to the related type of property asset when the construction is completed, and the asset is ready for use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of tangible assets is derecognised upon disposal or when future economic benefits are no longer expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of tangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The maintenance expenses arising from changing any part of the tangible assets can be capitalised if the economic benefit of the asset is increased. All other expenses are recorded in the expense accounts in the income statement when they are realised.

Depreciation for tangible assets are calculated based on the following:

Land improvements	Straight line	5 - 38 years
Buildings	Straight line	10 - 50 years
Plant, machinery and equipment	Straight line	4 - 40 years
Other fixed assets	Straight line	2 - 15 years
Leasehold improvements	Straight line	4 - 9 years

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.15 Mining reserves

Mining reserves include trona reserves and resources that can be economically and legally extracted and processed into soda ash or sodium bicarbonate at the time of their determination. Mining reserves are initially recognised at fair value when acquired.

Subsequently mining reserves are stated at initial value, less accumulated amortisation and accumulated impairment losses.

#### Amortisation of mining reserves

The Group amortises mining reserves based on management's estimation of units of production and an estimation of total reserve volume by independent experts. Mining reserves are amortised according to units of production of trona extracted during the relevant periods.

#### 2.16 Mining assets

The Group's Turkish operating subsidiaries produce soda ash/sodium bicarbonate after extracting trona using the solution mining method through usage of production wells. Mining assets comprise capitalised costs to construct production wells and other related costs incurred for wells to become operational.

Mining assets are stated at cost, less accumulated amortisation, and accumulated impairment losses.

Expenditure on the construction, installation or completion of infrastructure facilities is capitalised within mining assets, as long as the facts and circumstances indicate that the field has commercially viable reserves.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the asset retirement obligation, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Any other subsequent expenditure or maintenance expenses can be capitalised if the economic benefit of the asset is increased. All other expenses are recorded in the expense accounts in the income statement when they are realised.

#### Amortisation of mining assets

To amortise mining assets, the Group uses a methodology based on information that is dependent on a management estimation of units of production. Mining assets are amortised according to units of production of trona extracted.

#### Mineral exploration and evaluation expenditures

Exploration for and evaluation of mineral resources means the search for mineral resources, including minerals after an entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation costs arising following the acquisition of an exploration licence are capitalised on a project-by-project basis as exploration and evaluation assets, pending determination of the technical feasibility and commercial viability of the project. Once sufficient information is available to prove technical feasibility and commercial viability of extracting the mineral resource, the relevant expenditure is transferred from exploration and evaluation assets to mining reserves. All other costs incurred on exploration and evaluation are expensed until technical feasibility and commercial viability of extracting the mineral resource is proven.

Exploration and evaluation assets are carried at historical costs less any impairment losses recognised.

#### 2.17 Intangible assets

##### Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the assets' estimated useful lives. The estimated useful life and amortisation methods are reviewed annually at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

##### Internally generated intangible assets – software development costs

The Group capitalises certain software development costs associated with creating and enhancing internally developed software. Expenditure on research activities is recognised as an expense in the year in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.17 Intangible assets continued

##### Internally generated intangible assets – software development costs continued

- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the year in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Useful lives of software development costs are between 5 to 10 years.

##### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### 2.18 Impairment of tangible and intangible assets other than goodwill

At the end of each year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### 2.19 Share issue expenses, share premium account and restricted profit reserves

Costs of share issues are set off against the premium arising on the issue of share capital.

#### 2.20 Inventories

Inventories of finished goods and materials are stated at lower of cost or net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with inventories being valued on the weighted average basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale.

#### 2.21 Employee benefits

##### (a) Retirement pay obligation:

###### *Termination benefits for Turkish operations*

The Group’s Turkish operations are required by Turkish law and union agreements, to ensure that lump sum payments are made to employees retiring or involuntarily leaving the Turkish subsidiaries. Such payments are considered as being part of employee benefits as per IAS 19 (Revised) – Employee Benefits.

The retirement pay provision recognised in the financial statements represents the present value of the retirement pay obligation. The actuarial gains and losses are recognised in other comprehensive income.

The cost of providing retirement pay is determined using the projected unit credit method, with actuarial valuations being carried out annually at the end of each reporting year.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Retirement pay obligations are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

Curtailment gains and losses are accounted for as past service costs.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.21 Employee benefits continued

##### (a) Retirement pay obligation continued

###### *Post-retirement benefits for US operations*

Most of the employees of Sisecam Chemicals Resources, including Sisecam Wyoming, are eligible for post-retirement benefits other than pensions if they reach retirement age while still employed by Sisecam Wyoming or Sisecam Chemicals Resources.

The benefits are accounted for on an accruals basis over an employee's period of service. The retiree benefit plan is not funded, and CEI had the right to modify or terminate the plan until 21 December 2021, which was the disposal date of its subsidiaries. CEI uses 31 December to determine post-retirement benefit measurements and future costs are present valued at the respective reporting date.

##### (b) Defined benefit plans:

###### *Retirement and savings for US operations*

Up until the Strategic Transactions on 21 December 2021, CEI sponsored various defined benefit plans, being:

###### *Retirement plans*

Benefits provided under the Ciner Pension Plan for Salaried Employees and Ciner Pension Plan for Hourly Employees are based upon years of service and average compensation for the highest 60 consecutive months of the employee's last 120 months of service, as defined. Each plan covers substantially all full-time employees working at Sisecam Wyoming and Sisecam Chemicals Resources hired before 1 May 2001. CEI's funding policy is to contribute an amount within the range of the minimum required and the maximum tax-deductible contribution.

###### *Savings plan*

The Ciner 401(k) Retirement Plan covers all eligible salaried and hourly employees of Sisecam Chemicals Resources, including those at Sisecam Wyoming. Eligibility is limited to all domestic residents and any foreign expatriates who are in the United States indefinitely. The plan permits employees to contribute specified percentages of their compensation, while CEI makes contributions based upon the specified percentages of employee contributions.

The Plan was amended such that participants hired on or subsequent to 1 May 2001 will receive an additional contribution from CEI based on a percentage of the participant's base pay until 21 December 2021, which was the disposal date of its subsidiaries.

##### (c) Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. See Note 29 *Employee benefits* for further details.

#### 2.22 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract was entered into and are subsequently remeasured at their fair value at the end of each reporting year, with changes in the fair value immediately recognised in the income or loss, unless the derivative is designed and effective as a hedging instrument.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract. Contracts are assessed for embedded derivatives when the Group becomes a party to them, including at the date of a business combination.

The Group may enter into derivative contracts from time to time to manage exposure to the risk of exchange rate changes on its foreign currency transactions, the risk of changes in natural gas prices, and the risk of the variability in interest rates on borrowings. Gains and losses on derivative contracts qualifying for hedge accounting are reported as a component of the underlying transactions. The Group follows hedge accounting for its hedging activities. All derivative instruments are recorded on the balance sheet at their fair values. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. For a derivative designated as a fair value hedge, the gain or loss is recognised in profit or loss in the period of change together with the offsetting gain or loss on the hedged item attributed to the risk being hedged. For a derivative designated as a cash flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income/(loss) and subsequently reclassified into profit or loss when the hedged exposure affects profit or loss. Any significant ineffective portion of the gain or loss is reported in statements of profit or loss immediately. For derivatives not designated as hedges, the gain or loss is reported in profit or loss in the period of change. When the Group has natural gas physical forward contracts, they are accounted for as executory contracts as they are entered into for "own use".

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2.23 Financial instruments

#### Financial assets

At initial recognition, the Group measures a financial asset at its fair value, except for trade receivables that do not contain significant financing component. The Group measures trade receivables at their transaction price if the trade receivables do not contain a significant financing component in accordance with IFRS 15 Revenue from Contracts with Customers (or when the entity applies the practical expedient) at initial recognition.

At initial recognition, Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to the acquisition or issue of the financial asset.

The Group reclassifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or FVTPL on the basis of both:

- the Group’s business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

When, and only when, the Group changes its business model for managing financial assets, it reclassifies all affected financial assets. The Group applies the reclassification prospectively from the reclassification date. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### *Financial assets measured at amortised cost*

A financial asset is measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest revenue of financial assets measured at amortised cost is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

#### *Receivable financing arrangements*

The Group has nonrecourse receivables purchase agreements with certain financial institutions. As a part of these agreements once the Group has transferred the financial assets, the Group then determines whether or not it has transferred substantially all of the risks and rewards of ownership of these asset. If substantially all the risks and rewards have been transferred, the asset is derecognised. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

Based on the evaluation of management, the legal form and substance of these agreements constitute a sale of the assets rather than a secured loan, where the rights (including the risks and rewards) of the Group to collect the cash flows from the receivables expire/terminate once the respective assets are transferred. For certain transactions, assets are partially transferred and any remaining untransferred portion of the assets have not been derecognised.

Subsequent to invoicing the end customers, management assesses the working capital requirements of the Group and determines which invoices will be sold to the financial institutions. Management has credit limits with the purchasing financial institutions which restricts them from selling all the outstanding receivables. Hence, at initial recognition, the Group considers trade receivables are held within a business model whose objective is to both collect contractual cash flows and sell and are therefore held within the fair value through other comprehensive income measurement category.

#### *Financial assets measured at fair value through other comprehensive income*

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. If the financial asset is reclassified out of the fair value through other comprehensive income measurement category, the Group accounts for the cumulative gain or loss that was previously recognised in other comprehensive income in financial statements. Interest calculated using the effective interest method is recognised in profit or loss.

At initial recognition, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.23 Financial instruments continued

##### Financial assets continued

##### *Financial assets measured at FVTPL*

A financial asset shall be measured at FVTPL unless it is measured at amortised cost or at fair value through other comprehensive income.

##### *Interest income*

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

##### *Impairment*

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

The Group applies the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income. However, the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

At each reporting date, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

If at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses except for purchased or originated credit-impaired financial assets.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables and other receivables that do not contain a significant financing component, which is referred as a simplified approach.

The allowance for expected credit loss provision is immaterial.

##### Financial liabilities

At initial recognition, the Group measures a financial liability at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability.

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for:

- financial liabilities at FVTPL. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the Group recognises any income on the transferred asset and any expense incurred on the financial liability; and
- contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies. Such contingent consideration is subsequently being measured at fair value with changes recognised in profit or loss.

The Group does not reclassify any financial liabilities.

##### *Recognition and derecognition of financial assets and liabilities*

The Group recognises a financial asset or a financial liability in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

The Group derecognises a financial asset when, and only when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the financial asset, and the transfer qualifies for derecognition.

If a transfer of a financial asset does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group will continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the Group recognises any income on the transferred asset and any expense incurred on the financial liability.

The Group derecognises a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished - ie when the obligation specified in the contract is discharged or cancelled or expires.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.24 Government grants and incentives

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all the required conditions. Government grants related to costs are accounted as income on a consistent basis over the related periods with the matching costs.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of profit or loss on a straight-line basis over the expected lives of the related assets.

#### 2.25 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments where their maturities are three months or less from date of acquisition and are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates their fair value.

#### 2.26 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, being the geographical locations where the Group operates. The chief operating decision maker ("CODM") has been identified as the Board of Directors.

#### 2.27 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

#### Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting years, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised.

#### Environmental liabilities – mine closure provision

The Group is subject to environmental controls and regulations in Türkiye and the United States. The Group's operations may lead, as a result of the discharge of materials and contaminants into the environment, to a disturbance of land and thereby create a negative impact on the flora and fauna.

However, environmental laws and regulations continue to evolve. The Group is unable to predict the timing or extent to which those environmental laws and regulations may change. Such change, if it occurs, may require that the Group modernises technology to meet standards that are more stringent. Within the scope of various laws, mining licences and use of mineral rights agreements, the Group decommissions mine facilities on cessation of its mining operations and restores the environment.

The Group's management believes that its environmental obligations mainly include the following:

- rehabilitation of land and other types of ongoing rehabilitation; and
- decommissioning of mining assets and bringing mine sites into a condition that ensures the safety of population, and protection of environment, building and facilities.

The Group's obligations associated with the retirement of a tangible long-lived asset are recorded as a liability when those obligations are incurred, with the amount of the liability initially measured at fair value. Upon initially recognising a liability for its land reclamation obligations, the Group increases the carrying amount of the related long-lived asset by the same amount. Over time, the liability is accreted to its present value each year, and the capitalised cost is depreciated over the estimated useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

#### 2.28 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies described in the consolidated financial statements, management has made judgements and estimates that may have a significant effect on the amounts recognised in the financial statements.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.28 Critical accounting judgements and key sources of estimation uncertainty continued

##### Critical judgements in applying accounting policies

###### *Receivable financing arrangements*

The Group signed non-recourse receivables purchase agreements with certain financial institutions. As a part of these agreements once the Group has transferred the financial assets, the Group determines whether or not it has transferred substantially all of the risks and rewards of ownership of these assets. If substantially all the risks and rewards have been transferred, the asset is derecognised. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

Based on the evaluation of management, the legal form and substance of these agreements constitute a sale of the assets rather than a secured loan, where the rights (including the risks and rewards) of the Group to collect the cash flows from the receivables expire/terminate once the respective assets are transferred. For certain transactions, assets are partially transferred and any untransferred portion of the assets have not been derecognised. Based on past experiences and contractual clauses which secures late payment risks or existing insurance arrangements, management believes that risk and reward retained is not significant. There is some judgement over whether the risks and rewards retained are not significant, given the existing insurance arrangements and the retention of late payment risk with one of the financial institutions. However, based on past experiences and other contractual clauses in the agreements, management believe that full derecognition is appropriate for all other assets transferred under the receivables purchase agreements.

###### *Identification of functional currencies*

The functional currency for each subsidiary is the currency of the primary economic environment in which it operates. Determination of functional currency involves significant judgement and other companies may make different judgements based on similar facts. The Group reconsiders the functional currency of its businesses if there is a change in the underlying transactions, events or conditions, which determine their primary economic environment. The determination of functional currency is a key judgement, which affects the measurement of non-current assets included in the statement of financial position, and, as a consequence, the depreciation and amortisation of those assets included in the statement of profit or loss. It also impacts exchange gains and losses included in the statement of profit or loss and in equity. The functional currency of the Group's Turkish subsidiaries was determined to be Turkish lira until 31 March 2022 and then as US dollar with effect from 1 April 2022 based on the following:

The Group's Turkish operating entities, Eti Soda and Kazan Soda, considered the Turkish lira as their functional currency for all years up to 31 December 2021. Towards the end of 2021, Turkey experienced unexpected fluctuations with respect to macro-economic indicators and the government took certain measures in order to control such fluctuations. However, after year-end 2021, despite the measures taken, there have been material changes affecting the economic environment in Turkey. As required under IAS 21, the Group has evaluated such changes as a triggering event for a reassessment of the functional currency of all subsidiaries which had Turkish lira as their functional currency.

The determination of the functional currency requires management to make numerous judgements. As a result of management's review and analysis of Eti Soda and Kazan Soda, it has been concluded that the US dollar is the currency that most accurately represents the economic effects of both entities. Management's analysis was based on the following considerations:

- Factors that determined the functional currency were always mixed, with revenues predominantly influenced by mainly US dollar denominated international markets and costs by both international and local Turkish lira denominated factors.
- In the last year, the exchange rate of the Turkish lira has been severely affected by devaluation against hard currencies, and the US dollar in particular. This has had a very limited impact on the Group's sales prices but it has affected costs. The relative proportion (by value) of locally incurred input costs denominated in Turkish lira, compared to US dollars influenced input costs, such as natural gas, has decreased significantly mainly because the price of natural gas, which is imported and which price is ultimately set with reference to US dollars, has increased significantly during 2022 and in particular, following the notification of significant price increased on 31 March 2022.
- As part of the Group's corporate strategy, less functional and governance control is being led from Türkiye and new internal reporting initiatives are in US dollars.

While the indicators are still mixed, it is the judgement of management that the functional currency for Eti Soda and Kazan Soda has now shifted towards the US Dollars, because the majority of the Group's decisions and those of the Group's largest suppliers are principally based on US Dollars as the underlying currency. This change is applied prospectively from 1 April 2022 and has not affected the balances as of 31 December 2021, nor results or cash flows for the year then ended.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.28 Critical accounting judgements and key sources of estimation uncertainty continued

##### Critical judgements in applying accounting policies continued

##### *Licence – judgement in continuation of operations beyond licence and lease terms*

Eti Soda has been granted the right to mine for trona in the Beypazari District by way of an agreement between Eti Soda and its minority shareholder Eti Maden, which owns the licence to extract trona from the mine in the Beypazari District. The existing agreement between Eti Soda and Eti Maden allows Eti Soda to mine for trona for 24 years, between the years 2001 and 2025. On 19 November 2021, the agreement was extended to 2045. It is management's judgement that the licence will be renewed until current known reserves are depleted and hence depreciation is being charged over the expected life of the mine rather than the term of the licence.

Kazan Soda has a mining licence for the Kazan District, which allows for mining activities in the region. The licence period expires in 2043 and it is management's judgement that the licence will be renewed until current known trona reserves are depleted. The remaining expected depletion periods are disclosed in Note 22 *Goodwill*.

##### *Close-down, restoration and environmental obligations*

Provision is made for close-down, restoration and environmental costs when the obligation occurs, based on the net present value of estimated future costs required to satisfy the obligation. Management uses its judgement and experience to determine the potential scope of closure rehabilitation work required to meet the Group's legal, statutory and constructive obligations, and any other commitments made to stakeholders, and the options and techniques available to meet those obligations and estimate the associated costs and the likely timing of those costs. Significant judgement is also required to determine both the costs associated with that work and the other assumptions (ie long-term discount rates) used to calculate the provision. Management's internal experts support the cost estimation process and seek third party estimates of likely costs but there remains significant estimation uncertainty. The key judgement in applying this accounting policy is determining when an estimate is sufficiently reliable to make or adjust a closure provision.

Management continuously evaluates potential provision requirements for close-down, restoration and environmental costs and has computed provisions for potential obligations related to respective components of facilities of mine area, pipe lines, process facilities including purge and cogeneration unit. For the year ended 31 December 2021, management applied a Turkish lira based risk free rate to the cash flows expected to be incurred in Turkish lira predominantly at the end of the life of the mines and accordingly no provision was required to be recognised.

For the year ended 31 December 2022, management reassessed the cash flows expected to be incurred in US\$ predominantly at the end of the life of the mines and applied a lower US\$ risk free rate. The lower risk free rate had the impact of increasing the present value of the expected future cash flows which resulted in a material provision being recognised.

##### Key sources of estimation uncertainty

##### *Mining reserves – estimation of mining reserves*

Mining reserves are estimates of the amount of trona that can be economically and legally extracted from the Group's mining properties. Such reserves estimates and changes to these may affect the Group's reported financial position and results, in the following ways:

- The carrying value of property, plant and equipment, mining reserves, mining assets and goodwill may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the unit of production method, or where the useful life of the related assets change.
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.
- The timing of the closure of the mines and calculation and discounting of asset retirement obligations.

The Group estimates its mining reserves based on information compiled by external appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the trona and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the trona.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 2. Significant accounting policies continued

#### 2.28 Critical accounting judgements and key sources of estimation uncertainty continued

##### Key sources of estimation uncertainty continued

As the economic assumptions used may change and as additional geological information is produced during the operation of a mine, estimates of mining reserves may change.

##### *Recoverability of deferred tax assets*

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available in the foreseeable future. The recoverable amount of deferred tax assets, partially or fully, is estimated under the current conditions. During the assessment of the recoverability of deferred tax assets, future taxable profit forecasts and expiration dates of government grants, carry forward tax losses and other tax advantages were considered (Note 15 *Taxation*).

##### *Annual impairment review*

The Group's non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In making assessments for impairment, assets that do not generate independent cash flows are allocated to an appropriate CGU. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Goodwill is subject to an impairment test every year. The recoverable amount of those assets, or CGU, is measured at the higher of their fair value less costs of disposal and value in use. Our assessment is that no reasonably possible change in assumptions would result in the carrying amount exceeding the recoverable amount, for either the Group's non-current assets or goodwill.

Indicative impairment models are prepared based on life-of-mine models, for which the most significant is the estimate of mining reserves.

##### *Estimation of obligations for post-employment costs*

The value of the Group's obligations for post-employment benefits is dependent on the amount of benefits that are expected to be paid out, discounted to the reporting date. The discount rate is a key assumption and is based upon the yields on high-quality corporate bonds in the relevant currency, which have durations consistent with the term of the obligations. The discount rate will vary from one period to another in line with movements in corporate bond yields, but at any given measurement date there is relatively little estimation uncertainty. This rate is also used to calculate the interest cost on obligations and interest income on plan assets.

The following key assumptions are used to calculate the estimated benefit: future pay increases to be received by members of final pay plans, the level of inflation (for those benefits that are subject to some form of inflation protection), current mortality rates and future improvements in mortality rates. The assumption regarding future inflation is based on market yields on inflation-linked instruments, where possible, combined with consensus views. The Group reviews the actual mortality rates of retirees in its major pension plans on a regular basis and uses these rates to set its current mortality assumptions. It also uses its judgement with respect to allowances for future improvements in longevity, having regard to standard improvement scales in each relevant country and after taking external actuarial advice.

##### *Amortisation of mining assets – estimate on basis for amortisation*

As discussed in Note 2.16 *Mining assets*, management is required to use a methodology based on information that is dependent on management's estimation ie estimation of mining reserves where the mining assets are deployed. See Note 2.28 *Critical accounting judgements and key source of estimation uncertainty* for further details for estimation of mining reserves. The carrying amount of mining assets as at 31 December 2022 is USD90.0 million (2021: USD82.1 million).

#### 2.29 Non-current assets held for sale and discontinued operations

Non-current assets held for sale (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset. The sale of assets held for sale is expected to occur within the following 12 months from the reporting date. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group). A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale, and that:

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount or fair value. If fair value is below the carrying value of asset, the related impairment is accounted for expense in the consolidated statement of profit or loss.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 3. Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The Group considers that Kew Soda Ltd's Board of Directors is the CODM, which is responsible for allocating resources and assessing performance of the operating segments.

The Group considers a combination of factors to determine their reportable segments, such as products and services and geographical areas. Subsequent to 2021 Strategic Transactions, the Group's reportable segments are Eti Soda, Kazan Soda and corporate and other (which includes the Group's corporate headquarters in London, United Kingdom, WE Soda Kimya, Ciner Kimya, TC Soda and its subsidiaries, CEI and operations in the United States (which consists of Sisecam Chemicals Resources and its subsidiaries)). Eti Soda and Kazan Soda are reported as Türkiye for geographical reporting. Information regarding the Group's operating segments is reported below.

#### Segment revenues and results

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segment (as reviewed by the Board of Directors):

2022	Türkiye			Corporate and other	Total
	Eti Soda	Kazan Soda			
Domestic sales	205,402	243,412	-		<b>448,814</b>
Export sales	437,372	887,562	-		<b>1,324,934</b>
<b>Segment revenue and other income</b>	<b>642,774</b>	<b>1,130,974</b>	<b>-</b>		<b>1,773,748</b>
Finance income	12,085	9,254	26,473		<b>47,812</b>
Finance expense <sup>1</sup>	(85,424)	(129,962)	31,106		<b>(184,280)</b>
<b>Profit before taxation</b>	<b>348,114</b>	<b>249,422</b>	<b>31,060</b>		<b>628,596</b>
Taxation	(40,973)	232,785	(3,260)		<b>188,552</b>
<b>Profit for the year from continuing operations</b>	<b>307,141</b>	<b>482,207</b>	<b>27,800</b>		<b>817,148</b>
Profit/(loss) for the year from discontinued operations	-	-	-		-
<b>Net profit for the year</b>	<b>307,141</b>	<b>482,207</b>	<b>27,800</b>		<b>817,148</b>
Current assets	106,076	258,293	675,255		<b>1,039,624</b>
Non-current assets	521,993	1,359,014	777,731		<b>2,658,738</b>
Total liabilities	304,525	742,926	1,442,540		<b>2,489,991</b>
Capital expenditure	25,910	49,292	23,613		<b>98,815</b>
Taxes paid	40,979	-	15,680		<b>56,658</b>
Depreciation, depletion and amortisation	30,182	27,319	2,699		<b>60,200</b>

2021	Türkiye			Corporate and other	Total
	Eti Soda	Kazan Soda			
Domestic sales	100,715	110,585	-		<b>211,300</b>
Export sales	246,257	434,556	-		<b>680,813</b>
<b>Segment revenue and other income</b>	<b>346,972</b>	<b>545,141</b>	<b>-</b>		<b>892,113</b>
Finance income	19,634	1,775	2,855		<b>24,264</b>
Finance expense <sup>1</sup>	(51,645)	(432,685)	255,572 <sup>1</sup>		<b>(228,758)</b>
<b>Profit/(loss) before taxation</b>	<b>112,174</b>	<b>(133,233)</b>	<b>235,872</b>		<b>214,813</b>
Taxation	(24,979)	113,212	(18,523)		<b>69,710</b>
<b>(Loss)/profit for the year from continuing operations</b>	<b>87,195</b>	<b>(20,021)</b>	<b>217,349</b>		<b>284,523</b>
(Loss)/profit for the year from discontinued operations	-	-	71,810		<b>71,810</b>
<b>Net (loss)/profit for the year</b>	<b>87,195</b>	<b>(20,021)</b>	<b>289,159</b>		<b>356,333</b>
Current assets	42,867	201,633	62,402		<b>306,902</b>
Non-current assets	565,670	1,086,916	769,707		<b>2,422,293</b>
Total liabilities	254,025	712,521	1,219,111		<b>2,185,657</b>
Capital expenditure	14,661	64,222	28,787		<b>107,670</b>
Taxes paid	51,134	-	11,005		<b>62,139</b>
Depreciation, depletion and amortisation	53,379	42,054	68,094		<b>163,527</b>

<sup>1</sup> By considering offsetting guidance IAS 1 Presentation of Financial Statements, foreign exchange gains and losses are presented on a net basis in finance expense. The foreign exchange gain in corporate and other segment has not been presented in finance income for simplicity purposes.

The accounting policies used for the reportable segments are the same as the Group's accounting policies.

The Group currently operates in Türkiye and the United States, in addition to its corporate activities in the United Kingdom and immediate parent in Türkiye. The operations of the Group comprise one class of business, being the extraction of trona and production of soda ash and sodium bicarbonate.

For the purposes of monitoring segment performance and allocating resources between segments, the Group's Directors monitor the tangible, intangible and financial assets attributable to each segment.

Segment revenue reported above represents revenue generated from external customers. There were USD27.8 million inter-segment sales elimination between Eti Soda and Kazan Soda (2021: USD nil). Substantially all of the tax charge arises in United Kingdom and Türkiye.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 3. Segmental analysis continued

#### Information about major customers

There was only one customer, CIDT (a related, export intermediary company selling to customers in several countries) that contributed 10% or more of the Group total sales revenue for 2022, being USD623.5 million (2021: USD779.8 million). See Note 35 *Related party transactions*.

### 4. Financial risk management

The primary financial instruments of the Group consist of bank loans, cash and short-term time deposits. The main objective of the financial instruments is to finance the Group's operational activities. The Group has other financial instruments such as trade receivables and trade payables arising from direct business operations.

#### (a) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity structure.

The capital structure of the Group consists of equity, debt, which includes the borrowings and leases disclosed in Note 26 *Borrowings* and Note 39 *Lease liabilities and right-of-use of assets*, cash and cash equivalents and working capital.

The Group's capital management is subject to covenant requirements set out by the new Senior Facilities Agreement entered into on 10 February 2022. On 14 February 2022 (the "Closing Date"), the Original Facilities Agreement was rescinded and replaced by the Senior Facilities Agreement dated 10 February 2022. In particular, the Original Facilities were refinanced with a senior secured amortising term loan facility, split into a euro denominated tranche of an aggregate principal amount of EUR782.4 million and a US dollar denominated tranche of an aggregate principal amount of USD270.3 million (together, the "Term Facilities").

Under the Senior Facilities Agreement, quarterly principal repayment amounts range from 1.25% - 2.5%; interest payments are due quarterly; and any remaining aggregate outstanding principal amount will be repaid on termination or the maturity date, which is 54 months later than the Closing Date.

On 5 May 2022, in accordance with paragraph (a)(iv) of the definition of "Structural Adjustment" and paragraph (a) of Clause 41.4 (Other exceptions) of the Senior Facilities Agreement, EUR180,301,402 of the Senior Facilities Agreement was redenominated from the euro into US dollars, the equivalent of USD191,101,456.

On 1 June 2022, a revolving credit facility ("RCF") was signed, which was designated as an add-on facility to the Senior Facilities Agreement with the same maturity in August 2026. The agreement was revised in December 2022 after which the RCF benefits from the Senior Facilities Agreement's security structure on pro rata basis and at pari passu ranking. Total facility size is initially USD170.0 million, which could be increased up to USD240.0 million subsequent to the repayment of the Senior Facilities Agreement in the same amount. As of 31 December 2022, USD50.0 million and EUR50.0 million (approximately USD103 million in total) of this credit line has been utilised.

Our wholly-owned US subsidiaries, CEI, TC Soda and Imperial (collectively, the "US Borrowers"), entered into a loan agreement ("US Revolving Facility") on 31 October 2022 for an amount of up to USD30 million and utilised USD22.5 million of it as of 31 December 2022. The obligations under the US Revolving Facility are guaranteed by WE Soda and are secured by a pledge by WE Soda of certain equity interests in the US Borrowers and by pledges by the US Borrowers of, among other things, certain equity interests and debt instruments.

The Group has signed two separate agreements for receivable financing facilities with a limit of USD60 million, which is committed until August 2024 and USD125 million, which is uncommitted, respectively. The Group has utilised USD48.5 million of the committed facilities and USD64.0 the uncommitted facilities as of the reporting date.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 4. Financial risk management continued

#### (a) Capital risk management continued

The Group monitors its capital using the Net Debt/total capital ratio. Net Debt is calculated as total borrowings (including “current and non-current borrowings and lease liabilities” as shown in the Consolidated Statement of Financial Position) less cash and cash equivalents and restricted cash. Total capital is calculated as “equity” as shown in the Consolidated Statement of Financial Position plus Net Debt.

	2022	2021
Borrowings (excluding transaction costs) (see Note 26)	1,710,872	1,841,952
Lease liabilities (see Note 39)	13,813	15,942
<b>Total financial liabilities</b>	<b>1,724,685</b>	<b>1,857,894</b>
Less: Cash and cash equivalents (see Note 24)	(308,735)	(14,494)
Less: Restricted cash (see Note 23)	(53,278)	(64,799)
<b>Net Debt</b>	<b>1,362,672</b>	<b>1,778,601</b>
Total equity	1,208,371	543,538
<b>Total capital</b>	<b>2,571,043</b>	<b>2,322,139</b>
<b>Net Debt ratio</b>	<b>53%</b>	<b>77%</b>

#### (b) Financial risk factors

The risks of the Group resulting from operations include market risk, credit risk and liquidity risk. The Group’s risk management program generally seeks to minimise the effects of uncertainty in financial market on financial performance of the Group.

#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions. Sales to related parties was 38% of total sales (2021: 90%) due to using an export intermediary company, which is a related party. Trade receivables from related parties constitute 66% (2021: 93%) of total trade receivables.

The Group assesses the credit quality of the customers, including related parties, by assessing the financial position of the customers, past experiences and other factors as a part of its credit risk management programme. Historically, the Group has not been faced with any significant problem related to collections of third-party receivables. However, due to lack of collateral for its receivables the Group is exposed to credit risk.

The Group appropriately classifies its financial instruments considering common risk factors (such as the type of the instrument, credit risk rating, guarantees, time to maturity and sector) to determine whether the credit risk on a financial instrument has increased significantly and to account the appropriate amount of credit losses in the consolidated financial statements. The Group does not have any material overdue trade receivables at the reporting date.

The maximum exposure to credit risk as at the reporting date is:

	Trade receivables		Other receivables		Bank deposit
	Related party <sup>1</sup>	Third party <sup>1</sup>	Related party <sup>1</sup>	Third party <sup>1</sup>	
<b>As at 31 December 2022</b>					
<b>Maximum net credit risk as of balance sheet date (A+B+C+D+E)</b>	<b>239,197</b>	<b>120,918</b>	<b>806,987</b>	<b>4,303</b>	<b>308,727</b>
<i>The part of maximum risk under guarantee with collateral etc.</i>	-	9	-	-	-
<b>A. Net book value of financial assets that are neither past due nor impaired</b>	<b>239,197</b>	<b>120,918</b>	<b>806,987</b>	<b>4,303</b>	<b>308,727</b>
<i>The part of maximum risk under guarantee with collateral etc.</i>	-	9	-	-	-
<b>B. Net book value of financial assets whose terms are renegotiated, otherwise overdue or impaired</b>	-	-	-	-	-
<i>The part of maximum risk under guarantee with collateral etc.</i>	-	-	-	-	-
<b>C. Net book value of assets that are due but not impaired</b>	-	-	-	-	-
<i>The part of maximum risk under guarantee with collateral etc.</i>	-	-	-	-	-
<b>D. Net book value of impaired asset</b>	-	-	-	-	-
Overdue (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
<i>The part of maximum risk under guarantee with collateral etc.</i>	-	-	-	-	-
Not due (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
<i>The part of maximum risk under guarantee with collateral etc.</i>	-	-	-	-	-
<b>E. Off-balance sheet items bearing credit risk</b>					

1 Management considers that the carrying amount of financial assets and financial liabilities approximates their fair value.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 4. Financial risk management continued

#### (b) Financial risk factors continued

##### Credit risk continued

	Trade receivables		Other receivables		Bank deposit
	Related party <sup>1</sup>	Third party <sup>1</sup>	Related party <sup>1</sup>	Third party <sup>1</sup>	
As at 31 December 2021					
<b>Maximum net credit risk as of balance sheet date (A+B+C+D+E)</b>	139,396	10,472	527,643	1,568	13,888
<i>The part of maximum risk under guarantee with collateral etc.</i>	-	29	-	-	-
<b>A. Net book value of financial assets that are neither past due nor impaired</b>	139,396	10,472	527,643	1,568	13,888
<i>The part of maximum risk under guarantee with collateral etc.</i>	-	29	-	-	-
<b>B. Net book value of financial assets whose terms are renegotiated, otherwise overdue or impaired</b>	-	-	-	-	-
<i>The part of maximum risk under guarantee with collateral etc.</i>	-	-	-	-	-
<b>C. Net book value of assets that are due but not impaired</b>	-	-	-	-	-
<i>The part of maximum risk under guarantee with collateral etc.</i>	-	-	-	-	-
<b>D. Net book value of impaired asset</b>	-	-	-	-	-
Overdue (gross book value)	-	925	-	-	-
Impairment (-)	-	(925)	-	-	-
<i>The part of maximum risk under guarantee with collateral etc.</i>	-	-	-	-	-
Not due (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
<i>The part of maximum risk under guarantee with collateral etc.</i>	-	-	-	-	-
<b>E. Off-balance sheet items bearing credit risk</b>	-	-	-	-	-

<sup>1</sup> Management considers that the carrying amount of financial assets and financial liabilities approximates their fair value.

Although the Group has received guarantee letters from some customers, as of 31 December 2022, the outstanding amount from such customers is USD nil (2021: USD nil). The Directors believe that the total trade receivables and other receivables are recoverable.

The Group is exposed to credit risk in relation to its loan receivables from related parties of USD807.0 million (2021: USD527.6 million) (see Note 35 *Related party transactions*) to the extent that the related parties fail to meet their contractual obligations.

##### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's ability to generate or obtain sufficient cash or cash equivalents to satisfy these financial obligations as they become due. Ultimate responsibility for liquidity risk management rests with the Directors, who have built an appropriate liquidity risk management framework or the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables present the contractual maturities of financial liabilities, including estimated interest payments. The tables have been drawn up based on the undiscounted cash flows of derivative and non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

As at 31 December 2022	Carrying value	Contractual cash flows	Less than 1 year	1-5 years	5+ years
Borrowings	1,704,885	2,003,208	476,018	1,527,190	-
Lease liabilities	13,813	17,473	4,309	9,504	3,660
Trade payables	120,085	120,085	117,206	2,879	-
Trade payables to related parties	185,497	185,497	185,497	-	-
Other payables	25,003	25,355	10,075	15,280	-
Other payables to related parties	30,601	30,601	30,601	-	-
<b>Total liabilities</b>	<b>2,079,884</b>	<b>2,382,219</b>	<b>823,706</b>	<b>1,554,853</b>	<b>3,660</b>
As at 31 December 2021	Carrying value	Contractual cash flows	Less than 1 year	1-5 years	5+ years
Borrowings	1,811,314	2,024,495	476,372	1,493,873	54,250
Lease liabilities	15,942	16,928	5,607	8,321	3,000
Trade payables	79,224	79,224	79,224	-	-
Trade payables to related parties	24,102	24,102	24,102	-	-
Other payables	781	781	781	-	-
Other payables to related parties	26,102	26,102	26,099	3	-
<b>Total liabilities</b>	<b>1,957,465</b>	<b>2,171,632</b>	<b>612,185</b>	<b>1,502,197</b>	<b>57,250</b>

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 4. Financial risk management continued

#### (b) Financial risk factors continued

##### Liquidity risk continued

As at 31 December 2020, there was a default relating to the USD380 million and a EUR1,100 million loan facility (the “Original Facilities”), provided under a facilities agreement between, among others, WE Soda and certain lenders (the “Original Facilities Agreement”), which has since been resolved.

The Group was subject to cash flow cover and leverage financial covenants under the Original Facilities Agreement. Following amendments agreed during July 2020, the Group complied with its financial covenant requirements until the Original Facilities were repaid in February 2022.

LIBOR rates are being replaced by alternative risk-free rates as part of the inter-bank offer rate (“IBOR”) reform. The method of calculating EURIBOR was updated in 2019 and no further amendments are expected in the near term. GBP LIBOR is no longer published by the FCA with effect from 31 December 2021 but this has a limited impact on the Group, as most borrowings are in USD or EUR. USD LIBOR is also being reformed and will no longer be published after June 2023.

Phase 2 IBOR amendments to IFRS 9 Financial Instruments, IAS 39 Hedge Accounting, and IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases were published in August 2020 and are effective from 1 January 2021.

The Group is continuing preparation for transition to incorporate alternative risk-free rates where the current interest benchmarks used by the Group is USD LIBOR in relation to its floating rate debt facilities. The Group is monitoring the market and discussing the potential changes with its counterparties in order to effectively transition to alternative risk-free rates and does not expect any material impact on its financial position and performance.

None of the US dollar denominated borrowings have been amended as a result of IBOR reform. However, as detailed above, with the new Senior Facilities Agreement dated 10 February 2022, the benchmark reference rate for the US dollar denominated portion of the facility has been replaced with Secured Overnight Funding Rate (“SOFR”).

##### Significant restrictions under the Senior Facilities Agreement

As detailed on page 136, the Group completed the refinancing of its Original Facilities with the Term Facilities on 14 February 2022. References to “WE Soda Restricted Group” are to WE Soda and its Restricted Subsidiaries (as defined in the Senior Facilities Agreement).

The new Senior Facilities Agreement entered into by the WE Soda Restricted Group stipulates various covenants and restrictive provisions that limit (subject to certain exceptions) the Group’s ability to:

- make distributions on or redeem or repurchase units;
- incur or guarantee additional debt;
- make certain investments and acquisitions;
- incur certain liens or permit them to exist;
- enter into certain types of transactions with affiliates of the Group;
- merge or consolidate with another company; and
- transfer, sell or otherwise dispose of assets.

In terms of financial covenants under the Senior Facilities Agreement, these comprise: (i) the Leverage Financial Covenant equal to 5.50:1, with a first test date being 31 March 2022, and which will decrease gradually to 4.00:1 on 30 June 2023 and remain at this level thereafter; and (ii) “Debt Service Cover Ratio” (as defined in the Senior Facilities Agreement), which, on each test date starting from 31 March 2022, shall not be less than 1.20:1. In terms of the Group’s capital expenditure, the Senior Facilities Agreement provides that the WE Soda Restricted Group shall ensure that the aggregate capital expenditure of the WE Soda Restricted Group in respect of any financial year shall not exceed 150% of the projected amount of capital expenditure for such financial year as set out in the Base Case Model or Budget for that financial year until Leverage Financial Covenant is equal to or lower than 4.50:1.00.

CEI, TC Soda and Imperial Natural Resources Trona Mining Inc. have been designated as Unrestricted Subsidiaries under the Senior Facilities Agreement and, therefore, do not form part of the WE Soda Restricted Group (as defined in the new Senior Facilities Agreement).

#### Financial covenants under the US Revolving Facility

The US Revolving Facility includes certain requirements with respect to the financial performance of WE Soda, including leverage and debt service maintenance covenants that are based on but no more restrictive than the requirements of the Senior Facilities Agreement as well as a requirement for WE Soda to continue to own, directly or indirectly, certain minimum assets.

The financial covenants are as follows:

WE Soda will be in compliance with the financial covenants of the Senior Facilities Agreement and the minimum threshold level of the Debt Service Cover Ratio (as defined in the Senior Facilities Agreement) shall be 1.05:1.00 instead of 1.20:1.00;

WE Soda shall not cease to (i) own directly or indirectly (x) 76.8% of the capital stock of Kazan Soda (as defined in the Senior Facilities Agreement) or (y) 59.2% of the capital stock of Eti Soda (as defined in the Senior Facilities Agreement) or (ii) own directly or indirectly assets with a fair market value in excess of USD1,000,000,000.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 4. Financial risk management continued

#### (b) Financial risk factors continued

All the required covenants were complied with throughout the year 2022 and as at 31 December 2022.

#### Market risk

The Group's activities expose it primarily to the financial risks of changes in commodity prices, interest rates and foreign currency exchange rates.

##### (i) Commodity price risk

Soda ash is a globally traded commodity with many manufacturers and consumers worldwide. It is an essential raw material in many industries, especially in the glass industry. Soda ash can be produced by natural or synthetic methods (Solvay and Hou methods). Around the world, soda ash market prices are determined by reference to the production costs of synthetic producers.

Commodity price risk arises from the effect of fluctuations in future commodity prices on the price received for the sale of soda ash. The marketability and price of soda ash produced by the Group will be affected by many factors that are beyond the control of the Group.

#### Market risk continued

##### (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates.

The Group borrows funds at both fixed and variable interest rates, so the Group is exposed to interest rate risk. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed/floating interest and short/long-term nature of borrowings as well as using derivative instruments where necessary for hedging purposes.

Interest rates of financial assets and liabilities are indicated in related notes.

#### Interest rate sensitivity:

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before taxes and equity of the Group would increase/decrease by USD8,410,000 (2021: USD9,160,000). 50 basis points represents management's assessment of the possible change in interest rates that could apply to the Group.

##### (iii) Foreign exchange risk

With respect to the information presented herein and prior to the 2021 Strategic Transactions, the Group consisted of three principal operating entities: Sisecam Wyoming (USD functional currency), Eti Soda (Turkish lira functional currency until 31 March 2022 and US dollar functional currency with effect from 1 April 2022) and Kazan Soda (Turkish lira functional

currency until 31 March 2022 and US dollar functional currency with effect from 1 April 2022). As of the date of these financial statements, the Group consists of two principal operating entities: Eti Soda and Kazan Soda. As such, the Group is principally exposed to risks resulting from fluctuations in foreign currency exchange rates to USD (the Group's presentational currency, due to USD denominated borrowings and revenue until 31 March 2022), EUR (due to EUR denominated borrowings, revenue and procurements) and TRY (due to TRY denominated revenue and procurement).

The carrying amounts of the Group's significant foreign currency denominated monetary assets and liabilities at the reporting dates are as follows:

In USD equivalent as at 31 December 2022	Total	USD	EUR	GBP	CNY	TRY
Trade receivables	150,235	-	136,282	193	-	13,760
Cash and cash equivalents	94,385	-	92,814	71	38	1,462
Other receivables and assets	629,572	-	246,449	120	-	383,003
Trade payables	(186,467)	-	(69,132)	(1,426)	-	(115,909)
Borrowings	(724,499)	-	(724,499)	-	-	-
Lease liabilities	(3,959)	-	(2,545)	(108)	-	(1,306)
Other payables and liabilities	(112,677)	-	(53,311)	(1,150)	-	(58,216)
<b>Net exposure</b>	<b>(153,410)</b>	<b>-</b>	<b>(373,942)</b>	<b>(2,300)</b>	<b>38</b>	<b>222,794</b>

In USD equivalent as at 31 December 2021	Total	USD	EUR	GBP	CNY	TRY
Trade receivables	124,663	52,692	71,971	-	-	-
Cash and cash equivalents	8,630	3,674	4,411	529	16	-
Other receivables and assets	365,137	96,917	267,796	424	-	-
Trade payables	(42,093)	(13,230)	(21,592)	(7,246)	-	(25)
Borrowings	(1,545,756)	(575,014)	(970,742)	-	-	-
Lease liabilities	(5,364)	-	(5,364)	-	-	-
Other payables and liabilities	(14,584)	(4,247)	(8,711)	(1,623)	-	(3)
<b>Net exposure</b>	<b>(1,109,367)</b>	<b>(439,208)</b>	<b>(662,231)</b>	<b>(7,916)</b>	<b>16</b>	<b>(28)</b>

#### Foreign exchange sensitivity:

The following table details the Group's sensitivity to a 10% movement against the respective foreign currencies, which represents management's assessment of a reasonably likely change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 4. Financial risk management continued

#### (b) Financial risk factors continued

##### Market risk continued

Foreign exchange sensitivity: continued

USD'000	2022	2021
<b>Effect to profit or (loss) before tax</b>		
USD	-	(43,921)
EUR	(37,394)	(66,223)
GBP	(230)	(792)
TRY	22,279	(3)
CNY	4	2
<b>Total</b>	<b>(15,341)</b>	<b>(110,937)</b>
<b>Effect to equity due to currency translation reserve</b>		
TRY	<b>(127,113)</b>	(134,453)

A 10% strengthening of the currencies above at 31 December 2022 would have had an equal but opposite effect on the amounts shown above, assuming all other variables remained constant.

#### (c) Fair value categories

Fair values and categories of financial instruments:

	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets that are measured at FVTPL	Financial liabilities that are measured at FVTPL	Carrying value
<b>As at 31 December 2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	308,735	-	-	308,735
Other current assets	-	53,278	-	-	53,278
Trade receivables	-	120,918	-	-	120,918
Trade receivables from related parties	-	239,197	-	-	239,197
Other receivables	-	4,303	-	-	4,303
Other receivables from related parties	-	806,987	-	-	806,987
	<b>-</b>	<b>1,533,418</b>	<b>-</b>	<b>-</b>	<b>1,533,418</b>

	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets that are measured at FVTPL	Financial liabilities that are measured at FVTPL	Carrying value
<b>As at 31 December 2022</b>					
<b>Financial liabilities</b>					
Borrowings	1,704,885	-	-	-	1,704,885
Lease liabilities	13,813	-	-	-	13,813
Trade payables	120,085	-	-	-	120,085
Trade payables to related parties	185,497	-	-	-	185,497
Other payables to related parties	30,601	-	-	-	30,601
Other payables	10,075	-	-	-	10,075
	<b>2,064,956</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,064,956</b>
<b>As at 31 December 2021</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	14,494	-	-	14,494
Other current assets	-	64,799	-	-	64,799
Trade receivables	-	10,472	-	-	10,472
Trade receivables from related parties	-	139,396	-	-	139,396
Other receivables	-	1,568	-	-	1,568
Other receivables from related parties	-	527,643	-	-	527,643
	<b>-</b>	<b>758,372</b>	<b>-</b>	<b>-</b>	<b>758,372</b>
<b>Financial liabilities</b>					
Borrowings	1,811,314	-	-	-	1,811,314
Lease liabilities	15,942	-	-	-	15,942
Trade payables	79,224	-	-	-	79,224
Trade payables to related parties	24,102	-	-	-	24,102
Other payables to related parties	26,102	-	-	-	26,102
Other payables	781	-	-	-	781
	<b>1,957,465</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,957,465</b>

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 4. Financial risk management continued

#### (c) Fair value categories continued

##### Fair value of financial instruments

*Fair value of financial instruments carried at amortised cost*

The management consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate to their fair values.

*Valuation techniques and assumptions applied for the purposes of measuring fair value*

The fair values of financial assets and liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

*Fair value by hierarchy*

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the Group's fair value financial assets and liabilities are deemed to be Level 2. There were no transfers between Level 1 and 2 during the year.

### 5. Discontinued operations – assets disposal – transaction with Sisecam

On 21 December 2021, the Group completed the sale of 60% of its controlling interest in its formerly wholly-owned subsidiary, Ciner Resources Corporation (subsequently renamed and converted into Sisecam Chemicals Resources LLC) to Sisecam for consideration of USD300 million. Prior to the transaction, Sisecam Chemicals Resources was a wholly-owned subsidiary of the Group and owned 100% of the shares of Sisecam Chemicals Wyoming LLC (“Sisecam Chemicals Wyoming”) (renamed and converted from Ciner Wyoming Holding Corporation on 21 December 2021). Sisecam Chemicals Wyoming in turn owned an approximately 72% limited partner interest in Sisecam Resources LP (NYSE: SIRE) (“Sisecam Resources”), as well as a 2% general partner interest and related incentive distribution rights. Sisecam Resources has a controlling 51% interest in Sisecam Wyoming, the operating company located near Green River, Wyoming, United States. The remaining non-controlling 49% interest in Sisecam Wyoming is owned by NRP Trona LLC, a wholly-owned subsidiary of Natural Resource Partners LP.

The financial information for 2021 has been prepared on the basis that Sisecam Chemicals Resources was a discontinued operation.

Following the sale, the Group no longer controls Sisecam Chemicals Resources and the Group's 40% interest in Sisecam Chemicals Resources has been accounted for as an equity-accounted investment with effect from 21 December 2021. Financial information relating to the disposal for the period to the date of the disposal is set out below.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 5. Discontinued operations – assets disposal – transaction with Sisecam continued

#### 5a. Financial performance and cash flow information

The financial performance and cash flow information of Sisecam Chemicals Resources is presented for the year ended 31 December 2021:

	2021
<b>Discontinued operations</b>	
Revenue	540,039
Cost of sales	(490,136)
<b>Gross profit</b>	<b>49,903</b>
Administrative expenses	(22,048)
Marketing expenses	(2,395)
Other operating income	1,273
Other operating expenses	(1,931)
<b>Profit from operations</b>	<b>24,802</b>
Finance income	4
Finance expenses	(4,803)
<b>(Loss)/profit before tax</b>	<b>20,003</b>
Taxation	(3,271)
<b>Profit/(loss) for the financial year from discontinued operations</b>	<b>16,732</b>
Gain on disposal of discontinued operations (5b)	55,078
Tax on gain on disposal of discontinued operations <sup>1</sup>	-
<b>Total profit for the financial year from discontinued operations</b>	<b>71,810</b>
Profit for the year attributable to:	
Owners of the Company	59,280
Non-controlling interest	12,530
	<b>71,810</b>

<sup>1</sup> As detailed in IFRS 10.25 Consolidated Financial Statements/Loss of Control, the Group lost control of Sisecam Chemicals Resources as a result of the "2021 Strategic Transactions". Consequently, the Group derecognised the assets and liabilities of the former subsidiary and recognised retained investment in the former subsidiary and remeasured retained investment at its fair value. Since the majority of gain on disposal of discontinued operations is related to portion of gain (fair value difference) or fair value of retained investment, which forms a part of continuing operations, taxation of USD10.4 million related to disposal is presented within taxation of continuing operations.

	2021
Other comprehensive (expense)/income	
Items that will not be reclassified subsequently to profit or loss:	
- Accumulated gain/(loss) on remeasurement of defined benefit plans	20,707
Items that will be reclassified subsequently to profit or loss:	
- Foreign currency translation reserve	-
- Hedge accounting	5,424
<b>Other comprehensive profit for the year, net of income tax</b>	<b>26,131</b>
	<b>2021</b>
<b>Total comprehensive profit for the year</b>	<b>97,941</b>
Total comprehensive loss for the year attributable to:	
Owners of the Company	81,743
Non-controlling interest	16,198
<b>Total comprehensive profit for the year</b>	<b>97,941</b>
<b>Summarised statement of cash flow</b>	<b>2021</b>
<b>Cash flow from operating activities</b>	
Total (loss)/profit for the year from discontinued operations	<b>71,810</b>
<b>Adjustments for:</b>	
Depreciation and amortisation expenses	67,597
Interest income	(4)
Interest expense	3,941
Discount income and expenses	855
Net foreign exchange loss	-
Income tax credit	3,271
Gain from sale of subsidiaries	(55,078)
Increase in inventories	302
Decrease/(increase) in trade and other receivables	(33,826)
Increase/(decrease) in trade and other payables	5,165
Losses on disposals of fixed assets	966
Equity-based compensation expense	451
Other cash inflows/(outflows)	597
<b>Cash generated from operations</b>	<b>66,047</b>
<b>Net cash generated from operating activities</b>	<b>66,047</b>
<i>Cash flow from investing activities:</i>	
Cash inflow from sale of subsidiary	297,364
Purchase of property, plant and equipment	(25,695)
Movement in borrowings in related parties	-
Other cash inflows	809

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 5. Discontinued operations – assets disposal – transaction with Siseecam continued

#### 5a. Financial performance and cash flow information continued

	2021
<b>Net cash generated from investing activities</b>	<b>272,478</b>
<i>Cash flow from financing activities:</i>	
Cash obtained from borrowings	113,500
Cash used for repayment of the borrowings	(121,013)
Cash outflow from lease liabilities	(10,312)
Interest paid	(5,256)
Bank charges	(1,394)
Transfer from discontinued operation into continuing operations	(300,000)
Distributions to non-controlling interest shareholder of subsidiary	(14,044)
Other cash inflows/(outflows)	(144)
<b>Net cash used in financing activities</b>	<b>(338,663)</b>
<b>Net used in cash and cash equivalents</b>	<b>(138)</b>
Cash and cash equivalents at beginning of the year	138
<b>Cash and cash equivalents at end of the year</b>	<b>-</b>

#### 5b. Details of the sales of the subsidiary

<b>Consideration received or receivable:</b>	<b>2021</b>
Cash	300,000
Fair value of retained non-controlling interest	200,000
Costs associated with the sale	(994)
Reclassification of other reserve (hedge accounting)	3,947
Carrying amount of net assets sold (excluding NCI)	(447,875)
<b>Gain on sales before income tax</b>	<b>55,078</b>
Income tax expense on gain	(10,434)
<b>Gain on sales after income tax</b>	<b>44,644</b>
<b>Cash flows of the transaction</b>	<b>2021</b>
Cash consideration received	300,000
Cash on hand of the subsidiary sold	(2,636)
<b>Net cash flows from the transaction</b>	<b>297,364</b>
The carrying amounts of assets and liabilities as at the date of disposal (21 December 2021) were:	
<b>Description</b>	<b>2021</b>
Property, plant and equipment	381,391
Mining reserves	741,912
Intangible assets	5,691
Right-of-use assets	20,346
Goodwill	29,284
Other non-current assets	28,547
Prepaid expenses	3,072
Trade and other receivables	120,216
Cash	2,636
Inventories	27,589
Other assets	8,380
<b>Total assets</b>	<b>1,369,064</b>
Borrowings	(122,403)
Lease liabilities	(21,165)
Provision	(41,280)
Derivatives	(2,441)
Trade and other payables	(49,148)
Employee benefit obligations	(55,691)
Other liabilities	(8,649)
<b>Total liabilities</b>	<b>(300,777)</b>
<b>Non-controlling interest</b>	<b>(620,412)</b>
<b>Net assets disposed</b>	<b>447,875</b>

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 6. Business combination and acquisition of non-controlling interest – TC Soda

On 21 December 2021, the Group acquired 100% of the shares of TC Soda which is registered and operates in the USA as a holding company and owns 40% interest in Pacific Soda LLC and Atlantic Soda LLC. The Company's interest in TC Soda was obtained through an in-kind contribution from Mr Turgay Ciner.

The Group consolidated TC Soda and, since it does not have control or joint control of the investments in Pacific Soda and Atlantic Soda, has accounted for the interest in Pacific and Atlantic as equity-accounted investees from 21 December 2021.

The acquired business did not contribute any revenue and or losses to profit after tax of the Group in 2021. Consideration of the acquisition was in the form of the issuance of Ordinary Shares to the Company, in exchange for shares in TC Soda. The net cash effect from the acquisition was an increase to cash and cash equivalents of USD595,943 on the acquisition date, being the total cash and cash equivalents held by TC Soda.

Details of net assets acquired and goodwill are as follows:

	Acquisition
Purchase consideration – capital contribution in kind	131,038
Fair value of net assets at acquisition	131,038
<b>Goodwill</b>	<b>-</b>

The allocation of purchase consideration to assets acquired and liabilities assumed as of 21 December 2021 arising from the acquisition of TC Soda is set forth in the table below:

Description	Fair value at acquisition
Right-of-use assets	3,210
Other receivables	32,500
Investments	126,667
Prepaid expenses	145
Cash	596
<b>Total assets</b>	<b>163,118</b>
Lease liabilities	(3,210)
Deferred and current taxes	(27,694)
Trade and other payables	(1,176)
<b>Total liabilities</b>	<b>(32,080)</b>
<b>Net assets acquired</b>	<b>131,038</b>
<b>Goodwill arising from acquisition</b>	<b>-</b>
<b>Total consideration</b>	<b>131,038</b>

TC Soda holds investments in associates which are currently in the exploration stage. The comparable transaction method was used for determination of mineral interests of these associates and the resultant fair value of the investments.

Deferred tax liabilities mainly comprises the tax effect of fair value allocation on investment through determining fair values of relevant asset groups.

### 7. Employee number and costs

The average monthly number of employees including the Directors employed was as follows:

	2022 Number	2021 Number
Professional Administration/operational	1,043	1,013
	330	274
<b>Total average number of employees of continuing operations</b>	<b>1,373</b>	<b>1,287</b>
Total average number of employees of discontinued operations	-	497
<b>Total average number of employees</b>	<b>1,373</b>	<b>1,784</b>

The aggregate remuneration was as follows:

	2022	2021
Wages and salaries	32,245	26,669
Social security costs	4,210	3,513
Other pension costs	2,043	1,845
<b>Total aggregate remuneration from continuing operations</b>	<b>38,498</b>	<b>32,027</b>
Total aggregate remuneration from discontinued operations	-	86,525
<b>Total aggregate remuneration</b>	<b>38,498</b>	<b>118,552</b>

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 8. Profit from operations

Profit from operations is stated after charging:

	2022	2021
Depreciation and amortisation	60,200	163,527
Losses on disposals of fixed assets	271	996
Movement in finished goods inventories	4,959	9,842
Lease payments	2,647	13,658
Exchange difference	(28,578)	(71,840)

### Auditors' remuneration

In respect of the Group's audit, the following costs of the Company's Auditors, have been allocated to the Group:

	2022		2021	
	(Pricewaterhouse Coopers)	(Other than Pricewaterhouse Coopers) <sup>2</sup>	(Pricewaterhouse Coopers)	(Other than Pricewaterhouse Coopers) <sup>3</sup>
Fees payable to the Company's Auditors for the audit of the Company's annual report and consolidated financial statements <sup>1,4</sup>	794	-	343	-
Fees payable to the Company's Auditors for other services:				
- The audit of the Company's subsidiaries and associates, pursuant to legislation	377	1,271	171	1,264
<b>Total audit fees</b>	<b>1,171</b>	<b>1,271</b>	<b>514</b>	<b>1,264</b>
- Audit-related assurance services: Interim reviews	102	-	398	-
- Tax advisory and compliance services	-	-	-	395
- Other assurance services	1,755	-	-	-
<b>Total non-audit fees</b>	<b>1,857</b>	<b>-</b>	<b>398</b>	<b>395</b>

1 Fees payable to the Company's auditors in 2021 and 2022 for the audit of the Parent Company were borne by subsidiary company WE Soda Ltd.

2 The Group's share in auditors' remuneration for its Investments accounted for using the equity method is USD142,100.

3 Fees payable to Deloitte LLP in 2021 relates to the audit of the discontinued operations.

4 The amount above includes an amount of USD216,000 relating to 2021 which was agreed subsequent to the completion of the audit for the year ended 31 December 2021.

### 9. Revenue

Revenue from continuing operations, excluding interest revenue, comprises:

	2022	2021
Domestic sales	448,814	211,300
Export sales	1,324,934	680,813
<b>Segment revenue*</b>	<b>1,773,748</b>	<b>892,113</b>

\* The classification between domestic and export sales refers to the final client.

The Group recognised net sales amounting to USD1,773.7 million (2021: USD892.1 million) with respect to the performance obligations satisfied at a point in time for the year ended 31 December 2022. Segment information is disclosed in Note 3 *Segmental analysis*.

Revenue and other income for 2022 consists of USD1,628.6 million (2021: USD827.1 million) soda ash/sodium bicarbonate sales, USD143.7 million (2021: USD63.5 million) electricity sales and USD1.4 million (2021: USD1.5 million) other income.

### 10. Cost of sales

Cost of sales comprises:

	2022	2021
Raw material costs	537,780	200,501
Personnel expenses	17,658	16,040
Production overheads	183,124	111,100
Transportation expenses	152,420	89,930
Export expenses	43,126	42,521
Depreciation and amortisation expenses	56,345	93,781
Change in finished goods inventories	4,959	(3,514)
	<b>995,412</b>	<b>550,359</b>

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 11. Administrative expenses

Administrative expenses comprise:

	2022	2021
Consultancy expenses	24,364	17,949
Personnel expenses	19,076	14,487
Transportation expenses	670	323
Outsourced benefits and services	636	711
Donations	883	396
Travel expenses	781	130
Rent expenses	377	496
Depreciation and amortisation expenses	3,272	1,960
Office expenses	1,690	839
Other expenses	4,821	3,675
	<b>56,570</b>	<b>40,966</b>

### 12. Marketing expenses

Marketing expenses comprise:

	2022	2021
Personnel expenses	1,764	1,500
Transportation expenses	322	87
Amortisation and depreciation expenses	583	238
Outsourced services and benefits	405	357
Rent expenses	498	225
Other sales and marketing expenses	1,628	3,217
	<b>5,200</b>	<b>5,624</b>

### 13. Other operating income and expenses

Other income from operating activities comprises:

	2022	2021
<b>Other income from operating activities</b>		
Foreign exchange gain	70,232	139,640
Interest income	6,230	2,040
Discount interest income	2,005	200
Compensation income <sup>1</sup>	-	60,065
Other income	13,653	2,088
	<b>92,120</b>	<b>204,033</b>

<sup>1</sup> The compensation income represents settlement compensation attributable to the current year after deducting previously recognised compensation income. Kazan Soda and its EPC Contractor signed a settlement agreement on 22 March 2021 with respect to the final acceptance of the fixed price - turnkey execution works of its dense soda ash and sodium bicarbonate process plant, trona field solution mining project and cogeneration power plant in Kazan, Türkiye. Both parties agreed on settlement amounts of USD60,362,120 and USD8,500,000 for the process plant and power plant, respectively. Additionally, the EPC Contractor has accepted and undertaken construction of extension project units for decahydrate and caustic soda in lieu of consideration of USD42,000,000. This non-cash consideration is deducted from the settlement amount and recognised as order advances given for fixed assets and presented in non-current prepaid expenses. The parties agreed on the payment method for the settlement amounts by netting off total settlement amount receivable of Kazan Soda (by USD68,862,120) against total outstanding payables of Eti Soda and Kazan Soda (by USD34,223,060) to EPC Contractor and payables (USD42,000,000) to be incurred as a result of construction of the extension project units. The difference of USD7,360,940 shall be satisfied by Kazan Soda supplying the EPC Contractor with dense soda ash against the fulfilment of EPC Contractor's contractual obligations for extension project units.

Please refer below for the reconciliation of the settlement amount to compensation income recognised:

	2021
Compensation income	68,862
Less: Previously recognised income	(6,500)
Transaction-related and other miscellaneous expenses including foreign exchange translations	(2,297)
Income recognised during the year	60,065

Other expenses from operating activities comprises:

	2022	2021
<b>Other expense from operating activities</b>		
Foreign exchange losses	41,654	67,800
Interest expense	2,394	4,959
Discount interest expense	1,039	1,681
Provision for legal claims	-	384
Other expenses	1,459	5,066
	<b>46,546</b>	<b>79,890</b>

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 14. Finance income and finance expense

Finance income comprises:

	2022	2021
Interest income	47,812	24,162
Other financial income	-	102
	<b>47,812</b>	<b>24,264</b>

Finance expense comprises:

	2022	2021
Interest expense related to financial activities	(100,359)	(94,412)
Foreign exchange losses, net	(45,359)	(102,655)
Interest expenses related to the lease obligations	(312)	(698)
Bank charges related to financing activities <sup>1</sup>	(30,927)	(20,976)
Interest expense related to funding activities with related parties, net	(389)	(927)
Other financial expenses	(6,934)	(9,090)
	<b>(184,280)</b>	<b>(228,758)</b>

<sup>1</sup> Bank charges related to financial activities include various commissions charged by banks and financial institutions within the context of term loan agreement and other transaction costs and also include USD20.4 million loss on extinguishment of financial liabilities.

### 15. Taxation

#### Current and deferred tax

Taxation credit comprises:

	2022	2021
<b>Tax (charge)/credit:</b>		
Income tax credit/(charge) - UK entities	(979)	(2,839)
Income tax charge - foreign entities	(51,549)	(48,687)
Deferred tax credit	241,080	121,236
<b>Tax credit from continuing operations</b>	<b>188,552</b>	<b>69,710</b>
Tax charge from discontinued operations	-	(3,271)
<b>Total tax credit</b>	<b>188,552</b>	<b>66,440</b>

The Group's operations in Türkiye are subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and deducting exempt income, non-taxable income and other incentives.

#### Reconciliation of total tax credit to (loss)/profit before taxation

The Group is domiciled in the United Kingdom, but its operations are primarily in Türkiye and the United States.

Effective corporate tax rate in 2022 is 23% (2021: 25%) for Türkiye, 21% (2021: 21%) for the United States and 19% (2021: 19%) for the United Kingdom, respectively. The provision for income taxes is different from the expected provision for income taxes for the following reasons:

	2022	2021
<b>Profit/(loss) before tax</b>	<b>628,596</b>	<b>289,894</b>
Profit/(loss) before tax from continuing operations	628,596	214,813
Profit/(loss) before tax from discontinued operations	-	75,081
Applicable rate of tax	19%	19%
<b>Tax at applicable rate</b>	<b>(119,433)</b>	<b>(55,080)</b>
Tax effect of:		
Disallowable expenses	(10,485)	(18,474)
Other tax incentives (patent <sup>1</sup> and capital increases)	58,256	16,700
Investment incentives	332,557	143,931
Effect of tax rates in different jurisdictions	(19,077)	(5,816)
Non-controlling interest	-	2,631
Carry forward tax losses (recognised) or written off as deferred tax asset	24,611	6,961
Corporate interest restriction in UK	(20,344)	(10,406)
Disregarded foreign exchange gains	20,038	33,439
Loss on translation	(84,635)	(40,027)
Other	7,064	(7,420)
<b>Total tax credit</b>	<b>188,552</b>	<b>66,439</b>
- Tax charge from discontinued operations	-	(3,271)
- Tax credit from continuing operations	188,552	69,710

<sup>1</sup> The Company has obtained a patent document, which has been examined by the Turkish Patent Institute ("TPI") for the invention entitled "Production of heavy soda from bicarbonate containing solutions, sodium bicarbonate, light soda and sodium silicate" as of 11 November 2004, and the 20 years' protection period for the patent is granted by TPI. Within the scope of the patent document examined during the protection period and in the scope of the "Exception in Industrial Property Rights" provisions of article 5/B of the Taxation Law No.5520, the exemption income amount for the year 2019 has been determined. For the 2022 accounting period, the amount of corporation tax exemption that is benefited is USD124.3 million (2021: USD53.3 million).

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 15. Taxation continued

#### Investment incentives – investment discount application

Under Turkish local legislation, Eti Soda and Kazan Soda come under the ruling of the Council of Ministers on Government Grants with respect of their status in obtaining central Turkish government investment incentive grants.

The decision of the Council of Ministers on Government Grants and Incentives no. 2012/3305 regulating investment incentives became effective after being published in the Official Gazette on 19 June 2012. Within the scope of that decision, Eti Soda has received an Investment Incentive Certificate numbered A129108, which is located in Region 1 and has a contribution rate of 40% for their investments. As of 31 December 2020, within the scope of this certificate, Eti Soda recognised a USD1.4 million deferred tax asset to reduce corporate tax and utilized all of them until 31 December 2022. In the same manner, Kazan Soda has received an Investment Incentive Certificate numbered E109393 and I109393 (together renumbered as J109393 in 2022), which is located in Region 1 and has a contribution rate of 50% for Kazan Soda's investments. As of the reporting date, within the scope of the certificate, Kazan Soda recognised USD571.8 million (2021: USD369.5 million) deferred tax asset to reduce corporate tax.

#### LLC associates in USA

The associates of the Group in the USA are formed as a Limited Liability Company ("LLC") (under Delaware State Law), which is a separate business entity allowed by state statute. As the LLCs have multiple owners, such entities have chosen to be taxed as a partnership, meaning each owner would report profit and losses on their income tax return.

Under US tax rules, limited liability companies are permitted to choose to be taxed differently from other corporations. An LLC allows pass-through taxation, which is when the business income or losses pass through the business and are instead recorded on the partnership's (owner's) tax return. As a result, the profits are taxed at the taxpaying owner's tax rate with such rate impacted to reflect the jurisdictions in which the partnership operates. Any profits, losses or deductions that are business expenses that reduce taxable income are all reported on the partnership's tax return and used to compute the taxable income reported by the owners.

In this respect, any current and deferred taxes attributable to the associates of the Group in the USA are accounted for by the US parent companies (investor) at its tax rates.

#### Deferred tax

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRSs and tax purposes and they are given below.

Deferred tax assets/(liabilities) comprises:

	2022	2021
Deferred tax assets	558,644	363,175
Deferred tax liabilities	(153,933)	(178,914)
<b>Net deferred tax asset</b>	<b>404,711</b>	<b>184,261</b>

This may be analysed as follows:

	2022	2021
Differences on carrying values of PP&E, mining assets and reserves	(141,975)	(161,507)
Retirement pay provision	778	380
Unused annual leave	245	173
Previous year losses to be deducted from tax	16,645	54,065
Discount on trade receivables	365	292
Discount on trade payables	(472)	(159)
Investment incentives	560,676	322,703
Revenue recognition according to IFRS 15	551	1,911
Effect of purchase of subsidiary	-	(18,429)
Investments accounted for using the equity method	(41,396)	-
Effect of disposal of subsidiary	-	(19,769)
Other	9,294	4,601
<b>Closing balance at 31 December</b>	<b>404,711</b>	<b>184,261</b>

Movement of deferred tax (liabilities)/assets for the year ended 31 December 2022 and 2021 are as follows:

	2022	2021
<b>At 1 January</b>	<b>184,261</b>	<b>161,355</b>
Credited to statement of profit or loss for the financial year	241,080	126,011
Effect of purchase of subsidiary	-	(18,429)
Credited to other comprehensive income or loss	(48)	-
Presentation currency translation effect	(20,582)	(84,676)
<b>Closing balance at 31 December</b>	<b>404,711</b>	<b>184,261</b>

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 15. Taxation continued

#### Investment incentives – investment discount application continued

At 31 December 2022, the Group has unused tax losses of USD72.7 million (2021: USD250.6 million) available for offset against future profits and USD13.8 million (2021: USD50.1 million) deferred tax asset has been recognised in respect of these losses.

Expiration schedule of carry forward tax losses is as follows:

	2022	2021
Will be expired in 2023	–	84,237
Will be expired in 2024	–	45,123
Will be expired in 2025	17,432	38,772
Will be expired in 2026	55,301	82,492
Will be expired after 2026 <sup>1</sup>	–	–
<b>Total</b>	<b>72,733</b>	<b>250,624</b>

<sup>1</sup> At 31 December 2022, the Group does not have unused tax losses (2021: nil) with no expiry date. Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable.

Deferred tax assets, which are recognised for tax losses carried forward, arise in entities, primarily domiciled in Türkiye and related to tax losses during the investment period in 2018 and net operating losses in subsequent periods. In this respect, the Group expects to utilise USD73.0 million in 2023.

In evaluating whether it is probable that taxable profits will be earned in future accounting periods prior to any tax loss expiry as may be the case, all available evidence was considered, including approved budgets, forecasts and business plans and, in certain cases, analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning and impairment testing purposes. Following this evaluation, it was determined there would be sufficient taxable income generated to realise the benefit of the deferred tax assets and that no reasonable possible change in any of the key assumptions would result in a material reduction in forecast headroom of tax profits so that the recognised deferred tax asset would not be realised.

In the UK, the Finance (No 2) Act 2015, which provides the main rate of corporation tax of 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act receiving the Royal Assent on 28 July 2020 stipulates in section 5(1) that the Corporation Tax main rate for the financial year 2020 and 2021 to be 19%. These rates have been reflected in the calculation of deferred tax at the reporting date. In May 2021, as a result of the 2021 Budget, it was enacted that the corporation tax rate on company profits above £250,000 to rise from 19% to 25% in April 2023.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 16. Property, plant and equipment

2022	Land	Land improvements	Buildings	Plant, machinery and equipment	Leasehold improvements	Construction in progress	Other fixed assets <sup>1</sup>	Total
<b>Cost:</b>								
<b>As at 1 January 2022</b>	<b>3,726</b>	<b>37,768</b>	<b>12,870</b>	<b>357,852</b>	<b>737</b>	<b>41,043</b>	<b>2,181</b>	<b>456,177</b>
Additions	365	68,948	754	9,605	43	63,736	732	144,183
Purchase of subsidiary	-	-	-	-	-	-	320	320
Disposals	(460)	-	-	(384)	-	-	-	(844)
Transfers to mining assets	-	-	-	-	-	(29,535)	-	(29,535)
Transfers from construction in progress	-	9,722	1,763	19,396	-	(30,897)	16	-
Presentation currency translation effect	(431)	(4,547)	(1,510)	(41,104)	(24)	(4,420)	(175)	(52,211)
<b>At 31 December 2022</b>	<b>3,200</b>	<b>111,891</b>	<b>13,877</b>	<b>345,365</b>	<b>756</b>	<b>39,927</b>	<b>3,074</b>	<b>518,090</b>
<b>Accumulated depreciation:</b>								
<b>As at 1 January 2022</b>	<b>-</b>	<b>(8,346)</b>	<b>(1,480)</b>	<b>(52,321)</b>	<b>(181)</b>	<b>-</b>	<b>(1,084)</b>	<b>(63,412)</b>
Charge for the year	-	(2,715)	(443)	(14,351)	(81)	-	(575)	(18,165)
Purchase of subsidiary	-	-	-	-	-	-	(185)	(185)
Disposals	-	-	-	87	-	-	-	87
Presentation currency translation effect	-	1,022	173	6,066	14	-	128	7,403
<b>At 31 December 2022</b>	<b>-</b>	<b>(10,039)</b>	<b>(1,750)</b>	<b>(60,519)</b>	<b>(248)</b>	<b>-</b>	<b>(1,716)</b>	<b>(74,272)</b>
<b>Net book value as of 31 December 2022</b>	<b>3,200</b>	<b>101,852</b>	<b>12,127</b>	<b>284,846</b>	<b>508</b>	<b>39,927</b>	<b>1,358</b>	<b>443,818</b>

<sup>1</sup> Includes vehicles and furniture and fixtures.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 16. Property, plant and equipment continued

2021	Land	Land improvements	Buildings	Plant, machinery and equipment	Leasehold improvements	Construction in progress	Other fixed assets <sup>1</sup>	Total
<b>Cost:</b>								
<b>As at 1 January 2021</b>	<b>6,037</b>	<b>131,300</b>	<b>142,239</b>	<b>921,009</b>	<b>456</b>	<b>61,710</b>	<b>5,149</b>	<b>1,267,900</b>
Additions	928	387	62	13,532	443	90,667	617	106,636
Disposal of Sisecam Chemicals Resources on 21 December 2021 – see Note 5	(440)	(65,513)	(119,814)	(320,884)	-	(59,667)	(2,546)	(568,864)
Remeasurement of asset retirement obligations – see Note 30	-	(52)	-	-	-	-	-	(52)
Disposals	-	-	(25)	(1,257)	-	-	(53)	(1,335)
Transfers to mining assets	-	-	-	-	-	(26,106)	-	(26,106)
Transfers from construction in progress	-	905	278	7,357	-	(8,914)	374	-
Presentation currency translation effect	(2,799)	(29,259)	(9,870)	(261,905)	(162)	(16,647)	(1,360)	(322,002)
<b>At 31 December 2021</b>	<b>3,726</b>	<b>37,768</b>	<b>12,870</b>	<b>357,852</b>	<b>737</b>	<b>41,043</b>	<b>2,181</b>	<b>456,177</b>
<b>Accumulated depreciation:</b>								
<b>As at 1 January 2021</b>	-	<b>(21,951)</b>	<b>(18,448)</b>	<b>(173,819)</b>	<b>(169)</b>	-	<b>(2,431)</b>	<b>(216,818)</b>
Disposals	-	(6,760)	(7,399)	(53,113)	(94)	-	(1,033)	(68,399)
Disposal of Sisecam Chemicals Resources on 21 December 2021 – see Note 5	-	14,404	23,335	148,133	-	-	1,601	187,473
Charge for the year	-	-	25	255	-	-	43	323
Presentation currency translation effect	-	5,961	1,007	26,223	82	-	736	34,009
<b>At 31 December 2021</b>	-	<b>(8,346)</b>	<b>(1,480)</b>	<b>(52,321)</b>	<b>(181)</b>	-	<b>(1,084)</b>	<b>(63,412)</b>
<b>Net book value as of 31 December 2021</b>	<b>3,726</b>	<b>29,422</b>	<b>11,390</b>	<b>305,531</b>	<b>556</b>	<b>41,043</b>	<b>1,097</b>	<b>392,765</b>

<sup>1</sup> Includes vehicles and furniture and fixtures.

Property, plant and equipment with a carrying amount of USD480.4 million (2021: USD586.7 million) have been pledged under a commercial enterprise pledge, to secure borrowings of the Group (see Note 26 *Borrowings*). The said pledged assets cannot be repledged as security for other new borrowings or to be divested to another party.

As of 31 December 2022, the net carrying amounts of vehicles and plant, machinery, and equipment acquired through leasing agreement (see Note 39 *Lease liabilities*) are USD6.8 million (2021: USD8.2 million) in total and amortisation charges for the year are USD0.5 million (2021: USD0.9 million).

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 17. Mining reserves

	Cost	Accumulated amortisation	Total
<b>At 1 January 2021</b>	<b>2,224,354</b>	<b>(185,940)</b>	<b>2,038,414</b>
Charge for the year	-	(57,432)	(57,432)
Disposal of Sisecam Chemicals Resources on 21 December 2021 – see Note 5	(793,000)	51,088	(741,912)
Presentation currency translation effect	(621,801)	79,174	(542,627)
<b>At 31 December 2021</b>	<b>809,553</b>	<b>(113,110)</b>	<b>696,443</b>
Charge for the year	-	(26,833)	(26,833)
Presentation currency translation effect	(92,234)	13,241	(78,993)
<b>At 31 December 2022</b>	<b>717,319</b>	<b>(126,702)</b>	<b>590,617</b>

Mining reserves include trona reserves that can be economically and legally extracted and processed into soda ash or sodium bicarbonate by the Group's operating companies.

The acquisition of Kazan Soda and CEI in February 2018 included the allocation of purchase price to mining reserves based on its fair value as at the date of the respective acquisitions which was approximately USD1,105 million and USD793 million, respectively. Similarly mining reserves of Eti Soda was USD1,619 million based on its fair value as at the acquisition date in November 2017.

### 18. Intangible assets

Movement of intangibles assets:

	Cost	Accumulated amortisation	Total
<b>At 1 January 2021</b>	<b>7,960</b>	<b>(2,161)</b>	<b>5,799</b>
Additions	1,034	-	1,034
Charge for the year	-	(914)	(914)
Disposal of Sisecam Chemicals Resources on 21 December 2021 – see Note 5	(8,610)	2,919	(5,691)
Presentation currency translation effect	(116)	47	(69)
<b>At 31 December 2021</b>	<b>268</b>	<b>(109)</b>	<b>159</b>
Additions <sup>1</sup>	23,586	-	23,586
Charge for the year	-	(99)	(99)
Presentation currency translation effect	(28)	11	(17)
<b>At 31 December 2022</b>	<b>23,826</b>	<b>(197)</b>	<b>23,629</b>

<sup>1</sup> Additions present acquisition of access rights related to mining sites and activities in the United States.

The Group capitalises certain internal use software development costs associated with internally developed software primarily related to the enterprise resource planning system that was implemented in 2018 and went live in 2019 for its US operations. Costs incurred in the application and infrastructure development stage, including significant enhancements and upgrades, are capitalised. These software development costs are recognised on a straight-line basis over the estimated useful life of 5 to 10 years and presented under depreciation and amortisation expense which is included in the cost of sales financial statement line item of the consolidated statements. During the year ended 31 December 2021, the Company amortised internal use software development costs of USD0.9 million.

### 19. Mining assets

	Cost	Accumulated amortisation	Total
<b>At 1 January 2021</b>	<b>196,359</b>	<b>(52,361)</b>	<b>143,998</b>
Transfers to construction in progress	26,106	-	26,106
Charge for the year	-	(25,569)	(25,569)
Presentation currency translation effect	(95,525)	33,056	(62,469)
<b>At 31 December 2021</b>	<b>126,940</b>	<b>(44,874)</b>	<b>82,066</b>
Transfers from construction in progress	29,535	-	29,535
Charge for the year	-	(12,407)	(12,407)
Presentation currency translation effect	(15,016)	5,853	(9,163)
<b>At 31 December 2022</b>	<b>141,459</b>	<b>(51,428)</b>	<b>90,031</b>

### 20. Prepaid expenses

Prepaid expenses comprise of:

	2022	2021
<b>Non-current assets</b>		
Prepaid expenses	1,711	866
Order advances given for plant, property and equipment	17,106	26,675
<b>Total non-current assets</b>	<b>18,817</b>	<b>27,541</b>
<b>Current assets</b>		
Prepaid expenses	7,346	2,022
Order advances given for inventory purchases	1,762	5,114
<b>Total current assets</b>	<b>9,108</b>	<b>7,136</b>
<b>Total assets</b>	<b>27,925</b>	<b>34,677</b>

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 21. Trade and other receivables

	2022	2021
<b>Trade receivables</b>		
<b>Current:</b>		
Trade receivables	121,235	10,510
Discount on trade receivables	(317)	(38)
Trade receivables from related parties (Note 35)	239,197	139,396
<b>Total trade receivables</b>	<b>360,115</b>	<b>149,868</b>
<b>Other receivables</b>		
<b>Current:</b>		
Other sundry receivables	46	35
Deposits given	1,495	1,381
Other receivables from related parties (Note 35)	255,763	33,555
	<b>257,304</b>	<b>34,971</b>
<b>Non-current:</b>		
Deposits given	2,762	152
Other receivables from related parties (Note 35)	551,224	494,088
	<b>553,986</b>	<b>494,240</b>
<b>Total other receivables</b>	<b>811,290</b>	<b>529,211</b>
<b>Total trade and other receivables</b>	<b>1,171,405</b>	<b>679,079</b>

The Group's credit terms for its trade receivables vary from 30 to 120 days and trade receivables are amounts due from customers for goods sold performed in the ordinary course of business. As of the reporting date, trade receivables are generally due for settlement within 41 days (2021: 75 days) and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group considers trade receivables are held within a business model whose objective is to both collect contractual cash flows and sell and are therefore held within the fair value through other comprehensive income measurement category.

### 22. Goodwill

	2022	2021
<b>As of 1 January</b>	<b>14,317</b>	<b>54,595</b>
Disposal of Sisecam Chemicals Resources on 21 December 2021 – see Note 5	–	(29,284)
Presentation currency translation effect	(1,631)	(10,994)
<b>As of 31 December</b>	<b>12,686</b>	<b>14,317</b>

The goodwill recognised by the Group is a result of the:

- acquisition of Eti Soda on 24 November 2017 originally amounting to USD31.4 million (USD9.5 million net of presentation currency translation effect as of 31 December 2021) and allocated to the Turkish soda ash business;
- acquisition of Kazan Soda on 5 February 2018 originally amounting to USD16.6 million (USD4.8 million net of presentation currency translation effect as of 31 December 2021) and allocated to the Turkish soda ash business; and
- acquisition of Sisecam Resources with its parent CEI on 22 February 2018 amounting to USD29.3 million and allocated to the United States soda ash business. As of 31 December 2022 and 2021, the Group has no goodwill amount from Sisecam Resources due to the disposal of the subsidiaries on 21 December 2021 (see Note 5 *Discontinued operations – assets disposal – transaction with Sisecam*).

Goodwill is subject to impairment tests every year, with no impairment being recognised in 2022 (2021: USD nil). In making assessments for impairment, assets that do not generate independent cash flows are allocated to an appropriate CGU. The recoverable amount of those assets, or CGU, is measured at the higher of their fair value less costs of disposal and value in use.

Management applies its judgement in allocating assets to CGUs, in estimating the probability, timing and value of underlying cash flows and in selecting appropriate discount rates to be applied within the recoverable value calculation. Subsequent changes to CGU allocation or estimates and assumptions in the recoverable value calculation could impact the carrying value of the respective assets. The key assumptions set out below were used in the calculation of the recoverable value as of 31 December 2022.

The projection period for the purposes of goodwill impairment testing is based on the estimated useful lives of mining reserves for Turkish subsidiaries, which is 42 years for Kazan Soda, and 22 years for Eti Soda. For its Turkish subsidiaries, the Group expects to use available reserves of trona until the depletion of such reserves with the existing capacity of the facilities. Considering the unique solution mining method outside China, used by Turkish subsidiaries and limited estimated useful lives of mining reserves management decided to use useful lives of mining reserves for impairment testing. The average growth rate of cash flows for further periods (after 5 years) for Turkish operations is 2%.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 22. Goodwill continued

A range of weighted average cost of capital rates between 14.3% and 15.0% were used for financial year 2021 as post-tax discount rates in order to calculate the recoverable amount under the fair value less cost of disposal approach for each of the CGUs individually. The post-tax rate was adjusted by considering tax effects of the tax cash outflows and other future tax cash flows and differences between the cost of the assets and their tax bases.

As of 31 December 2022, management has taken IAS 36.99 requirements into consideration and the most recent detailed calculation made in a preceding period (2021) of the recoverable amount of a cash generating unit to which goodwill has been allocated is used in the impairment test of that unit in the current period provided all of the following criteria are met:

- the assets and liabilities making up the unit have not changed significantly since the most recent recoverable amount calculation (the net assets have increased by 5% - 15% for respective CGUs);
- the most recent recoverable amount calculation resulted in an amount that exceeded the carrying amount of the unit by a substantial margin (it was 3 times higher than carrying value); and
- based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation, the likelihood that a current recoverable amount determination would be less than the current carrying amount of the unit is remote. During this evaluation the management team considered the following:
  - Selling prices have been almost doubled when compared with the prior years and production costs have the similar trend when the general price level increases in the world taken into consideration.
  - As the lowest cost producer in its industry the Group has also doubled its EBITDA and expects similar profitability trends going forward due to its competitive advantages.
  - Existing production capacity and sales volumes are expected to slightly increase parallel to improvement modifications and efficient maintenance program applied, when capacity increases due to future investments are excluded.
  - The change in the weighted average cost of capital rates was up to 12% when compared with the prior year and has limited decreasing effect on the substantial margin.

### 23. Other assets and liabilities

Other assets and liabilities comprise:

Other Assets	2022	2021
<b>Current:</b>		
VAT carried forward	15,063	8,057
VAT other	5,428	1,883
Restricted cash	53,278	64,799
Other	2,218	1,903
	<b>75,987</b>	<b>76,642</b>
<b>Non-current:</b>		
Other sundry receivables	-	-
	-	-
<b>Total other assets</b>	<b>75,987</b>	<b>76,642</b>
<b>Other liabilities</b>	<b>2022</b>	<b>2021</b>
<b>Current:</b>		
Taxes and funds payable	6,106	9,619
Other sundry payables	490	681
	<b>6,596</b>	<b>10,300</b>
<b>Non-current:</b>		
Taxes and funds payables	322	1,158
		<b>1,158</b>
<b>Total other liabilities</b>	<b>6,918</b>	<b>11,458</b>

Restricted cash comprises deposits held in the United Kingdom, Türkiye and the United States that have been placed to satisfy covenant requirements in respect of bank borrowings; see Note 26 *Borrowings*. The restricted cash is not under the exclusive control of the Group and therefore is disclosed separately from the Group's cash and cash equivalents.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 24. Cash and cash equivalents

Cash and cash equivalents comprises:

	2022	2021
Cash	8	606
Cash at bank comprises:	308,727	13,888
- Demand deposits	110,436	13,886
- Time deposits with maturities less than three months	198,291	2
	<b>308,735</b>	<b>14,494</b>

### 25. Inventories

Inventories comprise:

	2022	2021
Raw materials and supplies	19,077	9,534
Finished goods	9,298	14,257
	<b>28,375</b>	<b>23,791</b>

No inventories were written off nor written down to profit and loss in 2022 and 2021.

Raw materials and supplies comprise:

	2022	2021
Packaging	2,958	2,397
Raw materials	7,645	2,835
Spare parts	8,474	4,302
	<b>19,077</b>	<b>9,534</b>

Non-current inventories comprise long-term spare parts inventories by USD18.6 million (31 December 2021: USD14.5 million).

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 26. Borrowings

	2022	2021
<b>Non-current:</b>		
Bank borrowings – long-term portion of the long-term borrowings	1,371,930	1,411,442
(Less): Transaction costs	(4,615)	(22,868)
	<b>1,367,315</b>	<b>1,388,574</b>
<b>Current:</b>		
Bank borrowings due within one year	97,809	101,322
Bank borrowings – short-term portion of the long-term borrowings	241,133	329,188
(Less): Transaction costs	(1,372)	(7,770)
	<b>337,570</b>	<b>422,740</b>
	<b>1,704,885</b>	<b>1,811,314</b>

Bank borrowings comprise:

Currency	2022			2021		
	WAEIR <sup>1</sup>	Short-term	Long-term	WAEIR <sup>1</sup>	Short-term	Long-term
USD	6.62%	177,306	809,072	3.86%	171,878	683,614
EUR	4.69%	161,636	562,858	3.99%	258,632	727,828
<b>Total USD equivalent</b>		<b>338,942</b>	<b>1,371,930</b>		<b>430,510</b>	<b>1,411,442</b>
(Less): Transaction costs <sup>2</sup>						
USD		(1,372)	(4,615)		(3,297)	(11,686)
EUR		-	-		(4,473)	(11,182)
<b>Total Transaction costs (-)</b>		<b>(1,372)</b>	<b>(4,615)</b>		<b>(7,770)</b>	<b>(22,868)</b>
<b>Net USD equivalent</b>		<b>337,570</b>	<b>1,367,315</b>		<b>422,740</b>	<b>1,388,574</b>

<sup>1</sup> Weighted average effective interest rate

<sup>2</sup> USD6.0 million (2021: USD30.6 million) are related to transaction costs of borrowings and they are capitalised and amortised as finances costs on an effective interest rate basis in the profit or loss.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 26. Borrowings continued

The following summarises bank borrowings based on their agreement types:

As at 31 December 2022	Current			Non-current		
	USD Equivalent of EUR loans	USD loans	Total	USD Equivalent of EUR loans	USD loans	Total
Term loan agreement	64,007	46,628	<b>110,635</b>	509,554	373,039	<b>882,593</b>
RCF	-	-	-	53,305	50,000	<b>103,305</b>
Kazan project finance	-	130,498	<b>130,498</b>	-	363,532	<b>363,532</b>
Eti Working Capital loan	97,809	-	<b>97,809</b>	-	-	-
Loans related to US operations	-	-	-	-	22,500	<b>22,500</b>
(Less): Transaction costs	-	(1,372)	<b>(1,372)</b>	-	(4,615)	<b>(4,615)</b>
	<b>161,816</b>	<b>175,754</b>	<b>337,570</b>	<b>562,859</b>	<b>804,456</b>	<b>1,367,315</b>

As at 31 December 2021	Current			Non-current		
	USD Equivalent of EUR loans	USD loans	Total	USD Equivalent of EUR loans	USD loans	Total
Term loan agreement	157,311	48,032	<b>205,343</b>	727,867	222,203	<b>950,070</b>
Kazan project finance	-	123,845	<b>123,845</b>	-	461,372	<b>461,372</b>
Eti Working Capital loan	101,322	-	<b>101,322</b>	-	-	-
(Less): Transaction costs	(4,473)	(3,297)	<b>(7,770)</b>	(11,182)	(11,686)	<b>(22,868)</b>
	<b>254,160</b>	<b>168,580</b>	<b>422,740</b>	<b>716,685</b>	<b>671,889</b>	<b>1,388,574</b>

Eti Soda entered into eight separate unsecured Export Oriented Loan Agreements with Denizbank A.Ş. as lender (“Denizbank”) relating to working capital facilities of up to \$80 million for 5 different agreements and EUR18 million for two different agreements (the “Export Oriented Loan Facilities”), respectively. All amounts drawn under the Eti Soda Working Capital Facilities are for working capital purposes. As of 31 December 2022, the amounts outstanding under the Eti Soda Working Capital Facilities amounted to USD97.8 million.

The Eti Soda Working Capital Facilities are revolving loan facility arrangements between Denizbank and Eti Soda with each individual loan having a term of six months. In practice, Eti Soda generally rolls over accrued interest and principal on each loan to the next six-month period. The Eti Soda Working Capital Facilities accrue interest at a fixed rate per year.

On 1 August 2018, the Group secured a USD380 million and a EUR1,100 million loan facility (the “Original Facilities”) under the Original Facilities Agreement. The maturity date of the Original Facilities Agreement was 1 August 2025. Interest payments were due on a quarterly basis. WE Soda and CEI were borrowers of the loan, with the Company, WE Soda Kimya,

Ciner Kimya, Sisecam Resources Corporation and Sisecam Chemical Holdings acting as guarantors to the loan. The Original Facilities were secured, with share pledges of CEI, Sisecam Chemicals Resources, Sisecam Chemical Holdings, Sisecam Resources Corporation, Ciner Kimya, WE Soda Kimya and Eti Soda. The interest rate of the loan was 3-month LIBOR rate plus a fixed margin of 4.25% for USD and 3-month LIBOR rate plus a fixed margin of 3.75% for EUR denominated portions. As at 31 December 2021, the Group was in full compliance with the requirements stipulated by the Original Facilities Agreement.

On 22 December 2021, CEI settled in full its drawings under the Original Facilities with its lenders for a value equal to USD142.7 million comprising USD111.2 million and EUR16.9 million and, on the same date, WE Soda entered into an amendment to the Original Facilities Agreement, increasing its portion of the Original Facilities with its lenders for an additional USD142.7 million comprising USD111.2 million and EUR16.9 million.

On 14 February 2022, the Original Facilities Agreement was rescinded and replaced by the Senior Facilities Agreement. See Note 4 *Financial risk management agent*.

Kazan Soda and certain lenders, including Industrial and Commercial Bank of China (“ICBC”), acting as an agent for other lenders, entered into a facilities agreement dated 25 March 2014 in relation to a soda ash project located in Kazan (the “Kazan Soda Facilities” and the relevant agreement, the “Kazan Soda Facilities Agreement”). As at 31 December 2022, the Kazan Soda Facilities amounted to USD480.4 million (2021: USD586.7 million). Repayment of the loan commenced on 20 December 2018 and will continue until 20 June 2027. The interest rate of the loan is 6-month LIBOR rate plus a fixed margin of 3.45%. Park Holding A.Ş. (“Park Holding”), WE Soda Kimya Yatırımları A.Ş. (“WE Soda Kimya”) and Ciner Kimya Yatırımları A.Ş. (“Ciner Kimya”) are parties to the Kazan Soda Facilities Agreement as guarantors.

See Note 4b *Significant restrictions* with respect to the various covenants and restrictive provisions applicable to (subject to certain exceptions) the WE Soda Restricted Group under the Senior Facilities Agreement.

The Group has not capitalised any borrowing cost during the year (2021: USD nil).

The carrying value of bank borrowings held at amortised cost approximates the fair value.

The bank borrowings repayment schedule is as follows:

	2022	2021
Within 1 year	338,942	430,510
1 - 2 years	329,039	326,330
2 - 3 years	235,024	320,731
3 - 4 years	752,236	622,961
4 - 5 years	55,631	87,416
5 + years	-	54,004
	<b>1,710,872</b>	<b>1,841,952</b>

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 27. Trade and other payables

Trade and other payables comprises:

	2022	2021
<b>Trade payables</b>		
<b>Current:</b>		
Trade payables	117,206	79,224
Trade payables to related parties (see Note 35)	185,497	24,102
	<b>302,703</b>	<b>103,326</b>
<b>Non-current:</b>		
Trade payables	2,879	-
	<b>2,879</b>	-
<b>Total trade payables</b>	<b>305,582</b>	<b>103,326</b>
<b>Other payables</b>		
<b>Current:</b>		
Other payables to related parties (see Note 35)	30,601	26,099
Deposits received	273	102
Mineral lease liabilities	4,173	-
Other liabilities	5,629	781
	<b>40,676</b>	<b>26,880</b>
<b>Non-current:</b>		
Mineral lease liabilities	14,928	3
	<b>14,928</b>	<b>3</b>
<b>Total other payables</b>	<b>55,604</b>	<b>26,883</b>
<b>Total trade and other payables</b>	<b>361,186</b>	<b>130,209</b>

The average credit period for trade purchases is 47 days (2021: 53 days). The Directors consider the carrying value of trade and other payables (on which no interest is incurred) approximates to their fair value.

### 28. Derivative financial instruments

The Group may enter into derivative contracts from time to time to manage exposure to the risk of exchange rate changes on its foreign currency transactions, the risk of changes in natural gas prices, and the risk of the variability in interest rates on borrowings. Gains and losses on derivative contracts are recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group follows hedge accounting for its hedging activities. All derivative instruments are recorded on the balance sheet at their fair values. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation. The Group designates its derivatives based upon criteria established for hedge accounting under IFRS. For a derivative designated as a fair value hedge, the gain or loss is recognised in earnings in the year of the change together with the offsetting gain or loss on the hedged item attributed to the risk being hedged.

For a derivative designated as a cash flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive income (loss) and subsequently reclassified into earnings when the hedged exposure affects earnings. Any significant ineffective portion of the gain or loss is reported in earnings immediately. For derivatives not designated as hedges, the gain or loss is reported in earnings in the year of change. Until 21 December 2021, the Group had the following two derivative financial instruments: interest rate swap contracts and gas forward contracts.

#### (a) Interest rate swap contracts

The Group does not have any swap contracts as of 31 December 2022. In prior years, Sisecam Wyoming had interest rate swap contracts, designated as cash flow hedges, to mitigate its exposure to possible increases in interest rates which had various maturities through 2023. These contracts formed part of the discontinued operations and hence nil value as at 31 December 2022 and 2021.

#### (b) Gas forward contracts

The Group does not have any gas forward contracts as of 31 December 2022 or 2021. In prior years, Sisecam Wyoming entered into natural gas financial forward contracts, designated as cash flow hedges, to mitigate volatility in the price of natural gas related to a portion of the natural gas it consumes which had various maturities through 2024. These contracts formed part of the discontinued operations and hence nil value as at 31 December 2022 and 2021.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 29. Employee benefits

Employee benefits comprises:

	2022	2021
<b>Current:</b>		
Due to personnel	1,617	874
Social security premiums payable	1,191	616
Provision for annual leave <sup>(a)</sup>	1,290	762
	<b>4,098</b>	<b>2,252</b>
<b>Non-current:</b>		
Provision for retirement pay obligation – Turkish operations <sup>(b)</sup>	4,097	1,899
Provision for retirement pay obligation – CEI <sup>(b)</sup>	-	-
Provision for post-employment benefit <sup>(c)</sup>	-	-
	<b>4,097</b>	<b>1,899</b>
<b>Total</b>	<b>8,195</b>	<b>4,151</b>

Retirement pay obligations for CEI comprise total benefit obligations net of fair value of plan assets as shown below:

	2022	2021
Benefit obligation	-	205,806
Fair value of plan assets	-	(172,963)
Disposal of Sisecam Chemicals Resources on 21 December 2021 – see Note 5	-	(32,843)
<b>At 31 December</b>	<b>-</b>	<b>-</b>

The above balances form part of the discontinued operations and hence nil balance as at 31 December 2021 and onwards (see Note 5).

#### (a) Provision for unused annual leave

Movement of provision for unused annual leave is as follows:

	2022	2021
<b>At 1 January</b>	<b>762</b>	<b>1,644</b>
Additions	961	444
Payment/reversal of provision	(63)	(66)
Disposal of Sisecam Chemicals Resources on 21 December 2021 – see Note 5	-	(736)
Exchange loss on translation to presentation currency	(370)	(524)
<b>At 31 December</b>	<b>1,290</b>	<b>762</b>

Unused annual leave is recognised for the monetary value of the unused annual leave remuneration to be paid to employees upon the termination of their employment contract for any reason, at the wage rate prevailing on the date of termination. The liability represents the undiscounted amount of remuneration to be paid assuming the termination occurs at the reporting date.

#### (b) Provision for retirement pay obligation

Movement of provision for defined retirement benefit liability for the Turkish operations is as follows:

	2022	2021
<b>At 1 January</b>	<b>1,899</b>	<b>2,013</b>
Actuarial loss	731	26
Service cost	2,283	1,052
Interest cost	52	68
Termination benefits paid	(85)	(113)
Exchange gain on translation to presentation currency	(783)	(1,147)
<b>At 31 December</b>	<b>4,097</b>	<b>1,899</b>

Movement of provision for defined retirement benefit liability for CEI is as follows:

	2022	2021
<b>At 1 January</b>	<b>-</b>	<b>55,157</b>
Actuarial loss	-	(6,674)
Service cost	-	2,522
Interest cost	-	1,276
Return on plan assets, excluding amounts included in interest income	-	(18,181)
Contribution by employer	-	(1,257)
Disposal of Sisecam Chemicals Resources on 21 December 2021 – see Note 5	-	(32,843)
<b>At 31 December</b>	<b>-</b>	<b>-</b>

The above balances form part of the discontinued operations and hence nil balance as at 31 December 2021 (see Note 5).

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 29. Employee benefits continued

#### (b) Provision for retirement pay obligation continued

##### Sensitivity

Significant actuarial assumptions for the determination of the defined retirement benefit for CEI are discount rate and the rate of compensation increase. Based on the gross obligation of USD200.8 million, for a 1% change, in isolation, the plan's obligation would have the effect shown in the table below:

Change		+1%	-1%
Discount rate	(Decrease)/increase in obligation	(21,815)	26,397
Rate of compensation increase	Increase/(decrease) in obligation	1,910	(1,547)

#### (c) Provision for other post-employment

Movement for provision for other post-employment benefit is as follows:

	2022	2021
<b>At 1 January</b>	-	<b>13,129</b>
Actuarial loss	-	(1,242)
Service cost	-	242
Interest cost	-	207
Contribution by employer	-	(1,757)
Disposal of SiseCam Chemicals Resources on 21 December 2021 - see Note 5	-	(10,579)
<b>At 31 December</b>	-	-

The above balances form part of the discontinued operations and hence nil balance as at 31 December 2021 (see Note 5).

##### Sensitivity

Significant actuarial assumptions for the determination of the other post-employment benefit are health cost trend rate and discount rate. For a 1% change, in isolation, the obligation would have the effect shown in the table below:

2021		+1%	-1%
Health cost trend rate	Increase/(decrease) in obligation	166	(155)
Discount rate	(Decrease)/increase in obligation	(752)	878

##### Sensitivity

In relation to the above sensitivities, a change in a single assumption while all other assumptions remain constant is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

### Türkiye

The Group's Turkish operations maintain a retirement pay obligation provision as required by Turkish law and union agreements, to ensure that lump sum payments are made to employees retiring or involuntarily leaving the Turkish subsidiaries. Such payments are considered as being part of employee benefit plan as per IAS 19 (Revised) – Employee Benefits.

The retirement pay provision recognised in the financial statements represents the present value of the retirement pay obligation. The actuarial gains and losses are recognised in other comprehensive income. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Ceiling amount of USD1,068 (2021: USD836), which is declared by the government and in effect since 1 January 2023, is used in the calculation of the Group's provision for retirement pay liability. The ceiling amount determines the upper limit for the retirement pay provision liability for one month of service.

Turkish companies are not required by local law to set up a fund to meet their retirement pay obligations. Provision for retirement pay obligation is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IAS 19 (Revised) – Employee Benefits stipulates the development of a company's liabilities by using actuarial valuation methods. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

- Liability for each year of service will move in correlation with the Turkish national inflation rate. To reflect this correlation, the discount rate applied takes into account the anticipated effects of future inflation.
- Provision for the retirement pay obligation is calculated as the present value of the future probable obligation of the company arising from the retirement of the employees by applying 3.96% real discount rate.
- Management assumes that due to leaving voluntarily, 3.2% (2021: In PY FS – 3.4%) of liability for Eti Soda and 10.3% (2021: In PY FS – 10.8%) of liability for Kazan Soda will not be paid out to employees with 0 – 15 years of service. It is assumed that full payment will be made for those with 16 or more years of service.
- Ceiling amount of USD1,068 which is in effect since 1 January 2023 is used in the calculation of Groups' provision for retirement pay liability (1 January 2022: USD836).

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 30. Mine closure provision

Following the Strategic Transactions in 2021, SiseCam Wyoming became a discontinued operation and at the year end was equity accounted. No provisions had been recorded for Eti Soda and Kazan Soda based on the present values of their expected obligations in Turkish lira discounted at Turkish lira risk free rate.

The mine closure provision at 31 December 2022 of USD68.9 million represents the discounted future cash flow expenditure required for the closure of Eti Soda and Kazan Soda mines in 21 and 41 years respectively. This has been calculated in US\$ and discounted by applying a US\$ real risk free rate of 1.93% (2021: Turkish lira based real risk free rate of 11.61%). Accordingly, this change in discounting along with an increase in the expected activities has led to a significant increase in the provisions recognised.

Movement of the provision may be analysed as follows:

	2022	2021
<b>At 1 January</b>	-	<b>40,130</b>
Accretion/interest expense	-	855
Additions	68,854	(349)
Remeasurement (see Note 16)	-	644
Disposal of SiseCam Chemicals Resources on 21 December 2021 - see Note 5	-	(41,280)
<b>At 31 December</b>	<b>68,854</b>	-

### Sensitivity

The significant assumption used for the determination of the mine closure provision is real risk free rate and a 1% change, in isolation, would have the effect shown in the table below:

Change	+1%	-1%
Discount rate (Decrease)/increase in provision	(18,877)	27,183

### 31. Deferred income (contract liabilities)

USD49.3 million (2021: USD7.8 million) of the deferred income consists of short-term and long-term advances received from customers through CIDT while the remaining USD101.6 million (2021: USD0.9 million) consists of short-term advances received from other customers for soda ash and sodium bicarbonate sales of Turkish operating entities. Deferred income represents undelivered goods, which will be recognised as revenue upon delivery of such goods. Movement in contract liabilities relates to timing differences.

Movement of deferred income for the year ended 31 December 2022 and 2021 are as follows:

	2022	2021
<b>At 1 January</b>	<b>10,417</b>	<b>44,875</b>
Order advances received	158,046	1,889
Deferred revenue due to goods in transit	-	750
Transfer of goods (-)	(17,450)	(34,726)
Foreign currency translation effect	(58)	(2,371)
<b>Closing balance at 31 December</b>	<b>150,955</b>	<b>10,417</b>
- Short-term deferred income	134,519	8,675
- Long term deferred income	16,436	1,742

### 32. Share capital and other reserves

Issued and fully paid ordinary share capital as at 31 December 2022 amounted to USD153.7 million (2021: USD153.7 million).

#### Ordinary equity share capital

Authorised, allotted and fully paid	Number	Share capital \$000s	Share premium \$000s
<b>At 1 January 2021</b>	153,702,471	153,702	1,382,131
<b>At 31 December 2021</b>	153,702,481	153,702	1,382,131
<b>At 31 December 2022</b>	153,702,481	153,702	1,382,131

50,000 shares were issued at GBP1.00 per share at incorporation and were denominated to USD1.32 per share in 2017. All other Ordinary Shares were issued at USD1.00.

Class of shares	Class A <sup>1</sup>	Class B <sup>2</sup>	Total
<b>At 1 January 2021</b>	153,692,471	10,000	153,702,471
<b>At 31 December 2021</b>	153,692,471	10,010	153,702,481
<b>At 31 December 2022</b>	153,692,471	10,010	153,702,481

1 Ordinary shares with regular voting rights.

2 Ordinary shares with conferring enhanced voting rights pursuant to Article 13 set out in the Article of Association.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 32. Share capital and other reserves continued

#### Restricted profit reserve for Turkish operations

The Turkish Commercial Code stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. As of 31 December 2022, Turkish operations' restricted profit reserves consist of legal reserves. The Group's legal reserve is USD53.3 million (2021: USD47.4 million).

#### Foreign currency translation reserve

As detailed in Note 2.12 *Foreign currencies* and 2.28 *Identification of functional currencies*, the functional currency for each subsidiary is the currency of the primary economic environment in which it operates. The presentation currency of the Group is the US dollar based on the assessment that the Group's revenue mix will be predominantly US dollar denominated due to nature of the industry and US dollar presentation will enhance comparability with its industry peer group.

Until 31 March 2022, which is the transition date of USD functional currency for Turkish subsidiaries as detailed in Note 2.28 *Identification of functional currencies*, for the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations (mainly reportable segments in Türkiye) were translated into USD using exchange rates prevailing at the end of each reporting date. Income and expense items were translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the dates of the transactions were used. Exchange differences arising, if any, were recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests). From 1 April 2022, all transactions are recorded in USD at the rates as on the dates of the transactions. Transactions which were originally not in USD are restated using exchange rates prevailing at the end of each reporting date.

Please refer below for "Foreign currency translation reserve" movements in respective years.

	Equity attributable to owners of the Company	Non- controlling interest	Total
<b>Opening balance as of 1 January 2021</b>	<b>(956,238)</b>	<b>(198,778)</b>	<b>(1,155,016)</b>
Other comprehensive (loss)/income for the year	(815,327)	(107,555)	(922,882)
<b>Closing balance as of 31 December 2021</b>	<b>(1,771,565)</b>	<b>(306,333)</b>	<b>(2,077,898)</b>
Other comprehensive (loss)/income for the year	(127,512)	(16,247)	(143,759)
<b>Closing balance as of 31 December 2022</b>	<b>(1,899,077)</b>	<b>(322,580)</b>	<b>(2,221,657)</b>

#### Earnings per ordinary share

	Weighted average number of shares	Earnings	Per share amount
<b>Continuing operations:</b>			
At 31 December 2021	153,702,481	284,523	1.851
At 31 December 2022	153,702,481	817,148	5.316
<b>Discontinued operations:</b>			
At 31 December 2021	153,702,481	71,810	0.467
At 31 December 2022	-	-	-

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 33. Group companies

The companies that the Group has investments in, the activity of which relates to the extraction and production of soda ash, subsequent to 2021 Strategic Transactions as detailed in Note 1 General information and as of 31 December 2022 as follows:

Nature of relationship	Company	Country of incorporation <sup>3</sup>	Principal activity	Registered address	Effective percentage holding
Subsidiary	Ciner Enterprises Inc.	United States	Holding company	5 Concourse Parkway, Suite 2500, Atlanta GA 30328, United States	100% <sup>1,5</sup>
Associate	Sisecam Chemicals Resources	United States	Holding company	As above	40% <sup>1,5</sup>
Subsidiary	Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Türkiye	Mining for natural resources	Yeşilağaç Mahallesi Gurağaç Kümeevler No: 47/A 06730 Beypazarı, Ankara, Türkiye	74% <sup>2,5</sup>
Subsidiary	Kazan Soda Elektrik Üretim A.Ş.	Türkiye	Mining for natural resources	Söğütözü Caddesi Sim Söğütözü İş Merkezi No:14/D Beştepe, Yenimahalle, Ankara, Türkiye	100% <sup>1,5</sup>
Subsidiary	Ciner Kimya Yatırımları A.Ş.	Türkiye	Holding company	Sultantepe Mahallesi Paşalimanı Caddesi No:41, Üsküdar, İstanbul, Türkiye	100% <sup>1,5</sup>
Subsidiary	We Soda Kimya Yatırımları A.Ş.	Türkiye	Holding company	As above	100% <sup>1,5</sup>
Subsidiary	WE Soda Ltd <sup>1</sup>	United Kingdom	Holding company	23 College Hill, London, EC4R 2RP, United Kingdom	100% <sup>1,4</sup>
Subsidiary	TC Soda Holdings Inc.	United States	Holding company	5 Concourse Parkway, Suite 2500, Atlanta GA 30328, United States	100% <sup>1,5</sup>
Subsidiary	Imperial Natural Resources Trona Mining Inc.	United States	Holding company	As above	100% <sup>1,5</sup>
Subsidiary	WE Soda Investments Holding Plc	United Kingdom	Holding company	23 College Hill, London, EC4R 2RP, United Kingdom	100% <sup>1,5</sup>
Subsidiary	Soda World Ltd.	United Kingdom	Reseller company	23 College Hill, London, EC4R 2RP, United Kingdom	100% <sup>1,5</sup>
Subsidiary	WE İç ve Dış Ticaret A.Ş.	Türkiye	Foreign trade company	Sultantepe Mahallesi Paşalimanı Caddesi No:41, Üsküdar, İstanbul, Türkiye	100% <sup>1,5</sup>
Associate	Pacific Soda LLC	United States	Development project for natural resources	20 Shoshone Ave., Green River, WY 82935, United States	40% <sup>1,5</sup>

1 Ordinary shares.

2 Preference shares (the right to appoint 6 members of Board of Directors out of 8).

3 Principal place of business for all subsidiaries is the same as the country of incorporation.

4 Held directly by Kew Soda Ltd.

5 Held indirectly through subsidiary undertakings.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 33. Group companies continued

#### Non-controlling interests

##### NRP Trona LLC

Prior to the 2021 Strategic Transactions, NRP Trona LLC, a wholly-owned subsidiary of Natural Resource Partners LP (NRP), was deemed a non-controlling interest of the Group as it owned a 49% membership interest in Sisecam Wyoming. However, following the 2021 Strategic Transactions, which completed on 21 December 2021, NRP Trona LLC is no longer deemed a non-controlling interest given that the Group no longer controls Sisecam Wyoming as the Group sold 60% of its interest in Sisecam Chemicals Resources.

Subsidiaries and effective holdings before 21 December 2021, which is date of 2021 Strategic Transactions as detailed in Note 1 General information:

Company	Country of Incorporation <sup>4</sup>	Principal activity	Registered address	Effective percentage holding
Ciner Enterprises Inc.	USA	Holding company	5 Concourse Parkway, Suite 2500, Atlanta GA 30328	100% <sup>1,5</sup>
Ciner Resource Partners LLC (GP) (renamed to Sisecam Resource Partners LLC)	USA	Holding company	As above	100% <sup>3,6</sup>
Ciner Resources Corporation (renamed to Sisecam Chemicals Resources LLC)	USA	Holding company	As above	100% <sup>1,3,6</sup>
Ciner Resources LP (renamed to Sisecam Resources LP)	USA	Holding company	As above	74% <sup>1,6</sup>
Ciner Wyoming Holding Corporation (Sisecam Chemicals Wyoming LLC)	USA	Holding company	As above	100% <sup>1,6</sup>
Ciner Wyoming LLC (renamed to Sisecam Wyoming LLC)	USA	Mining for natural resources	254 County Road 4-6, Green River, WY 82935	38% <sup>1,6</sup>
Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş.	Türkiye	Mining for natural resources	Yeşilağaç Mahallesi Gürbağaç Kümeevler No: 47/A 06730 Beypazarı, Ankara, Türkiye	74% <sup>2,6</sup>
Kazan Soda Elektrik Üretim A.Ş.	Türkiye	Mining for natural resources	Söğütözü Caddesi Sim Söğütözü İş Merkezi No:14/D Beştepe, Yenimahalle, Ankara, Türkiye	100% <sup>1,6</sup>
Ciner Kimya Yatırımları A.Ş.	Türkiye	Holding company	Sultantepe Mahallesi Paşalimanı Caddesi No:41, Üsküdar, İstanbul, Türkiye	100% <sup>1,5</sup>
We Soda Kimya Yatırımları A.Ş.	Türkiye	Holding company	As above	100% <sup>1,5</sup>

1 Ordinary shares.

2 Preference shares (The right to appoint 6 members of Board of Directors out of 8).

3 General partner units, which has incentive distribution rights and control rights over Ciner Resources LP.

4 Principal place of business for all subsidiaries is same with the country of incorporation.

5 Held directly by WE Soda.

6 Held indirectly through subsidiary undertakings.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 33. Group companies continued

#### Non-controlling interests continued

##### Eti Maden

Eti Maden currently owns a 26% membership interest in Eti Soda. This non-controlling interest of Eti Maden has protective rights as follows;

- Eti Maden has certain blocking rights over change in ownership of existing shares and capital increases; and
- Eti Maden has certain approval rights for budget, additional borrowings, capital expenditure and merger transactions.

With respect to the former US subsidiaries of the Group prior to the 2021 Strategic Transactions, non-controlling interests existed for SiseCam Wyoming and SiseCam Resources.

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. For the avoidance of doubt, as of the reporting date of these consolidated financial statements, NRP Trona LLC is no longer deemed to have non-controlling interests in SiseCam Wyoming and SiseCam Resources, as the Group sold 60% of its interest in SiseCam Chemicals Resources following the 2021 Strategic Transactions, and therefore the presentation below with respect to CEI is not relevant for any year following the 2021 Strategic Transactions.

The amounts disclosed for each subsidiary are before intercompany eliminations:

2022	Eti Soda	Ciner Enterprises Inc.
<b>Summarised balance sheet</b>		
Current assets	580,256	n/a
Non-current assets	521,993	n/a
Current liabilities	304,348	n/a
Non-current liabilities	88,992	n/a
Equity attributable to owners of the Company	524,597	n/a
Non-controlling interest	184,312	n/a
<b>Summarised statement of comprehensive income</b>		
Revenue	643,048	n/a
Expenses	(318,581)	n/a
<b>Total profit for the year</b>	<b>324,467</b>	<b>n/a</b>
<b>Profit for the year attributable to:</b>		
Shareholders	240,105	n/a
Non-controlling interest	84,362	n/a
<b>Total profit for the year</b>	<b>324,467</b>	<b>n/a</b>

2022	Eti Soda	Ciner Enterprises Inc.
<b>Summarised statement of cash flow</b>		
Cash and cash equivalents at beginning of the year	725	n/a
Net cash generated from operating activities	256,969	n/a
Net cash used from investing activities	(21,619)	n/a
Net cash used from financing activities	(232,732)	n/a
Effects of exchange rate changes on cash and cash equivalents	(172)	n/a
<b>Cash and cash equivalents at end of the year</b>	<b>3,171</b>	<b>n/a</b>
<b>2021</b>		
<b>Summarised balance sheet</b>		
Current assets	274,643	n/a
Non-current assets	565,662	n/a
Current liabilities	237,659	n/a
Non-current liabilities	83,406	n/a
Equity attributable to owners of the Company	384,242	n/a
Non-controlling interest	134,998	n/a
<b>Summarised statement of comprehensive income</b>		
Revenue	350,382	-
Expenses	(192,835)	(30,928)
Gain from sale of subsidiary	-	55,078
Discontinued operations	-	16,732
<b>Total profit for the year</b>	<b>157,547</b>	<b>40,882</b>
<b>Profit for the year attributable to:</b>		
Shareholders	116,585	28,352
Non-controlling interest	40,962	12,530
<b>Total profit for the year</b>	<b>157,547</b>	<b>40,882</b>
<b>Summarised statement of cash flow</b>		
Cash and cash equivalents at beginning of the year	380	1,230
Net cash generated from operating activities	120,765	64,626
Net cash used from investing activities	(16,145)	272,478
Net cash used from financing activities	(109,283)	(334,429)
Effects of exchange rate changes on cash and cash equivalents	5,008	-
<b>Cash and cash equivalents at end of the year</b>	<b>725</b>	<b>3,905</b>

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 34. Interest in equity-accounted associates

The Group has completed a series of transactions referred to as “2021 Strategic Transactions”, which have been detailed in the General information section under Note 1 *General information*.

Set out below are the associates of the Group as at 31 December 2022 which, in the opinion of the Directors, are material to the Group. The entities listed below have share capital consisting solely of Ordinary Shares, which are held directly by the Group. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Company	Country of incorporation	Principal activity	Measurement method	Effective percentage holding	2022	2021
Sisecam Chemicals Resources LLC (formerly Ciner Resources Corporation)	USA	Holding company Development project for natural resources	Equity method	40%	205,293	200,000
Pacific Soda LLC	USA	Development project for natural resources	Equity method	40%	130,938	92,000
Atlantic Soda LLC	USA	resources	Equity method	40%	-	34,667
<b>Total equity-accounted investments</b>					<b>336,231</b>	<b>326,667</b>

### Summarised financial information for associates

The tables below provide summarised financial information for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	Sisecam Chemicals Resources	Pacific Soda	Atlantic Soda <sup>1</sup>
<b>Summarised balance sheet</b>			
Current assets	321,707	1,323	n/a
Non-current assets	1,286,246	335,107	n/a
Current liabilities	(126,471)	(3,340)	n/a
Non-current liabilities	(232,538)	(5,744)	n/a
Minority interests	(735,712)	-	n/a
Net assets	513,232	327,346	n/a
<b>Summarised statement of comprehensive income</b>			
Revenue	720,095	-	n/a
Expenses	(672,522)	(20,446)	n/a
Total profit/(loss) for the year	47,573	(20,446)	n/a
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
• Accumulated (loss)/gain on remeasurement of defined benefit plans	11,369	-	n/a
<i>Items that will be reclassified subsequently to profit or loss:</i>			
• Gas contracts	40,753	-	n/a
• Other	460	-	n/a
Other comprehensive income for the year, net of income tax	52,582	-	n/a
<b>Total comprehensive profit/(loss) for the year</b>	<b>100,155</b>	<b>(20,446)</b>	<b>n/a</b>
<b>Profit/(loss) for the year attributable to:</b>			
Shareholders	14,352	(20,446)	n/a
Non-controlling interest	33,221	-	n/a
Total profit for the year	47,573	(20,446)	n/a

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 34. Interest in equity-accounted associates continued

	Sisecam Chemicals Resources	Pacific Soda	Atlantic Soda <sup>1</sup>
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
Shareholders	41,184	(20,446)	n/a
Non-controlling interest	58,971	-	n/a
<b>Total comprehensive income/(loss) for the year</b>	<b>100,155</b>	<b>(20,446)</b>	<b>n/a</b>
<b>Reconciliation to carrying amounts:</b>			
Opening net assets at 21 December 2021	500,000	230,000	86,667
Profit/(loss) for the period <sup>2</sup>	14,352	(18,792)	(1,654)
Other comprehensive income	26,832	-	-
Contributions (capital increases)	-	15,125	16,000
Transfers as a result of merger	-	101,013	(101,013)
Dividend paid <sup>3</sup>	(27,953)	-	-
<b>Net assets</b>	<b>513,251</b>	<b>327,346</b>	<b>-</b>
Group's share in %	40%	40%	n/a
Group's share in USD000s	205,293	130,938	n/a
Goodwill	-	-	n/a
<b>Carrying amount</b>	<b>205,293</b>	<b>130,938</b>	<b>n/a</b>

<sup>1</sup> Merged with Pacific Soda in June 2022.

<sup>2</sup> The income presented as "Share of net profit/loss of associates accounted for using the equity method" in the Statement of Profit and Loss consists of USD2,438,000 which is 40% of above presented net loss totalling to USD6,094,000 and additional dividend distributed by Sisecam Chemicals Resources for an amount of USD5,362,000 totalling to USD2,924,000.

<sup>3</sup> Includes dividend received from Sisecam Chemical Resources, as per agreement, for an amount of USD5,362,000 which was over and above the 40% share of the Group.

### 35. Related party transactions

The immediate parent undertaking of the Company is Akkan Enerji ve Madencilik A.Ş. The ultimate controlling party is Mr Turgay Ciner. The Group entered into transactions with related parties for the rendering of services, which amounts, depending on their nature, have either been charged to the income statement or capitalised as non-current assets as follows:

2022	Sales	Purchase	Financial income	Financial expense	Other income	Other expense
<b>Parent Company:</b>						
Akkan Enerji Madencilik A.Ş.	-	-	9,518	14,669	-	-
<b>Other related parties:</b>						
Ciner İç ve Dış Ticaret A.Ş. <sup>1</sup>	-	5,315	8,415	7,595	319	93
Denmar Depoculuk Nakliyat A.Ş.	-	23,219	148	34	-	-
Eti Maden İşletmeleri Genel Müdürlüğü	3,200	31,884	-	4	-	-
Mineral Minings Commodity Trading LLC	-	-	-	-	-	-
Park Cam Sanayi ve Ticaret A.Ş.	34,167	4	534	-	-	-
Park Holding A.Ş.	725	51,612	28,387	328	-	249
Park Toptan Elektrik Enerjisi Satış Sanayi ve Ticaret A.Ş.	-	69,115	2,442	698	-	-
Ciner Tanker İşletmeleri San. ve Ticaret A.Ş.	-	14,191	454	13	-	-
Konya - Ilgın Elektrik Üretim ve Ticaret A.Ş.	-	6,805	-	31	-	-
Silopi Elektrik Üretim A.Ş.	1,968	31,793	29	1	-	-
Other	1,137	2,091	8,995	3	319	-
<b>Total</b>	<b>49,152</b>	<b>236,029</b>	<b>58,922</b>	<b>23,376</b>	<b>638</b>	<b>342</b>

<sup>1</sup> The Group performs majority of its export and domestic sales through Ciner İç ve Dış Ticaret A.S. which is an export intermediary company established for this purpose in Türkiye. The turnover generated through CIDT is USD1,381,567 thousands during the year, out of which USD758,036 thousands were purchased by Soda World and sold to the end customers.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 35. Related party transactions continued

2021	Sales	Purchase	Financial income	Financial expense	Other income	Other expense
<b>Parent Company:</b>						
Akkan Enerji Madencilik A.Ş.	-	-	17,973	-	-	-
<b>Other related parties:</b>						
Ciner İç ve Dış Ticaret A.Ş. <sup>1</sup>	-	4,866	88,865	7,704	-	-
Denmar Depoculuk Nakliyat A.Ş.	33	20,526	549	105	-	-
Eti Maden İşletmeleri Genel Müdürlüğü	1,596	15,260	-	709	-	-
Mineral Minings Commodity Trading LLC	-	27,848	-	-	1,265	-
Park Cam Sanayi ve Ticaret A.Ş.	18,701	1	1,486	-	-	-
Park Holding A.Ş.	-	27,527	44,195	3,832	-	2,209
Park Toptan Elektrik Enerjisi Satış Sanayi ve Ticaret A.Ş.	-	41,577	1,589	2,809	-	-
Ciner Tanker İşletmeleri San. ve Ticaret A.Ş.	-	13,857	398	-	-	139
Konya - Ilgın Elektrik Üretim ve Ticaret A.Ş.	-	4,641	-	54	-	-
Other	356	1,056	272	19	18	-
<b>Total</b>	<b>20,686</b>	<b>157,159</b>	<b>155,327</b>	<b>15,232</b>	<b>1,283</b>	<b>2,348</b>

<sup>1</sup> The Group performs the majority of its export and domestic sales through Ciner İç ve Dış Ticaret A.S. which is an export intermediary company established for this purpose in Türkiye. The turnover generated through CIDT is USD779,819 thousands during the year.

Goods are sold based on price lists and terms that would be available to third parties. Goods and services are bought from associates on normal commercial terms and conditions.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 35. Related party transactions continued

Year-end balances arising from sales/purchases of goods/services:

	Receivables				Payables				Order advances received
	Current		Non-current		Current		Non-current		
	Trade	Non-trade	Trade	Non-trade	Trade	Non-trade	Trade	Non-trade	Short-term and long-term
<b>As at 31 December 2022</b>									
<b>Parent Company:</b>									
Akkan Enerji Madencilik A.Ş.	-	245,597	-	283,029	-	-	-	-	-
<b>Other related parties:</b>									
Ciner İç ve Dış Ticaret A.Ş. <sup>1</sup>	223,143	-	-	-	141,520	-	-	-	49,309
Eti Maden İşletmeleri Genel Müdürlüğü <sup>2</sup>	-	-	-	-	37,115	30,342	-	-	-
Park Cam Sanayi ve Ticaret A.Ş.	6,368	-	-	-	-	-	-	-	-
Park Holding A.Ş. <sup>3,4</sup>	-	172	-	62,917	441	240	-	-	-
Denmar US LLC	-	-	-	10,178	-	-	-	-	-
Ag Ciner İthalat İhracat ve Ticaret A.Ş.	9,382	-	-	-	-	-	-	-	-
Turgay Ciner	-	9,047	-	195,100	-	-	-	-	-
Other	304	947	-	-	6,421	19	-	-	-
<b>Total</b>	<b>239,197</b>	<b>255,763</b>	<b>-</b>	<b>551,224</b>	<b>185,497</b>	<b>30,601</b>	<b>-</b>	<b>-</b>	<b>49,309</b>

1 The Group's Turkish subsidiaries perform the majority of their export and domestic sales through Ciner İç ve Dış Ticaret A.Ş., which is an export intermediary company established for this purpose.

2 The agreement between Eti Soda and Eti Maden İşletmeleri Genel Müdürlüğü stipulates that Eti Soda is to pay a royalty fee of USD6.1 million or the amount greater than 6% of freight expenses deducted from revenue amount on an annual basis.

3 Long-term non-trade receivables amounting USD62.9 million is due to intercompany non-trade finance arrangements made with Park Holding. It is management's intention that this receivable will not be collected in less than one year.

4 Interest bearing.

Receivables and payables from/to related parties are unsecured and are repayable on demand.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 35. Related party transactions continued

Year-end balances arising from sales/purchases of goods/services:

	Receivables				Payables				Order advances received	
	Current		Non-current		Current		Non-current			
	Trade	Non-trade	Trade	Non-trade	Trade	Non-trade	Trade	Non-trade		Short-term and long-term
<b>As at 31 December 2021</b>										
<b>Parent Company:</b>										
Akkan Enerji Madencilik A.Ş.	-	-	-	254,858	-	-	-	-	-	-
<b>Other related parties:</b>										
Ciner İç ve Dış Ticaret A.Ş. <sup>1</sup>	134,983	-	-	-	806	-	-	-	-	7,778
Eti Maden İşletmeleri Genel Müdürlüğü <sup>2</sup>	-	-	-	-	15,138	23,555	-	-	-	-
Park Cam Sanayi ve Ticaret A.Ş. <sup>3,4</sup>	4,374	-	-	-	-	-	-	-	-	-
Park Holding A.Ş. <sup>3,4</sup>	-	856	-	76,627	291	2,088	-	-	-	-
Park Toptan Elektrik Enerjisi Satış Sanayi ve Ticaret A.Ş.	-	-	-	-	6,455	-	-	-	-	-
Turgay Ciner	-	32,602	-	162,600	-	-	-	-	-	-
Other	39	97	-	3	1,412	456	-	-	3	-
<b>Total</b>	<b>139,396</b>	<b>33,555</b>	<b>-</b>	<b>494,088</b>	<b>24,102</b>	<b>26,099</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>7,778</b>

1 The Group's Turkish subsidiaries perform the majority of their export and domestic sales through Ciner İç ve Dış Ticaret A.Ş., which is an export intermediary company established for this purpose. For US operations, ANSAC performs the same function for export sales.

2 The agreement between Eti Soda and Eti Maden İşletmeleri Genel Müdürlüğü stipulates that Eti Soda is to pay a royalty fee of USD6.1 million or the amount greater than 6% of freight expenses deducted from revenue amount on an annual basis.

3 Long-term non-trade receivables amounting to USD110.2 million is due to the financing purposes transactions made with Park Holding. It is the Management's intention that this receivable will not be collected in less than one year.

4 Interest bearing.

Receivables and payables from/to related parties are unsecured and are repayable on demand.

As at 31 December 2022, the Group has no payable (2021: USD nil) for services provided, to a company that a director has interest in.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 35. Related party transactions continued

#### Compensation and transactions with key management personnel

Key management personnel are considered to comprise only the Directors. The compensation of Directors of the Group may be analysed as such:

	2022		2021	
	Directors	Highest paid Director	Directors	Highest paid Director
Short-term employee benefits – Salary	4,873	1,553	4,815	1,654
Short-term employee benefits – Health insurance	17	5	14	2
	4,890	1,558	4,829	1,656
Post-employment benefits – Benefits under money purchase schemes	50	-	178	-
<b>Aggregate emoluments</b>	<b>4,940</b>	<b>1,558</b>	<b>5,007</b>	<b>1,656</b>
Sums paid to third parties for Directors' services	-	-	32	-

The Directors are not entitled to participate in any defined benefit pension schemes or granted any long-term benefits.

### 36. Commitments

#### Guarantee given on behalf of subsidiaries

Under committed and uncommitted receivable financing agreements detailed in Note 4 *Financial risk management*, WE Soda has provided a parent guarantee; guaranteeing the performance obligations of Soda World as agent, not guaranteeing the performance of underlying customers/purchased receivables.

Under the RCF contract detailed in Note 4 *Financial risk management*, WE Soda has provided its guarantee as a primary obligor and not merely as a surety, to the relevant financial institution, due and punctual payment and performance by the Borrowers obligations under the Loan Documents.

#### Guarantee letters given

As at 31 December 2022, subsidiaries of the Group had provided bank guarantee letters to the value of USD12.6 million (2021: USD12.5 million), mainly in respect of its financial borrowings from Export Credit Bank of Türkiye and purchases from vendors.

#### Pledged assets

Property, plant and equipment assets with a net book value amounting to USD480.4 million (2021: USD586.7 million) was pledged using Commercial Enterprise Pledges (“CEP”) in accordance with local Turkish regulation.

CEP is form of security that allows banks and financial institutions to create a pledge on all movable assets and certain intangible rights of a borrower without receiving the possession of the pledged asset, and with the possibility of the borrower continuing its business operations by using the pledged assets.

For the effectiveness of CEI RCF contract detailed in Note 4 Financial risk management, that WE Soda Ltd has entered into an agreement with the financial institution to (i) guaranty all of its subsidiaries under the respective loan agreement and (ii) grant to the financial institution a first priority security interest in all the ownership interests of its subsidiaries.

#### Guarantee letters received

As at 31 December 2022, subsidiaries of the Group, Eti Soda and Kazan Soda, had received bank guarantee letters to the value of USD4.8 million (2021: USD4.4 million) as a guarantee from third parties.

#### Firm commitments

The Group's operating subsidiaries leases trona mining rights from either local state or private entities. All of said lease agreements stipulates for a royalty to be paid by the lessees to the lessors based upon production volume generated from the trona mines. For Eti Soda, this royalty clause also includes a minimum threshold of USD6.180 million per year of royalty, regardless of production volume generated.

### 37. Dividends

During 2022 no ordinary dividends were declared and paid (2021: USD nil). Subsequent to the year end, final dividend of USD130 million (2021: USD nil) was declared.

In 2021, CEI and subsidiaries paid a total of USD29.8 million of which USD13.0 million of dividends for the year to be paid to its non-controlling interest. The remainder of USD16.8 million was paid to other Group companies and therefore eliminated on consolidation.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 38. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Note	As at 1 January 2022	Financing cash flows <sup>1</sup>	Foreign currency differences	Other changes <sup>2</sup>	As at 31 December 2022
Borrowings	26	1,811,314	(183,874)	46,302	31,143	1,704,885
Lease liabilities	39	15,942	(4,556)	1,026	1,401	13,813
Other payables	27	26,883	(58)	-	28,779	55,604
<b>Total liabilities</b>		<b>1,854,139</b>	<b>(188,488)</b>	<b>47,328</b>	<b>61,323</b>	<b>1,774,302</b>

1 The cash flows from bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

2 Other changes include provisions, accruals and payments.

	Note	As at 1 January 2021	Financing cash flows <sup>1</sup>	Foreign currency differences	Other changes <sup>2</sup>	As at 31 December 2021
Borrowings	26	2,482,001	(584,295)	367,652	(454,044)	1,811,314
Lease liabilities	39	38,287	(16,926)	3,388	(8,807)	15,942
Other payables	27	52,544	(100,762)	(19)	75,120	26,883
Derivative financial instruments	28	2,163	-	-	(2,163)	-
<b>Total liabilities</b>		<b>2,574,995</b>	<b>(701,983)</b>	<b>371,021</b>	<b>(389,894)</b>	<b>1,854,139</b>

1 The cash flows from bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

2 Other changes include provisions, accruals and payments.

### 39. Lease liabilities and right-of-use of assets

#### (a) Right-of-use of assets

2022 - Right-of-use assets	Buildings	Vehicles	Total
<b>Cost:</b>			
<b>At 1 January 2022</b>	<b>10,864</b>	<b>1,205</b>	<b>12,069</b>
Additions	1,733	1,902	3,635
Purchase of the subsidiary	785	-	785
Presentation currency translation effect	(3)	(379)	(382)
<b>At 31 December 2022</b>	<b>13,379</b>	<b>2,728</b>	<b>16,107</b>
<b>Amortisation:</b>			
<b>At 1 January 2022</b>	<b>(920)</b>	<b>(752)</b>	<b>(1,672)</b>
Charge for the year	(2,316)	(380)	(2,696)
Purchase of subsidiary	(333)	-	(333)
Presentation currency translation effect	1	246	247
<b>At 31 December 2022</b>	<b>(3,568)</b>	<b>(886)</b>	<b>(4,454)</b>
<b>Carrying amount as of 31 December 2022</b>	<b>9,811</b>	<b>1,842</b>	<b>11,653</b>

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 39. Lease liabilities and right-of-use of assets continued

2021 – Right-of-use assets	Buildings	Vehicles	Rail car	Total
<b>Cost:</b>				
<b>At 1 January 2021</b>	<b>3,029</b>	<b>961</b>	<b>41,240</b>	<b>45,230</b>
Additions	6,418	1,276	5,139	12,833
Expiration	-	-	(4,867)	(4,867)
Acquisition of the subsidiary	3,210	-	-	3,210
Disposal of Sisecam Chemicals Resources on 21 December 2021 – see Note 5	(1,786)	(339)	(41,512)	(43,637)
Presentation currency translation effect	(7)	(693)	-	(700)
<b>At 31 December 2021</b>	<b>10,864</b>	<b>1,205</b>	<b>-</b>	<b>12,069</b>
<b>Amortisation:</b>				
<b>At 1 January 2021</b>	<b>(925)</b>	<b>(672)</b>	<b>(17,471)</b>	<b>(19,068)</b>
Charge for the year	(795)	(579)	(9,839)	(11,213)
Expiration	-	-	4,867	4,867
Disposal of Sisecam Chemicals Resources on 21 December 2021 – see Note 5	798	46	22,443	23,287
Presentation currency translation effect	2	453	-	455
<b>At 31 December 2021</b>	<b>(920)</b>	<b>(752)</b>	<b>-</b>	<b>(1,672)</b>
<b>Carrying amount as of 31 December 2021</b>	<b>9,944</b>	<b>453</b>	<b>-</b>	<b>10,397</b>

#### (b) Lease liabilities

Lease liabilities may be analysed as such:

	2022	2021
<b>Analysed as:</b>		
Non-current <sup>1</sup>	9,504	10,543
Current <sup>2</sup>	4,309	5,399
<b>Total</b>	<b>13,813</b>	<b>15,942</b>

<sup>1</sup> Includes: USD nil (2021: USD7.5 million) of lease arrangements related to property, plant and equipment and USD9.5 million (2021: USD3.0 million) of other lease arrangements related to buildings, vehicles and rail car leases.

<sup>2</sup> Includes: USD1.8 million (2021: USD4.3 million) of lease arrangements related to property, plant and equipment and USD2.5 million (2021: USD1.0 million) of other lease arrangements related to buildings, vehicles and rail car leases.

Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance and treasury functions.

### 40. Post balance sheet events

#### Delisting of Sisecam Resources LP

On 1 February 2023, Sisecam Resources LP (“Sisecam”) (NYSE: SIRE) and Sisecam Chemicals Resources LLC (“SCR”) announced that Sisecam had entered into a definitive Agreement and Plan of Merger (the “Agreement”) pursuant to which Sisecam Chemicals Wyoming LLC, a wholly owned subsidiary of Sisecam Chemicals Resources LLC (“Parent”) will acquire all of the outstanding common units of Sisecam not already owned by Parent and its affiliates (the “Public Common Units”). The Agreement follows the offer made by Parent on 6 July 2022 to acquire the Public Common Units.

The Agreement provides for an all-cash transaction, whereby each holder of the Public Common Units will receive \$25.00 per Public Common Unit owned, representing an approximately 40% premium to the closing price of the Public Common Units as of 6 July 2022. There are 5,248,791 Public Common Units outstanding.

#### New tax regulations in Türkiye

A Tax Amnesty Law, named as “the Law on the Restructuring of Certain Receivables and Amendments to Certain Laws”, which introduces provisions regarding restructuring of tax receivables and tax base increase for all taxpayers was published on Official Gazette on 13 March 2023.

The amnesty covers tax receivables, regardless of being finalised, related to the periods before 31 December 2022, the delay interest charges and tax penalties derived from these tax receivables and other penalties not derived from a tax principal. However, the Law excludes advance taxes to be paid in 2022 through offsetting from income/corporate income tax. Tax receivables that are covered by the Law will be able to be restructured and therefore will have advantageous payment conditions.

The Law establishes a tax base increase mechanism for income/corporate income tax, VAT and other certain taxes for financial years between 2018 and 2022. In previous tax amnesty laws, dividend withholding tax was not covered by the tax increase mechanisms. This Law, on the other side, does involve withholding taxes on profit distribution. By tax base increase mechanism, taxpayers are protected, by Law, from being inspected as to the years for which they have increased their tax bases accordingly.

Finally, the Law introduces a one-time additional corporate tax for certain corporate taxpayers that benefit from certain exemptions and deductions in the calculation of their corporate income tax base.

This one-time additional tax, also named as the “earthquake tax” aims at creating more public funds to meet the urgent needs of the victims affected by the devastating earthquake that struck the south-eastern provinces of Türkiye.

## Notes to the Consolidated Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### 40. Post balance sheet events continued

Certain elements of corporate income of the tax year of 2022, which otherwise would be exempted from tax under normal circumstances and now are subject to an additional corporate tax as per paragraph 27 of Article 10 of the Law, are as follows:

- a 10% additional CIT on exemption and deduction amounts applied on the business income under the Corporate Income Tax Law (“CITL”), no. 5520, and other laws, and on the tax base within the reduced corporate tax rate under Article 32/A of the CITL, regardless of making profit or loss; and
- a 5% CIT on the income subject to the participation income exemption under Article 5/1-a of the CITL and on exempt income obtained from abroad and certified to bear a tax burden of at least 15%.

The corporate taxpayers in the cities and districts declared as disaster areas are exempt from this additional tax. Certain exemptions and deductions, nevertheless, are not subject to this additional CIT, eg, sponsorship expense deductions under Article 10/1-b of the CITL and income that is generated by micro and small enterprises in technology development zones and R&D and design centres.

The additional corporate tax cannot be deemed as an expense or a deduction and cannot be offset from another tax. The tax will be declared with the corporate income tax return of the tax year of 2022 and it will be paid in two instalments, the first in April and the second in August.

Management is in the evaluation/computation process of the additional taxes. Since the new law has enacted after the reporting date, it is evaluated as non-adjusting event with respect to IAS 10 and estimated USD15.5 million additional tax payment will be expensed in the second quarter of 2023.

### Dividend distribution

On 22 March 2023 the Company has declared a dividend amounting to USD130 million, which has been set off against receivables of Akkan Enerji.

## Parent Company Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Note	2022 \$000s	2021 \$000s
<b>Continuing operations</b>			
Administrative expenses	E	(12,740)	(66)
Other operating income		366	82
Other operating expense		(204)	-
<b>(Loss)/profit from operations before financial expense</b>		<b>(12,578)</b>	<b>16</b>
Financial income	G	23,406	48,334
Financial expense	G	(23,905)	(48,617)
<b>Loss before tax</b>		<b>(13,077)</b>	<b>(267)</b>
Tax	F	-	-
<b>Loss for the financial year and total comprehensive (expense)/income</b>		<b>(13,077)</b>	<b>(267)</b>

The Notes on pages 180 to 185 form part of these Parent Company financial statements.

## Parent Company Statement of Financial Position

As at 31 December 2022

	Note	2022 \$000s	2021 \$000s
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	J	2	3
Other receivables	I	245,589	-
Prepaid expenses		103	-
<b>Total current assets</b>		<b>245,694</b>	<b>3</b>
<b>Non-current assets</b>			
Investments	H	1,666,805	1,666,806
Other receivables	I	-	254,858
<b>Total non-current assets</b>		<b>1,666,805</b>	<b>1,921,664</b>
<b>Total assets</b>		<b>1,912,499</b>	<b>1,921,667</b>
<b>Current liabilities</b>			
Trade payables	K	2,129	3,114
Other payables	K	256,701	-
Other current liabilities		3	-
<b>Total current liabilities</b>		<b>258,833</b>	<b>3,114</b>
<b>Non-current liabilities</b>			
Other payables	K	-	251,810
<b>Total non-current liabilities</b>		<b>-</b>	<b>251,810</b>
<b>Total liabilities</b>		<b>258,833</b>	<b>254,924</b>
<b>Net assets</b>		<b>1,653,666</b>	<b>1,666,743</b>
<b>Equity</b>			
Paid in capital	L	153,702	153,702
Share premium	L	1,382,131	1,382,131
Contribution in kind		131,038	131,038
(Accumulated losses)/retained earnings		(128)	139
Net profit for the year		(13,077)	(267)
<b>Total equity</b>		<b>1,653,666</b>	<b>1,666,743</b>

The Notes on pages 180 to 185 form part of these Parent Company financial statements.

The financial statements on pages 176 to 185 were approved by the Board of Directors on 28 April 2023 and signed on its behalf by:

**Ahmet Tohma**

Director

28 April 2023

**Mehmet Ali Erdoğan**

Director

28 April 2023

## Parent Company Statement of Changes in Equity

For the year ended 31 December 2022

	Note	Share capital	Share premium	Capital contribution in kind <sup>1</sup>	(Accumulated losses)/ Retained earnings	Total equity
<b>At 1 January 2021</b>		<b>153,702</b>	<b>1,382,131</b>	-	<b>139</b>	<b>1,535,972</b>
Acquisition of the subsidiary	L	-	-	131,038	-	131,038
Profit for the year		-	-	-	(267)	(267)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(267)</b>	<b>(267)</b>
<b>At 31 December 2021</b>		<b>153,702</b>	<b>1,382,131</b>	<b>131,038</b>	<b>(128)</b>	<b>1,666,743</b>
Loss for the year		-	-	-	-	(13,077)
<b>Total comprehensive expense for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,077)</b>	<b>(13,077)</b>
<b>At 31 December 2022</b>		<b>153,702</b>	<b>1,382,131</b>	<b>131,038</b>	<b>(13,205)</b>	<b>1,653,666</b>

<sup>1</sup> Since Kew Soda Ltd. acquired more than 90% of the shares in a company (TC Soda) by issuing its own shares in return, as required by the Companies Act 2006, the difference between the USD131.0 million fair value of TC Soda and the nominal value of the shares issued by Kew Soda Ltd. has been credited to equity under "Capital contribution in kind".

The Notes on pages 180 to 185 form part of these Parent Company financial statements.

## Parent Company Statement of Cash Flows

For the year ended 31 December 2022

Note	2022 \$000s	2021 \$000s
<b>Cash flow from operating activities</b>		
Loss after tax	(13,077)	(267)
<b>Operating cash flow prior to movement in working capital</b>	<b>(13,077)</b>	<b>(267)</b>
Adjustments for:		
Interest income	(9,190)	(15,255)
Interest expense	9,235	15,388
(Increase)/decrease in trade and other receivable	(104)	-
Increase/(decrease) in trade payables	(819)	3,194
Net foreign exchange gain	292	68
<b>Net cash generated (used in)/from operating activities</b>	<b>(13,663)</b>	<b>3,128</b>
<b>Investing activities</b>		
Cash inflow/(outflow) from loans to Group companies	13,662	(3,128)
<b>Net cash generated/(used in) from investing activities</b>	<b>13,662</b>	<b>(3,128)</b>
<b>Financing activities</b>		
Cash flows in respect of borrowings from Group companies	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the year	3	3
Effect of foreign exchange rate change	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>2</b>	<b>3</b>

The Notes on pages 180 to 185 form part of these Parent Company financial statements.

## Notes to the Parent Company Financial Statements

(Tabular amounts in thousands of US dollars, except where noted)

### A. General information

The separate financial statements of the Parent Company are presented as required by the Companies Act 2006 (the Act). As permitted by the Act, the separate financial statements of the Parent Company have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The Company's financial statements are included in the Kew Soda Ltd Group consolidated financial statements for the year ended 31 December 2022.

Please refer to Directors' report in the Group consolidated financial statements for information on Company's domicile, legal form, country of incorporation, description of the nature of the entity's operations and business activities.

The functional and presentation currency of the Company is the US dollar. See Note 2.12 *Foreign currencies* in the Group consolidated financial statements for further explanation of the Company's treatment of foreign currencies.

The financial statements of the Company as of and for the year ended 31 December 2022 have been prepared on the going concern basis, as the Directors have determined that the Company has sufficient resources and liquidity to continue in operational existence and to meet its liabilities as they fall due at least 12 months from the date of approval of the financial statements. The Company's going concern assumptions and evaluations can be found in Note 2.2 *Basis of preparation/Going concern*.

### B. Significant accounting policies

The financial statements have been prepared on the historical cost basis. Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which the income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, and standards, amendments and interpretations which are effective and those that are not yet effective are disclosed in the Group consolidated financial statements, Note 2 *Significant accounting policies*.

See Note 2.28 *Critical accounting judgements and key sources of estimation uncertainty* in the Group consolidated financial statements for the critical judgements in applying accounting policies and key sources of estimation uncertainty applied by the Company in preparation of the financial statements. In addition to the disclosures in Note 2.28 *Critical accounting judgements and key sources of estimation uncertainty*, the Company is required to apply certain judgements and utilised estimates in relation to the valuation of its investments discussed below.

### Investments

Investments in subsidiaries are reviewed for impairment where events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. The unit of account being the equity of the subsidiary taken as a whole, which may comprise interests in multiple cash-generating units. If any such indication exists, the Company makes an assessment of the recoverable amount. If the asset is determined to be impaired, an impairment loss will be recorded, and the asset written down based on the amount by which the asset carrying amount exceeds the higher of fair value less cost of disposal and value in use. Any impairment loss is recognised immediately in the income statement.

### Financial instruments

See Note 2.27 *Financial instruments* in the Group consolidated financial statements for the initial application of IFRS 9 Financial Instruments (as revised in 2017) and Leases.

### C. Employee numbers and Directors' remuneration

The Company had no employees during the year (2021: none). The Director did not receive any remuneration in the year for qualifying services to the Company.

### D. Financial risk management

Full details of the Company's risk management are shown in Note 4 *Financial risk management* to the Group consolidated financial statements.

#### (a) Capital risk management

See Note 4 *Financial risk management* to the Group consolidated financial statements for how the Company manages its capital.

## Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### D. Financial risk management continued

#### (b) Fair value categories

As at 31 December 2022	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets that are measured at FVTPL	Financial liabilities that are measured at FVTPL	Carrying value
<b>Financial assets</b>					
Financial investments	-	1,666,805	-	-	1,666,805
Other receivables from related parties	-	245,599	-	-	245,589
Cash and bank balances	-	2	-	-	2
	-	<b>1,912,406</b>	-	-	<b>1,912,406</b>
<b>Financial liabilities</b>					
Other payables to related parties	256,701	-	-	-	256,701
Trade payables	2,129	-	-	-	2,129
	<b>258,830</b>	-	-	-	<b>258,830</b>

As at 31 December 2021	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets that are measured at FVTPL	Financial liabilities that are measured at FVTPL	Carrying value
<b>Financial assets</b>					
Financial investments	-	1,666,806	-	-	1,666,806
Other receivables from related parties	-	254,858	-	-	254,858
Cash and bank balances	-	3	-	-	3
	-	<b>1,921,667</b>	-	-	<b>1,921,667</b>
<b>Financial liabilities</b>					
Other payables to related parties	251,810	-	-	-	251,810
Trade payables	3,114	-	-	-	3,114
	<b>254,924</b>	-	-	-	<b>254,924</b>

Financial assets and liabilities exclude tax receivables and payables as they do not constitute a contractual right or obligation to receive or pay cash or another financial asset.

There were no reclassifications of financial assets during the year.

#### Financial risk management

The primary financial instruments of the Company consist of bank loans, cash and short-term time deposits. The main objective of these financial instruments is to finance the Company's operational activities. The Company, as part of Akkan Enerji ve Madencilik A.Ş. Group, monitors and manages its financial risks relating to operations through an internal Group risk register. In respect of the Company, these are foreign exchange, interest rate, credit and liquidity risks.

#### Foreign exchange risk

The Company operates in the United Kingdom, with the US dollar as its functional currency. The Company undertakes certain transactions denominated in foreign currencies, hence, exposures to exchange rate fluctuations arise. The Company maintains cash balances in UK pounds sterling, which are used to fund the corporate London office, and euro, which are used to repay the loan facility.

As at the reporting date, the Company has monetary assets and monetary liabilities denominated in US dollar, pound sterling and euro.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates.

The Company borrows funds at both fixed and variable interest rates, so the Company is exposed to interest rate risk. The Company manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed/floating interest and short/long-term nature of borrowings as well as using derivative instruments where necessary for hedging purposes.

Interest rates of financial assets and liabilities are indicated in related Notes.

#### Interest rate sensitivity

If interest rates had been 50 basis points higher and all other variables were held constant, the Company's profit before taxes and equity of the Company would increase/(decrease) by (USD56,000) (2021: USD15,000). 50 basis points represents management's assessment of the possible change in interest rates that could apply to the Company.

## Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### D. Financial risk management continued

#### (b) Fair value categories continued

##### Credit risk

Credit risk refers to the risk that a counterparty will fail to fulfil its obligations to pay, resulting in a financial loss to the Company. At the reporting date, this included amount owed by the immediate parent company of USD245.6 million (2021: USD254.6 million), which is repayable on demand. The directors expects that the carrying value of the amounts owed by the immediate parent to be fully recoverable based on analysis of the expected future cash flows to be generated and resultant dividends. This analysis takes accounts of relevant and reliable internal and external forward-looking information, incorporating economic forecasts in relation to the soda ash business.

The carrying value of financial assets recorded in the financial statements represented the Company's maximum exposure to credit risk at the year end without taking into account any collateral received.

##### Liquidity risk

The Company, as part of Akkan Enerji ve Madencilik A.Ş. Group, manages its liquidity risk in line with Kew Soda Ltd Group strategy to ensure that the Company is adequately funded by means of intragroup funding to meet its forecast short, medium and long-term commitments.

The following tables detail the Company's remaining contractual maturities for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date the Company was required to pay at the reporting date.

As at 31 December 2022	Carrying value	Total cash outflow according to contract	Less than 1 year	1-5 years	5+ years
Trade payables	2,129	2,129	2,129	-	-
Other payables to related parties	256,701	256,701	-	256,701	-
<b>Total liabilities</b>	<b>258,830</b>	<b>258,830</b>	<b>2,129</b>	<b>256,701</b>	<b>-</b>

As at 31 December 2021	Carrying value	Total cash outflow according to contract	Less than 1 year	1-5 years	5+ years
Trade payables	3,114	3,114	3,114	-	-
Other payables to related parties	251,810	251,810	-	251,810	-
<b>Total liabilities</b>	<b>254,924</b>	<b>254,924</b>	<b>3,114</b>	<b>251,810</b>	<b>-</b>

#### (c) Fair value of financial instruments

##### Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate their fair values.

##### Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

##### Fair value by hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the Group's fair value financial assets and liabilities are deemed to be Level 2. There were no transfers between Level 1 and 2 during the year.

### E. Administrative expenses

Administrative expenses comprise:

	2022	2021
Personnel expenses	26	-
Consultancy expenses	12,321	66
Office expenses	268	-
Insurance expenses	125	-
<b>Total</b>	<b>12,740</b>	<b>66</b>

## Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### F. Tax

There was no current or deferred tax charge for the year (2021: USD nil). The tax charge for the year can be reconciled to loss before tax per the statement of comprehensive income as follows:

	2022	2021
<b>Profit before tax</b>	<b>(13,077)</b>	<b>(267)</b>
Applicable rate of tax	19.00%	19.00%
<b>Tax at applicable rate</b>	<b>(2,485)</b>	<b>(51)</b>
Tax effect of:		
- Non-deductible	2,076	-
- Previous year losses	(7)	(8)
- Group relief	408	51
- Current year losses	8	8
<b>Total income tax expense</b>	<b>-</b>	<b>-</b>

At 31 December 2022, the Company has unused tax losses of USD39,000 (2021: USD9,000). Deferred tax assets have not been recognised as there is no certainty that we can recover against future taxable profits.

A Group relief of USD408,000 (2021: USD51,000) was surrendered to subsidiary WE Soda Ltd.

The Finance (No 2) Act 2015, which provides the main rate of corporation tax of 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act receiving the Royal Assent on 28 July 2020 stipulates in section 5(1) that the corporation tax main rate for the financial year 2020 and 2021 is to be 19%. These rates have been reflected in the calculation of deferred tax at the reporting date. In May 2021, as a result of the 2021 Budget, it was enacted that corporation tax rate on company profits above £250,000 will rise from 19% to 25% in April 2023.

### G. Financial income/(expense)

Finance income comprises:

	2022	2021
Income:		
Interest income related to funding activities with related parties	9,190	15,255
Foreign exchange gains	14,216	33,079
	<b>23,406</b>	<b>48,334</b>
Expenses:		
Interest expense related to funding activities with related parties	(9,235)	(15,388)
Foreign exchange losses	(14,670)	(33,229)
	<b>(23,905)</b>	<b>(48,617)</b>
	<b>(499)</b>	<b>(283)</b>

### H. Investments

	2022	2021
<b>At 1 January</b>	<b>1,666,806</b>	<b>1,535,768</b>
Investment acquired during the year in WE Soda Ltd.	-	131,038
<b>At 31 December</b>	<b>1,666,806</b>	<b>1,666,806</b>

On 21 December 2021, the Company acquired 100% of the shares of TC Soda. The Company's interest in TC Soda was obtained through an in-kind contribution from Mr Turgay Ciner and issuance of 10 Ordinary Shares to Mr Turgay Ciner in exchange of the 10 shares of TC Soda. On the same day, the Company transferred the 10 shares of TC Soda to WE Soda Ltd in exchange of WE Soda Ltd's 10 shares.

The Company's subsidiaries at the reporting date are disclosed in Note 33 *Group companies* to the Group consolidated financial statements. Fair value information regarding investments in subsidiaries has not been disclosed as their fair value cannot be measured reliably, as they are investments in unquoted Group companies.

All subsidiaries were consolidated from the date of their acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

## Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### I. Other receivables

Other receivables comprise receivables from Parent Company Akkan Enerji Madencilik A.Ş. The Directors consider the carrying amount of receivables approximates to their fair value.

### J. Cash and cash equivalents

Cash and cash equivalents comprise cash in bank only of USD2,000 (2021: USD3,000) that can be reconciled to the statement of cash flows.

### K. Trade and other payables

Other payables mainly comprise payables to subsidiary company WE Soda Ltd.

Payables comprise:

	2022	2021
<b>Current:</b>		
Trade payables	2,129	3,114
Other payables to related parties	256,701	-
<b>Total current trade payables</b>	<b>258,830</b>	<b>3,114</b>
<b>Non-current</b>		
Other payables to related parties	-	251,810
<b>Total trade and other payables</b>	<b>-</b>	<b>251,810</b>

The Directors consider the carrying value of payables approximates to their fair value. Payables to WE Soda Ltd are unsecured.

### L. Share capital and share premiums

Issued and fully paid ordinary share capital as at 31 December 2022 amounted to USD153,702,481 (2021: USD153,702,481).

#### Ordinary equity share capital

Authorised, allotted and fully paid	Number	Share capital \$000s	Share premium \$000s
<b>At 1 January 2021</b>	<b>153,702,471</b>	<b>153,702</b>	<b>1,382,131</b>
10 shares issued at \$1.00 nominal value per share on 21 December 2021	10	-	-
<b>At 31 December 2021</b>	<b>153,702,481</b>	<b>153,702</b>	<b>1,382,131</b>
<b>At 31 December 2022</b>	<b>153,702,481</b>	<b>153,702</b>	<b>1,382,131</b>

On 21 December 2021, the Company acquired 100% of the shares of TC Soda. The Company's interest in TC Soda was obtained through an in-kind contribution from Mr Turgay Ciner and issuance of 10 ordinary shares to Mr Turgay Ciner in exchange for the 10 shares of TC Soda.

Details of net assets acquired and goodwill are as follows:

	Acquisition
Purchase consideration – capital contribution in kind	131,038 <sup>1</sup>
Fair value of net assets at acquisition	131,038
<b>Goodwill</b>	<b>-</b>

<sup>1</sup> This is net of USD10 of shares issued.

## Notes to the Parent Company Financial Statements continued

(Tabular amounts in thousands of US dollars, except where noted)

### M. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's consolidated statement of cash flows as cash flows from financing activities.

	Note	As at 1 January 2022	Other changes <sup>1</sup>	As at 31 December 2022
Other payables	K	251,810	4,891	256,701
Trade payables	K	3,114	(985)	2,129
Other current liabilities	K	-	3	3
<b>Total liability</b>		<b>254,924</b>	<b>3,909</b>	<b>258,833</b>

<sup>1</sup> Other changes include interest accruals and payments.

	Note	As at 1 January 2021	Other changes <sup>1</sup>	As at 31 December 2021
Other payables	K	415,764	(163,954)	251,810
Trade payables	K	-	3,114	3,114
<b>Total liability</b>		<b>415,764</b>	<b>(160,840)</b>	<b>254,924</b>

<sup>1</sup> Other changes include interest accruals and payments.

### N. Dividends

The Company has not declared any dividend for the year.

### O. Related party transactions

2022	Description	Current assets	Current liabilities
Akkan Enerji ve Madencilik A.Ş.	Parent Company	245,589	-
WE Soda Ltd	Subsidiary	-	256,701
<b>Total</b>		<b>245,589</b>	<b>256,710</b>

2021	Description	Non-current assets	Non-current liabilities
Akkan Enerji ve Madencilik A.Ş.	Parent Company	254,858	-
WE Soda Ltd	Subsidiary	-	251,810
<b>Total</b>		<b>254,858</b>	<b>251,810</b>

### P. Controlling parties

The immediate Parent Company is Kew Soda Ltd and ultimate parent undertaking is Akkan Enerji ve Madencilik A.Ş. The ultimate controlling party is Mr Turgay Ciner.

### Q. Auditors' remuneration

Fees payable to the Company's auditors for the audit of the Parent Company were USD72 thousand (2021: USD60 thousand).

## Glossary

Accident Frequency Rate	Number of total events divided by total working hours x 1 million calculated according to SGK data.
Akkan Enerji ve Madencilik A.Ş.	Akkan Energy Mining Inc.
CDP	Formerly, the Climate Disclosure Project.
Ciner İç ve Dış Ticaret A.Ş.	Ciner Domestic and Foreign Trade Inc.
Ciner Kimya	Ciner Kimya Yatırımları A.Ş.
Ciner Tanker İşletmeleri San. ve Ticaret A.Ş.	Ciner Tanker Enterprises Industry and Trade Inc.
Cogeneration	The combined generation of electricity and heat (in the form of steam), allowing the utilisation of the steam left over from electricity generation.
Denmar Depoculuk Nakliyat A.Ş.	Denmar Warehousing Transport Inc.
dss+	DuPont Sustainable Solutions.
Energy intensity	MMBtu of energy consumed per mt of soda ash and sodium bicarbonate production, combined (energy consumed being the sum of all renewable, non-renewable and purchased energy consumed less energy sold).
Eti Maden	Eti Maden İşletmeleri Genel Müdürlüğü/Eti Mining Enterprises General Directorate.
Eti Soda	Eti Soda Üretim Pazarlama Nakliyat ve Elektrik Üretim Sanayi ve Ticaret A.Ş./Eti Soda Production Marketing Transportation and Electricity Generation Industry and Trade Inc.
Ex-works CO <sub>2</sub> e emissions intensity	CO <sub>2</sub> e emissions intensity calculated as Scope 1, 2 and certain upstream Scope 3 mt of CO <sub>2</sub> e emissions per mt of combined soda ash and sodium bicarbonate production (Scope 1 and 2 as defined by the GHG Protocol and within Scope 3 only including categories 1, 3, 4, 5, 6 and 7 as defined by the GHG Protocol).
Kazan Soda	Kazan Soda Elektrik Üretim A.Ş./Kazan Soda Electricity Production Inc.
Konya - Ilgın Elektrik Üretim ve Ticaret A.Ş.	Konya - Ilgın Electric Production and Trade Inc.
LTI	Lost time injury.
Nameplate production capacity	Maximum output stipulated by manufacturer.
Park Cam Sanayi ve Ticaret A.Ş.	Park Cam Industry and Trade Inc.
Park Elektrik Üretim Madencilik San. ve Tic. A.Ş.	Park Electricity Production Mining Industry and Trade Inc.
Park Holding A.Ş.	Park Holding Inc.
Park Toptan Elektrik Enerjisi Satış Sanayi ve Ticaret A.Ş.	Park Toptan Electricity Energy Sales Industry and Trade Inc.
Scope 1 & 2 CO <sub>2</sub> e emissions intensity	Scope 1 & 2 market mt CO <sub>2</sub> e per mt soda ash and sodium bicarbonate production, combined.
Silopi Elektrik Üretim A.Ş.	Silopi Electricity Production Inc.
Sisecam Chemicals Resources	Sisecam Chemicals Resources LLC.
Soda ash	Sodium carbonate.
The Group	Kew Soda Ltd and its subsidiaries.
Trona	A naturally occurring ore which is extracted and processed into soda ash. Soda ash, in turn, is used in the manufacture of glass, dry powder detergents, and many other products including lithium carbonate used in EV car batteries. It is also used to produce other chemicals, such as sodium bicarbonate.
Water intensity	Cubic metres of water withdrawal per mt of soda ash and sodium bicarbonate production, combined.

# Other Information



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Streamlined Energy and Carbon Reporting Statement	195
Alternative Performance Measures (“APMs”)	197
Independent Limited Assurance Statement to Kew Soda	201

## GRI content index

Non-financial group data is based on Turkish operations and UK and Turkish corporate and administrative functions, it does not include US associates, discontinued operations and subsidiaries.

GRI Standard/Disclosure	Page	Location of disclosure	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>General Disclosures</b>					
<b>GRI 2: General Disclosures 2021</b>					
2-1 Organisational details		Front Cover			
	59-62	Stakeholders			
	34	Operating sustainably - Talent attraction			
	5	2022 highlights			
2-2 Entities included in the organization's sustainability reporting	2	About this Report			
2-3 Reporting period, frequency and contact point					
2-4 Restatements of information					
2-5 External assurance	2	About this Report			
	18-19	Strategic Progress - WE Lead Pillar			
	201	Independent Limited Assurance Statement prepared by ERM CVS			
2-6 Activities, value chain and other business relationships	12	Products - Our "game-changing" production process			
	16	Business model - Under sustainability applications			
	46	Operating sustainably - Upstream supply chain			
	34	Operating sustainably - Diversity, equity and inclusion <i>Calculations are based on headcount as at year-end 31 December for each of the reported years.</i>			
2-7 Employees	79-80	Performance indicators - Social performance indicators			
	34	Operating sustainably - Diversity, equity and inclusion			
2-8 Workers who are not employees	34	Operating sustainably - Diversity and Inclusion			
2-9 Governance structure and composition	95	Governance at a glance			
	90-92	Governance - Board of Directors			
2-10 Nomination and selection of the highest governance body	102	Introduction to our new committees - Nomination Committee			

## GRI content index continued

GRI Standard/Disclosure	Page	Location of disclosure	Omission		
			Requirement(s) omitted	Reason	Explanation
2-11 Chair of the highest governance body	90	Governance – Board of Directors			
2-12 Role of the highest governance body in overseeing the management of impacts	101	Governance at a glance Introduction to our new committees – Sustainability Committee			
2-13 Delegation of responsibility for managing impacts	26 101	Operating sustainably Introduction to our new committees – Sustainability Committee			
2-14 Role of the highest governance body in sustainability reporting	27 101	Section 172 Statement Introduction to our new committees – Sustainability Committee			
Disclosure 2-15 Conflicts of interest	98	Corporate Governance – Division of Responsibilities			
2-16 Communication of critical concerns	35 100	Operating sustainably – Employee satisfaction Introduction to our new committees – Audit & Risk Committee			
2-17 Collective knowledge of the highest governance body	97 98	Board activities in 2022 Corporate Governance			
2-18 Evaluation of the performance of the highest governance body	99	Corporate Governance – Composition, succession and evaluation			
2-19 Remuneration policies	99	Corporate Governance			
2-20 Process to determine remuneration	103	Introduction to our new committees – Remuneration Committee			
2-21 Annual total compensation ratio	79 99	Performance Indicators – Social performance indicators Corporate Governance – Remuneration	b) Report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual);	Confidentiality constraints	<p><i>The Company Remuneration Policy was developed by the Board in 2022 to set policy expectations for setting of appropriate and fair levels of remuneration, should the Group move forward with an IPO. This policy was designed in accordance with the UK Corporate Governance Code, market practice and the guidelines of UK institutional investors and advisory bodies.</i></p> <p><i>The Policy has been tested against the six factors listed in Provision 40 of the UK Corporate Governance Code.</i></p> <p><i>The Company continues to refine its internal processes to support the preparation of the data required for this aspect of the disclosure.</i></p>

## GRI content index continued

GRI Standard/Disclosure	Page	Location of disclosure	Omission		
			Requirement(s) omitted	Reason	Explanation
2-22 Statement on sustainable development strategy	26-29 3; 87	Operating sustainably Chair's introduction			
2-23 Policy commitments	57-58	Non-financial and sustainability Information Statement	Links to publicly available policy	Information unavailable/incomplete	<i>At the end of 2022, the Board initiated a process to review and update our policy commitments to further align these with international best practice. Following the completion of this exercise in 2023 and approval by the Board, the policy commitments will be made public on the company website.</i>
2-24 Embedding policy commitments	57-58	Non-financial and sustainability Information Statement			
	95	Governance at a glance			
	97	Board activities in 2022			
	99	Corporate Governance			
2-25 Processes to remediate negative impacts	26-50	Operating sustainably			
	63	Risk management			
	64-71	Principal Risks and Uncertainties			
2-26 Mechanisms for seeking advice and raising concerns	26-50	Operating sustainably			
	100	Introduction to our new committees - Audit & Risk Committee			
2-27 Compliance with laws and regulations	82-84	Performance indicators - Environmental performance indicators			<i>Significant instances of non-compliance are defined as any instance of non-compliance where WE Soda is notified by Ministries and Governmental Institutes via official letter.</i>
2-28 Membership associations					
2-29 Approach to stakeholder engagement	54-62	Stakeholders			
2-30 Collective bargaining agreements			Not applicable	Not applicable	<i>This disclosure requirement is not applicable, as none of the company employees are covered by collective bargaining agreements and do not hold trade union membership.</i>

## GRI content index continued

GRI Standard/Disclosure	Page	Location of disclosure	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>Material Topics</b>					
<b>GRI 3: Material Topics 2021</b>					
3-1 Process to determine material topics	59	Stakeholders - Importance of Materiality			
	28-29	Operating sustainably			
3-2 List of material topics		<ul style="list-style-type: none"> <li>- Energy use and efficiency</li> <li>- Waste Management</li> <li>- Water Stewardship</li> <li>- GHG Emissions</li> <li>- Workforce Relations</li> <li>- Community Relations and engagement</li> <li>- Sustainable supply chain</li> <li>- Occupational health, safety, and wellbeing</li> </ul>			
<b>Energy</b>					
<b>GRI 3: Material Topics 2021</b>					
3-3 Management of material topics	29; 40; 41-43	Operating sustainably - Focus on renewable energy; Electricity; Renewable Energy; Natural gas; Operational efficiency			
<b>GRI 302: Energy 2016</b>					
302-1 Energy consumption within the organization	82	Performance indicator tables - Environmental performance indicators - Energy			
302-3 Energy intensity					

## GRI content index continued

GRI Standard/Disclosure	Page	Location of disclosure	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>Water and effluents</b>					
<b>GRI 3: Material Topics 2021</b>					
3-3 Management of material topics	59 29; 43-45 43 63 64-71	Stakeholders – Importance of Materiality Operating sustainably – Low water intensity and waste Operating sustainably – Our environmental impact – Water usage Risk management Principal risks and uncertainties			
<b>GRI 303: Water and Effluents 2018</b>					
303-3 Water withdrawal					
303-4 Water discharge	83	Environmental performance indicators – Water	d. Priority substances of concern for which discharges are treated, including: i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used; ii. the approach for setting discharge limits for priority substances of concern; iii. number of incidents of non-compliance with discharge limits.	Information unavailable/incomplete	<i>The Company continues to refine its establish monitoring processes to support the collation of data required for this disclosure requirement. We anticipate addressing this over the course of the next financial reporting period.</i>
303-5 Water consumption					
<b>Emissions</b>					
<b>GRI 3: Material Topics 2021</b>					
3-3 Management of material topics	59 44-45	Stakeholders – Importance of Materiality Operating sustainably – Our environmental impact – Emissions			
<b>GRI 305: Emissions 2016</b>					
305-1 Direct (Scope 1) GHG emissions	82	Environmental performance indicators – GHG Emissions	c. Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent.	Information unavailable/incomplete	<i>The Company continues to refine its establish monitoring processes to support the collation of data required for this disclosure requirement.</i>
305-2 Energy indirect (Scope 2) GHG emissions	44-45	Operating sustainably – Our environmental impact – Emissions			
305-3 Other indirect (Scope 3) GHG emissions	77	TCFD – Metrics & Targets	c. Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent.	Information unavailable/incomplete	<i>The Company continues to refine its establish monitoring processes to support the collation of data required for this disclosure requirement.</i>
305-4 GHG emissions intensity					

## GRI content index continued

GRI Standard/Disclosure	Page	Location of disclosure	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>Waste</b>					
<b>GRI 3: Material Topics 2021</b>					
3-3 Management of material topics	59	Stakeholders			
	28	Operating sustainably – Sustainability is at our core			
	43; 45	Operating sustainably – Our environmental impact – Waste management			
306-3 Waste generated					
306-4 Waste diverted from disposal	83-85	Environmental performance indicators – Total Waste Generated			
306-5 Waste directed to disposal	45	Operating sustainably – Waste management			
<b>Employment</b>					
<b>GRI 3: Material Topics 2021</b>					
3-3 Management of material topics	34-35	Operating sustainably – Diversity & Inclusion; Talent attraction, training and development; Employee satisfaction; Areas of success and where we can do better			
<b>GRI 401: Employment 2016</b>					
401-1 New employee hires and employee turnover	79-80	Performance indicators – Social performance indicators			
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	125; 127-128; 160-161	Notes to the Consolidated Financial Statements – Employee Benefits			
<b>Occupational health &amp; safety</b>					
<b>GRI 3: Material Topics 2021</b>					
3-3 Management of material topics	31-33	Operating sustainably – Safety First; Our safety excellence journey; SGK Safety Reporting; RIDDOR Safety Reporting; Employee Wellbeing			
<b>GRI 403: Occupational Health &amp; Safety 2018</b>					
403-9 Work-related injuries	33	Operating sustainably – RIDDOR Safety Reporting			
	80-81	Performance indicators – Occupational Health & Safety indicators			

## GRI content index continued

GRI Standard/Disclosure	Page	Location of disclosure	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>Diversity and equal opportunity</b>					
<b>GRI 3: Material Topics 2021</b>					
3-3 Management of material topics	46	Operating sustainably - Our upstream supply chain			
<b>GRI 405: Diversity and Equal Opportunity 2016</b>					
405-1 Diversity of governance bodies and employees	34	Operating sustainably - Diversity, equity and inclusion			
	90-92	Board of Directors - Meet the Board			
	96	Governance at a Glance - Snapshot of the Board			
	99	Corporate Governance - Composition, succession, and evaluation			
	79	Performance indicators - Social performance indicators			
405-2 Ratio of basic salary and remuneration of women to men	79	Performance indicators - Social performance indicators			
<b>Supplier social assessment</b>					
<b>GRI 3: Material Topics 2021</b>					
3-3 Management of material topics	46	Operating sustainably - Our upstream supply chain			
<b>GRI 414: Supplier Social Assessment 2016</b>					
414-1 New suppliers that were screened using social criteria	46	Operating sustainably - Our upstream supply chain			
	83	Performance indicators - Responsible value chain			

# Streamlined Energy and Carbon Reporting Statement

## 1. Summary

Under the Streamlined Energy and Carbon Reporting (“SECR”) requirements implemented for large unquoted companies per The Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report Regulations) 2018<sup>1</sup>, as stipulated by the Companies Act 2006, Kew Soda Ltd, the Parent Company of WE Soda Ltd (hereafter referred to as WE Soda), has an obligation to report its total UK energy consumption, associated underlying greenhouse gas (“GHG”) emissions, intensity ratios and information relating to energy efficiency action, for the period 1 January to 31 December 2022.

ERM has supported WE Soda to meet this obligation through assessing the qualification criteria and calculating GHG emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard<sup>2</sup>.

The organisational reporting boundary used is based on operational control. WE Soda has included its one and only UK site (based in London). WE Soda has excluded energy usage and associated emissions consumed by other companies which operate on its premises. Scope 2 emissions are calculated using a location-based approach.

### 1.1 Qualification

WE Soda is the sole UK entity and was assessed against the SECR qualification criteria, set out below for large unquoted companies:

- 250 or more full-time equivalent employees;
- annual turnover of £36 million or more; and
- balance sheet of £18 million or more.

It was determined that WE Soda meets at least two of the above criteria and therefore qualifies for reporting under the UK Government’s SECR guidelines.

### 1.2 Fuel and energy sources

WE Soda assessed all fuel and electricity consumption activities occurring across all UK sites that contribute to overall energy use. It was determined that the following sources of emissions need to be recorded, in line with SECR guidelines:

- Electricity consumption (scope 2)
- Natural gas consumption (scope 1)

### 1.3 GHG emissions

WE Soda’s scope 1 and 2 GHG emissions associated with its UK operation for 2021 and 2022 are outlined below in Table 1.1. Total number of employees based within the operations was used as the denominator to calculate the associated GHG emissions intensity.

All GHG emission calculations have been undertaken in accordance with the GHG Protocol Corporate Accounting and Reporting Standard<sup>2</sup>. Activity data measurement/estimation techniques can be summarised below:

- Electricity consumption figures in kWh were obtained from monthly electricity invoices.
- Natural gas consumption was not attainable through measured sources like invoices due to lack of metering infrastructure and oversight of the data by WE Soda. This was estimated based on floor area and the average natural gas consumption intensity for offices in the UK<sup>3</sup>.

These consumption figures were converted into tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) using the 2021 & 2022 UK Government (DEFRA/BEIS) GHG Conversion Factors for Company Reporting emission factors<sup>4</sup>. Scope 2 electricity emissions have been reported using location-based only due to a lack of supplier data for electricity. WE Soda are striving for attaining supplier-specific data to implement the market-based approach in its next reporting cycle.

**Table 1.1 WE Soda’s 2021 and 2022 UK GHG emissions and intensity**

Emission source	2021			2022		
	GHG emissions from UK operations (tCO <sub>2</sub> e)	% contribution to total emissions	GHG emissions intensity associated with UK operations (tCO <sub>2</sub> e/employee)	GHG emissions from UK operations (tCO <sub>2</sub> e)	% contribution to total emissions	GHG emissions intensity associated with UK operations (tCO <sub>2</sub> e/employee)
Scope 1, direct	21.72	79.4%	1.36	21.65	73.9%	0.98
Scope 2, Location-based, indirect	5.62	20.6%	0.35	7.97	26.9%	0.36
<b>Total Scope 1 &amp; 2 emissions, Location-based</b>	<b>27.34</b>		<b>1.71</b>	<b>29.62</b>		<b>1.35</b>

<sup>1</sup> A copy of these UK Regulations are available online at: [www.legislation.gov.uk/uksi/2018/1155/made](http://www.legislation.gov.uk/uksi/2018/1155/made)

<sup>2</sup> 2004 World Resources Institute (“WRI”) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard; Revised Edition. Available online at: [www.ghgprotocol.org/corporate-standard](http://www.ghgprotocol.org/corporate-standard).

<sup>3</sup> The Non-Domestic National Energy Efficiency Data-Framework 2021 (England and Wales). Available online at: [ND-NEED 2021 \(publishing.service.gov.uk\)](http://ND-NEED2021(publishing.service.gov.uk)).

<sup>4</sup> 2021 UK Government GHG Conversion Factors for Company Reporting. Available online at: [Greenhouse gas reporting: conversion factors 2021 – GOV.UK \(www.gov.uk\)](http://Greenhouse%20gas%20reporting%3A%20conversion%20factors%202021%20-%20GOV.UK%20(www.gov.uk)).

2022 UK Government GHG Conversion Factors for Company Reporting. Available online at: [Greenhouse gas reporting: conversion factors 2022 – GOV.UK \(www.gov.uk\)](http://Greenhouse%20gas%20reporting%3A%20conversion%20factors%202022%20-%20GOV.UK%20(www.gov.uk)).

## Streamlined Energy and Carbon Reporting Statement continued

### 1.4 Energy consumption

WE Soda's total energy consumption associated with its UK operation's scope 1 and 2 emissions for 2021 and 2022 are outlined below in Table 1.2. Total number of employees based within the operations was used as the denominator to calculate the associated energy intensity.

Section 1.3 describes how energy consumption figures (activity data) in kWh were obtained.

**Table 1.2 WE Soda's 2021 and 2022 UK energy consumption and intensity**

Source of energy consumption	2021			2022		
	Energy consumption (kWh)	% contribution to total energy consumption	Energy intensity associated with UK operations (kWh/employee)	Energy consumption (kWh)	% contribution to total energy consumption	Energy intensity associated with UK operations (kWh/employee)
Natural gas	107,023.4	80.2%	6,688.9	107,023.4	72.2%	4,864.7
Electricity	26,474	19.8%	1,654.6	41,206	27.8%	1,873
<b>Total</b>	<b>133,497.4</b>		<b>8,343.5</b>	<b>148,229.4</b>		<b>6,737.7</b>

### 1.5 Energy efficiency

WE Soda has decided in principle to commence single-stage improvement works to aim for EPC rating of B, working from the current EPC rating of E.

WE Soda is aiming for variable refrigerant flow conversion for the whole building. This initiative is currently in the design phase and is anticipated to result in significant gains in energy efficiency.

## Alternative Performance Measures (“APMs”)

In our published financial reports, trading updates, on our website and in other publications made by WE Soda Group (the “Group”), we make reference to Alternative Performance Measures (“APMs”) of historical or future financial performance, financial position or cash flows that are not defined or specified under International Financial Reporting Standards (“IFRS”), as set out below.

APMs are unaudited and may not be comparable to similarly titled measures presented by other companies as there are no generally accepted principles governing the calculation of these measures. The criteria upon which these measures are based can vary from company to company. Even though APMs are used by management to assess the Group’s financial performance, financial position or cash flows and these types of measures are commonly used, they have important limitations as analytical tools and should be considered in addition to, and not in isolation as substitutes or superior to measures of financial performance, financial position or cash flows, as reported in accordance with IFRS. We believe that each of these measures provides useful information with respect to understanding the underlying business performance of the Group’s operations or the Group’s ability to meet its financial obligations.

APMs used by the Group are usually derived from the Group’s consolidated financial statements, prepared in accordance with IFRS. Certain financial information used to calculate APMs is derived from: (i) management accounts for the relevant accounting periods presented; (ii) internal financial reporting systems; and (iii) the Group’s other business operating systems and records. Management accounts are prepared using information derived from accounting records used in the preparation of the Group’s consolidated financial statements in accordance with IFRS but may also include certain other assumptions and analyses.

### APMs of financial performance

We consider our core operating performance in any period to be that which management can affect. We believe that our APMs of financial performance allow us to evaluate our underlying operating performance by including or excluding certain items that we do not consider indicative of, or that may impair period to period comparability of, our core operating performance. In addition, we use these APMs in developing internal budgets, forecasts and our strategic plan, in analysing the effectiveness of the Group’s business strategies, in evaluating potential acquisitions, in making compensation decisions and in communications with its stakeholders concerning the Group’s financial performance.

The Group’s APMs of financial performance, together with their definitions, are:

- *EBITDA*, which represents profit/(loss) for the period from continuing operations before interest in equity-accounted associates, depreciation and amortisation expenses, finance expenses, net of finance income and taxation;
- *Adjusted EBITDA*, which represents EBITDA adjusted for certain items, either positive or negative, which we consider to be non-recurring in nature and further items that we do not consider to be representative of the underlying performance of the business, as further discussed below;

- *Adjusted EBITDA (\$ per mt)*, which represents Adjusted EBITDA divided by total combined volume in mt of soda ash and/or sodium bicarbonate (as applicable) sold by Eti Soda and Kazan Soda during the period;
- *Netback Revenue*, which represents revenue from sales of soda ash and sodium bicarbonate after deducting transportation expenses and export expenses associated with the delivery of product from our production facilities to the point of delivery for the customer;
- *Netback price (\$ per mt)*, which represents Netback Revenue divided by total combined volume in mt of soda ash and/or sodium bicarbonate (as applicable) sold by Eti Soda and Kazan Soda during the period;
- *Netback Margin*, which represents Adjusted EBITDA divided by Netback Revenue;
- *Cash costs (\$ per mt)*, which represents the average cash cost to produce a metric tonne of soda ash or sodium bicarbonate sold and consists of operating expenses, being cost of sale (excluding external caustic, transportation and export expenses and depreciation and amortisation) and direct administrative and marketing expenses, divided by the total combined volume in mt of soda ash and/or sodium bicarbonate (as applicable) sold by Eti Soda and Kazan Soda during the period; and
- *Transportation expenses (\$ per mt)*, which represents the average logistics and transportation cost to deliver a metric tonne of soda ash or sodium bicarbonate sold from our production facilities to the point of delivery for our customers, and consists of transportation expenses and export expenses, divided by the total combined volume in mt of soda ash and/or sodium bicarbonate (as applicable) sold by Eti Soda and Kazan Soda during the period.

### EBITDA, Adjusted EBITDA and Adjusted EBITDA (\$ per mt)

We present EBITDA, Adjusted EBITDA and Adjusted EBITDA (\$ per mt) because we believe that they provide useful information about the Group’s results of operations since they are among the measures used by management to evaluate the Group’s underlying operating performance, review business trends, identify strategies to improve results and make day-to-day operating decisions and they allow a comparison of the Group’s results across periods and across other companies in the industry in which the Group operates on a consistent basis, by removing the effects on the Group’s operating performance of:

- (1) the Group’s capital structure (such as the varying levels of interest expense);
- (2) the asset base and capital investment cycle (such as depreciation and amortisation); and
- (3) items largely outside our control (such as income taxes).

## Alternative Performance Measures (“APMs”) continued

With respect to Adjusted EBITDA, unusual items that we view as not reflective of the Group’s underlying financial performance and which we are permitted to adjust for in calculating covenant compliance under the terms of the Group’s principal financing arrangements, including, but not limited to:

- significant extraordinary, one-off, non-recurring, exceptional or unusual items, which may include, but are not limited to, charges or other costs in connection with restructuring or transformative programmes, costs or gains in connection with legal disputes, financing or refinancing costs, exceptional legal costs or other professional fees and also any costs or charges related to any acquisition, capital expenditure or other similar transactions, or significant purchases of raw materials or costs which are not expected to recur in future periods; we exclude such significant items because they are not reflective of the Group’s underlying performance and are not expected to recur in future periods;
- non-cash compensation charges, primarily, but not exclusively, in connection to equity-based compensation charges, service cost provisioning for post-employment benefits, provisioning for unused leave pay and service cost provisioning for retirement pay obligations; we exclude such adjustments because of their non-cash nature and/or because they do not reflect on the Group’s operating performance;
- foreign exchange losses/gains from operating activities, on a net basis. We believe that such adjustments do not represent the Group’s underlying operating performance on a constant basis because foreign exchange movements can be subject to substantial swings from period to period and are outside our control;
- losses and gains realised on the disposals of obsolete or replaced equipment and machinery. We believe excluding such losses or gains gives a more accurate picture of the Group’s underlying performance; and
- non-cash charges relating to receivables/payables, net; we believe that excluding such non-cash charges provides a more accurate picture of the Group’s results because of their non-cash nature and/or because they may not reflect on the Group’s operating performance.

### Netback Revenue, Netback Price and Netback Margin

We present Netback Revenue, Netback price and Netback Margin as measures that are helpful to financial stakeholders in that they provide more directly comparable information across periods and geographical markets, as they exclude the impact of varying levels of transportation expenses and export expenses in connection with the delivery of product from our production facilities to the point of delivery to the customer based on the varying delivery terms.

Netback price is a derivative measure of Netback Revenue and physical volumes of soda ash and sodium bicarbonate sold by Eti Soda and Kazan Soda during the period. Netback price measures our average revenue per mt of soda ash or sodium bicarbonate for the period after deducting transportation expenses associated with the delivery of product from our production facilities to the point of delivery for the customer.

Netback Margin is a derivative measure of Adjusted EBITDA and Netback Revenue. We present Netback Margin because it measures the Group’s operating performance in relation to the Group’s Netback Revenue, gauging the Group’s profitability per dollar of revenue generated and further facilitating comparison of the Group’s results across periods, across geographies and with other companies in the Group’s industry. We exclude revenue from electricity and other revenue from the calculation of Netback Margin to provide a more accurate picture of the Group’s operating performance with respect to its soda ash and sodium bicarbonate business.

### Cash costs and transportation expenses

We present Cash costs and transportation expenses as these are key drivers of our operating performance, as lower production costs and lower transportation expenses result in higher operating profit and higher cash flow per unit of production. We maintain a continuous focus on plant optimisation by undertaking ongoing planning and cost engineering exercises with the objective to reduce our Cash costs. We monitor and seek to further optimise our global customer supply chain, including delivery format to maximise profitability while appropriately managing risk, the use of larger vessels for the transportation of our products and the development of regional storage and distribution hubs in key locations globally to reduce our transportation expenses.

### APMs of Cash Flows

The Group’s APMs of cash flows and financial liquidity, together with their definitions, are:

- Free Cash Flow is calculated as Adjusted EBITDA minus Maintenance Capital Expenditure minus tax payments;
- Free Cash Flow (“FCF”) Conversion is calculated as Free Cash Flow divided by Adjusted EBITDA; and
- Capital Expenditure is cash outflows associated with expenditure on property, plant and equipment.

### Free Cash Flow

We present Free Cash Flow because we utilise this measure to gauge the amount of cash flow available for several uses, including debt service, discretionary prepayments of borrowings, dividends and share buybacks. Furthermore, we believe that Free Cash Flow provides useful information about the Group’s liquidity in that it allows a comparison of the Group’s liquidity across periods on a consistent basis.

## Alternative Performance Measures (“APMs”) continued

### FCF Conversion

FCF Conversion is a derivative measure of Free Cash Flow. We present FCF Conversion because it measures the Group’s generation of Free Cash Flow in relation to the Group’s Adjusted EBITDA, gauging the Group’s ability to generate cash per dollar of Adjusted EBITDA and further facilitating comparison of the Group’s liquidity across periods and with other companies in the Group’s industry.

### Capital Expenditure

We distinguish our Capital Expenditure, which consist mainly of the maintenance and refurbishment of existing facilities, capitalised costs related to purchase and maintenance of mining assets, equipment, intangible assets and other assets in two categories:

- *Maintenance Capital Expenditure*, which are incurred to maintain, over the long term, our operating income or operating capacity; and
- *Expansionary Capital Expenditure*, which are incurred for acquisitions or capital improvements with the objective to increase, over the long term, our operating income or operating capacity.

Capital Expenditure also includes certain other items including advances, spare parts purchases and others, which are not classified as Maintenance Capital Expenditure or Expansion Capital Expenditure

We present Maintenance Capital Expenditure and Expansion Capital Expenditure because we utilise these measures to discriminate between ongoing cash outlays that must be made periodically to maintain the Group’s productive capacity unaltered and investment cash outlays that the Group can make at its discretion for growth purposes.

### APMs of Financial Position

The Group’s APMs of financial position and financial leverage together with their definitions, are:

- *Net Debt*, which consists of the sum of the Group’s current borrowings and non-current borrowings (including in each case transaction costs capitalised on initial recognition of the borrowing liability) and lease liabilities, net of cash and cash equivalents (including cash held in debt service reserve accounts); and
- *Total Net Leverage Ratio*, which consists of Net Debt divided by Adjusted EBITDA.

We present Net Debt and Total Net Leverage Ratio because we and our financial stakeholders use this measure to monitor the Group’s covenant compliance under the terms of the Group’s principal financing arrangements. Total Net Leverage Ratio is useful as a measure as it shows how many years it would take for the Group to pay back its debt if Net Debt and Adjusted EBITDA are held constant.

### Reconciliation of APMs to IFRS equivalents

The tables below provide reconciliation of our APMs to IFRS equivalents from the consolidated IFRS financial statements (Consolidated Statement of Profit or Loss (“SPL”), Consolidated Statement of Financial Position (“SFP”), Consolidated Statement of Cash Flows (“SCF”) and the Notes to the consolidated IFRS financial statements).

	Ref	2022 \$000s	2021 \$000s
<b>Total profit for the financial year from continuing operations</b>	<b>SPL</b>	<b>817,148</b>	<b>284,523</b>
add/(less):			
Finance income	SPL	(47,812)	(24,264)
Finance expenses	SPL	184,280	228,758
Taxation	SPL	(188,552)	(69,710)
Depreciation	Notes 10, 11, 12	60,200	95,979
Gain on disposal of fixed assets	SCF	(494)	-
Share of net (profit)/loss of associates accounted for using the equity method	SPL	(2,924)	-
<b>EBITDA</b>		<b>821,846</b>	<b>515,286</b>
add/(less):			
Foreign exchange (gains)/losses and discount interest (income)/expense included in Other operating income and expenses	Note 13	(29,544)	(70,359)
Employee benefits	Note 29	3,244	1,496
Mineral exploration and evaluation expenditures <sup>1</sup>		2,072	-
Compensation income	Note 13	0	(60,065)
Excess caustic soda and lime costs <sup>2</sup>		36,343	29,288
Other one-off items		3,636	15,266
<b>Adjusted EBITDA</b>		<b>837,597</b>	<b>430,912</b>
Sales volume	thousand mt	5,061	4,835
<b>Adjusted EBITDA per mt</b>	<b>\$ per mt</b>	<b>165.5</b>	<b>89.1</b>

## Alternative Performance Measures (“APMs”) continued

	Ref	2022 \$000s	2021 \$000s
Soda ash/sodium bicarbonate sales	Note 9	1,628,598	827,106
less:			
Transportation expenses	Note 10	(152,420)	(89,930)
Export expenses	Note 10	(43,126)	(42,521)
<b>Netback Revenue</b>		<b>1,433,052</b>	<b>694,655</b>
Sales volume	thousand mt	5,061	4,835
<b>Netback Margin</b>	%	<b>58%</b>	<b>62%</b>
Cost of sales	SPL	995,412	550,359
less:			
Depreciation – Eti Soda and Kazan Soda segments	Note 3	(57,501)	(95,433)
Electricity revenue	Note 9	(143,728)	(63,467)
Transportation expenses	Note 10	(152,420)	(89,930)
Export expenses	Note 10	(43,126)	(42,521)
Excess caustic soda and lime costs <sup>2</sup>		(36,343)	(29,288)
Administrative and marketing expenses – Eti Soda and Kazan Soda segments		25,868	22,656
<b>Cash costs</b>		<b>588,162</b>	<b>252,376</b>
Sales volume	thousand mt	5,061	4,835
<b>Cash costs</b>	<b>\$ per mt</b>	<b>116.2</b>	<b>52.2</b>
Transportation expenses	Note 10	152,420	89,930
Export expenses	Note 10	43,126	42,521
<b>Total transportation expenses</b>		<b>195,546</b>	<b>132,451</b>
Sales volume	thousand mt	5,061	4,835
<b>Transportation expenses</b>	<b>\$ per mt</b>	<b>38.6</b>	<b>27.4</b>

	Ref	2022 \$000s	2021 \$000s
Maintenance Capital Expenditure		39,865	65,481
Expansion Capital Expenditure		29,485	13,403
Other Capital Expenditure		10,792	8,427
<b>Total Capital Expenditure</b>	<b>SCF</b>	<b>80,143</b>	<b>87,311</b>
Adjusted EBITDA	as above	837,597	430,912
less:			
Maintenance Capital Expenditure	as above	(39,865)	(65,481)
Taxation	SCF	(56,658)	(62,139)
<b>Free Cash Flow</b>		<b>741,074</b>	<b>303,292</b>
<b>FCF Conversion</b>		<b>88%</b>	<b>70%</b>
<b>Net Debt</b>	<b>Note 4</b>	<b>1,362,672</b>	<b>1,778,601</b>
<b>Total Net Leverage Ratio</b>		<b>1.6</b>	<b>4.1</b>

- Costs that incurred before legal rights to explore have been obtained and therefore expensed to profit or loss (please refer to Note 2.16 of the Consolidated Financial Statements).
- As a result of the design defects in the construction of Kazan Soda's decahydrate and caustic soda processing units, Kazan Soda was required to purchase caustic soda and lime from third parties. These expenses will cease as the extension project units for decahydrate and caustic soda became operational in the fourth quarter of 2022 and Kazan Soda will no longer be required to purchase any significant caustic soda and lime from third parties.

## Independent Limited Assurance Statement to Kew Soda

ERM Certification and Verification Services Limited (“ERM CVS”) was engaged by WE Soda Ltd. (“WE Soda”) to provide limited assurance to Kew Soda Ltd. (“Kew Soda”) in relation to the selected information set out below and presented in Kew Soda’s Annual Report 2022 (the “Report”).

### Engagement summary

**Scope of our assurance engagement** Whether the following selected performance data are fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

#### 2020, 2021 and 2022 reporting periods:

- Total Scope 1 GHG emissions tCO<sub>2</sub>e
- Total Scope 2 GHG emissions (market based) tCO<sub>2</sub>e
- Total Scope 2 GHG emissions (location-based) tCO<sub>2</sub>e
- Total Scope 1 and Scope 2 emissions (market based) tCO<sub>2</sub>e
- Total Scope 1 and Scope 2 emissions (location based) tCO<sub>2</sub>e
- Carbon Emissions intensity Scope 1+2 market based tCO<sub>2</sub>e/tonne production
- Carbon Emissions intensity Scope 1+2 location based tCO<sub>2</sub>e/tonne production

#### 2022 reporting period only:

- Total Scope 3 GHG emissions tCO<sub>2</sub>e, for the following categories:
  - Category 1: Purchased goods and services
  - Category 3: Fuel and energy related activities
  - Category 4: Upstream transportation and distribution
  - Category 5: Waste generated in operations
  - Category 6: Business travel
  - Category 7: Employee commuting
  - Category 9: Downstream transportation and distribution
- Total water consumption m<sup>3</sup>
- Recycled water m<sup>3</sup>
- Water intensity m<sup>3</sup>/tonne sodium carbonate and sodium bicarbonate
- Wastewater discharge industrial m<sup>3</sup>
- Wastewater discharge domestic m<sup>3</sup>

### Engagement summary

<b>Reporting periods</b>	<ul style="list-style-type: none"> <li>• 1 January 2020 – 31 December 2020 (Scope 1 and Scope 2 GHG emissions only)</li> <li>• 1 January 2021 – 31 December 2021 (Scope 1 and Scope 2 GHG emissions only)</li> <li>• 1 January 2022 – 31 December 2022 (All data in scope)</li> </ul>
<b>Reporting criteria</b>	<ul style="list-style-type: none"> <li>• WBCSD/WRI GHG Protocol (2004, as updated January 2015) as relevant for the Scope 1, 2 and 3 emissions</li> <li>• GRI 303: Water and Effluents 2018</li> <li>• GRI 305: Emissions 2016</li> <li>• WE Soda’s Basis of Reporting</li> </ul>
<b>Assurance standard and level of assurance</b>	<p>We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Standards Board.</p> <p>The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and 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.</p>
<b>Respective responsibilities</b>	<p>WE Soda is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the selected performance data.</p> <p>ERM CVS’ responsibility is to provide conclusions to WE Soda on the agreed scope based on our engagement terms with WE Soda, the assurance activities performed and exercising our professional judgement. We accept no responsibility, and deny any liability, to any party other than WE Soda for the conclusions we have reached.</p>

## Independent Limited Assurance Statement to Kew Soda continued

### Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the selected performance data and information for the disclosures listed under 'Scope' above are not fairly presented, in all material respects, in accordance with the reporting criteria.

### Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the performance data, a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Assessing the appropriateness of the reporting criteria for the selected performance data.
- Interviews with management representatives responsible for managing the selected issues.
- Interviews with relevant staff to understand and evaluate the relevant management systems and processes (including internal review and control processes) used for collecting and reporting the selected disclosures.
- In-person visit at the Kazan site (Türkiye) to review local reporting processes and consistency of reported annual data with selected underlying source data for each indicator.
- An analytical review of the year-end data submitted by all locations included in the consolidated group data for the selected disclosures which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary.
- Confirming conversion and emission factors and assumptions used.
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

### The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating, or estimating the underlying information. It is important to understand our assurance conclusions in this context.

### Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly, we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of Parts A & B of the IESBA Code relating to assurance engagements.

The team that has undertaken this assurance engagement has extensive experience in conducting assurance on environmental, social, ethical and health & safety information, systems and processes, and provides no consultancy related services to WE Soda in any respect.



**Gareth Manning**  
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28 April 2023



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