



SUSTAINABILITY REPORT

2018-2019

AKÇANSA

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ABOUT THE REPORT

Akçansa Çimento Sanayi ve Ticaret A.Ş. has been transparently sharing its economic, environmental, and social performance since 2015. Our 2018-2019 Sustainability Report covers all activities carried out in Turkey by the Akçansa, Akçansa Port, Agregasa, and Betonsa brands in the businesses of cement, aggregate, and ready-mixed concrete between January 1, 2018, and December 31, 2019. The export activities of HC Trading, a subsidiary of HeidelbergCement, one of Akçansa's main shareholders, and information about Karçimsa, Akçansa's subsidiary, are not covered by this report.

This report has prepared in line with the GRI Standards Core option. It reports our progress on the Akçansa 2020 Sustainability Targets, our progress regarding the United Nations Global Compact (UNGC) and the United Nations Women's Empowerment Principles (WEPS), as well as our contribution to the Sustainable Development Goals.

For any questions or opinions about the report, please contact us at surdurulebilirlik@akcansa.com.tr

A MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CEO



Tamer Saka
Chairman of the Board of Directors

Dear Stakeholders,

The world is in the midst of a great transformation; we need to approach today's issues from a perspective beyond profitability. Our successful financial achievements can be meaningful only with a business model that is compatible with the environment and includes all stakeholders. On the other hand, the pressure of political and geopolitical developments on economies, the reduction of resources, economic stagnation, the climate crisis, and the recent COVID-19 pandemic are important calls for us to be ready for future crises.

To ensure business continuity and keep world systems in balance, huge responsibilities fall to the business world in the fight against these global risks. At this point, our sustainability approach allows us to follow the global agenda closely and respond to trends, risks, and opportunities. Without slowing down work towards our 2020 Sustainability

Targets, we are also preparing to share our 2030 Sustainability Targets.

The practices we have developed in line with our goal of a sustainable world are steering us towards renewable energy sources. By focusing on responsible sourcing, we are reducing the number of resources used, and we are recycling the resources we have used based on the circular economy. We are investing in both today and the future through our R&D and innovation projects. Thanks to the power of technology, we are designing innovative products with low environmental impacts, and as a strategic business partner of our stakeholders, we are taking part in historic projects, such as the 1915 Çanakkale Bridge.

Renewable resources provide 12% of the energy we use in Akçansa, and we have reduced greenhouse gas emissions by 24% per unit turnover compared to 2017. Increasing the use of biomass and alternative fuels has played an important

part in this improvement. In addition, we are focusing on using water, an important component in cement production, as efficiently as possible. In 2019, we recycled 85% of the water we used for production. Furthermore, we recycled 100% of the non-hazardous waste from our operations, 88% of our hazardous waste was sent to energy recovery and the rest went to recycling.

We have always seen improving the conditions of our sector for our employees' health and safety as our main responsibility. We put our employees first in all business processes and implement exemplary practices to lead the sector with our technological and physical investments in line with our zero-accident target.

We believe that equal participation in the workforce will strengthen socio-economic development. The Akçansa Gender Equality policy we published in 2018 is our guide to an inclusive and

A MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CEO



Mehmet Zeki Kanadıkırık
CEO

** Appointed as of 01.09.2020.*

equal work environment in our fight against all kinds of discrimination and providing equal opportunities. We are playing an active role in balancing the proportion of female employees in our sector. We pay regard to gender equality in all in-house activities according to the United Nations Women's Empowerment Principles, which we signed, the World Economic Forum, and our membership in the Equality at the Workplace Platform established by the Turkish Ministry of Family and Social Policy. We are one of the 12 founding companies on the committee of the Businesses Against Domestic Violence project implemented by Sabancı University with the support of the United Nations Population Fund (UNFPA).

To improve the quality of community life in the regions where we operate, we do work that creates value in many areas such as education, culture, arts, and sports. The Akçansa Fine Arts High School, which we established in cooperation with the Governorship of Çanakkale and the Turkish Ministry of National Education, teaches painting and

music to 200 talented young students in 27 classrooms. In 2015, we started the My Neighborhood Social Responsibility Project, which delivers various education services to students, parents and teachers using the Akçansa mobile education center. More than 30,000 people in Büyükçekmece, Istanbul trained in healthy communication by TOÇEV's (Tüvana Education Foundation for Children Who Want to Study) expert psychologists. The 800 high school students in 10 schools in Çanakkale attended workshops titled "My Profession, Your Choice" to raise awareness about their choice of profession.

In 2011, we became the first company in Turkey's cement industry to publish its sustainability report; since then, we have continued to pioneer practices in the field of sustainability in the sector. We are part of several global initiatives in the field of sustainability, especially the UN Global Principles Contract (UNGC). Through regular participation in the Carbon Disclosure Project (CDP) Climate Program since 2011, and to

the Water Program since 2015, we transparently share our operations' greenhouse gas emissions and water consumption with our stakeholders. In 2018, our Büyükçekmece Cement Plant and the Gebze Ready-Mixed Concrete Plant became the first cement and concrete plants in Turkey to obtain the CSC Certificate of Responsible Use of Resources according to the rules set by the International Concrete Sustainability Council. In 2019, the Kemerburgaz Ready-Mixed Concrete Plant was awarded the CSC Responsible Use of Resources Gold Certificate, again for the first time in Turkey.

We present here Akçansa's Sustainability Report, covering its economic, social, environmental, and governance performance in 2018-2019, and we would like to thank all our stakeholders, especially our employees, who contributed to this performance.



ABOUT AKÇANSA

As a company jointly owned by Sabancı Holding and HeidelbergCement, we are the largest cement producer in Turkey and the leading company in the sector. Akçansa has been operational since the merger of Akçimento and Çanakkale Cement in 1996.

We are running our operations in the Marmara, Aegean and Black Sea regions, producing cement and clinkers in our factories in İstanbul - Büyükçekmece, Çanakkale and Samsun-Ladik. In addition to this, we have a total of seven cement terminals in İstanbul-Ambarlı, İzmir-Aliağa, Yalova, Yarımcı, Hopa, Derince and Marmara Ereğlisi.

Since our merger with our subsidiary Betonsa in 1998, we have been producing ready-mixed concrete in approximately 35 plants spread throughout the Marmara, Aegean and Black Sea regions under our Betonsa brand.

In 2002, we merged with our Agregasa Agregas subsidiary, and four plants continue our aggregate production operations under the Agregasa brand.

At Akçansa, we aim to offer the “highest quality production and service” to meet the demands of both our domestic and international customers and to compete by differentiating ourselves beyond just price.



Vision

- To grow sustainably across all borders
- To grow sustainably across all borders in the building materials sector, as a stakeholder trusted company, and one that has the most preferred business model.

Mission

- For our clients, to become the leading building materials company based on our culture of social, environmental, legal, and ethical values and our innovative products, services and solutions,
- For our shareholders, to be financially excellent,
- For our employees, who are the focal point of our business model, to continuously provide development opportunities, create value, and increase society's quality of life.

Shareholding Structure



39,72%

Hacı Ömer Sabancı Holding A.Ş.

39,72%

HeidelbergCement AG

20,56%

Other-Public



FINANCIAL PERFORMANCE

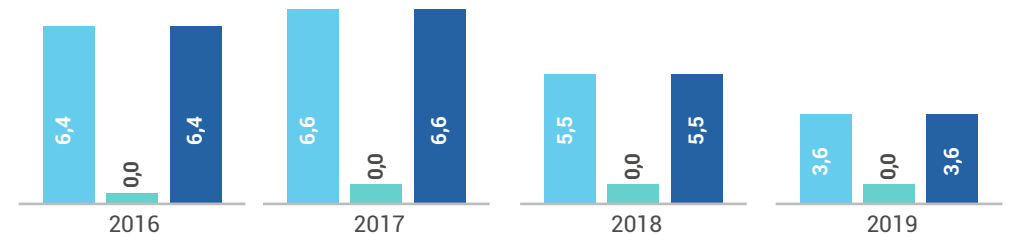
As Turkey's industry leader, we produce cement in high-tech plants to global quality standards. With our excellent understanding of service, we are currently supplying 10% of Turkey's cement and 12.5% of total cement and clinker exports.

In 2019, our three factories produced a total of 6.5 million tons of clinkers and 5.1 million tons of cement. Export sales increased by 111% compared to 2018, reaching 3.6 million tons. Despite a decrease in domestic cement sales of almost 30%, we increased total turnover by approximately 6% by focusing on exports to reach TL 1 billion 826 million. Our company's net profit during this period was TL 75 million.

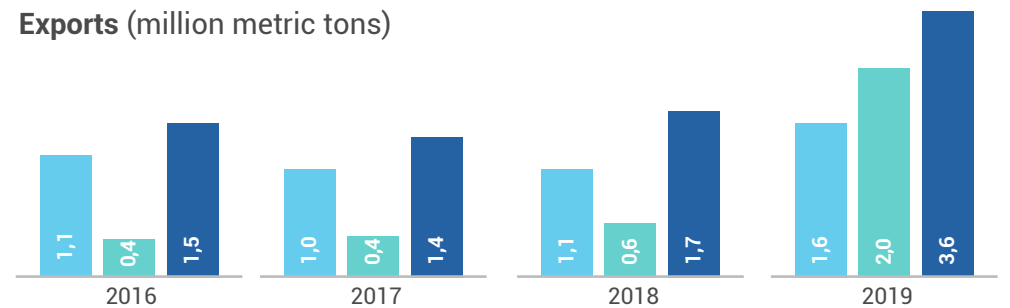
Betonsa, which operates in ready-mixed concrete, made 2.1 million m3 of sales from our 28 plants in the Marmara, Aegean and Black Sea regions by the end of 2019. Agregas, operating out of four plants in Kemerburgaz, Saray, Bursa and Samsun, reached a sales amount of 1.5 million tons in 2019.

Domestic Sales (million metric tons)

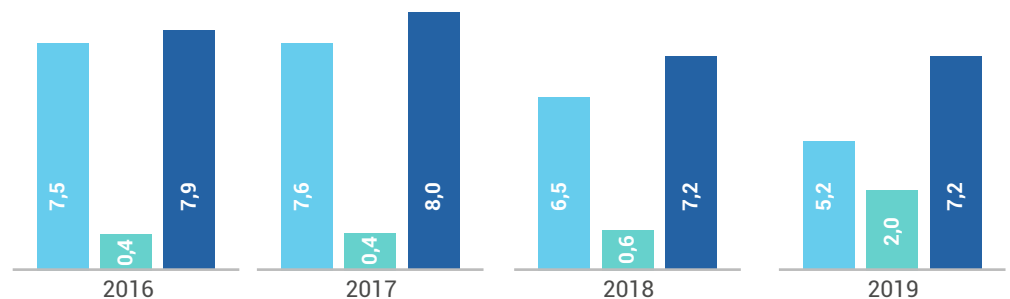
Cement Clinker Total



Exports (million metric tons)



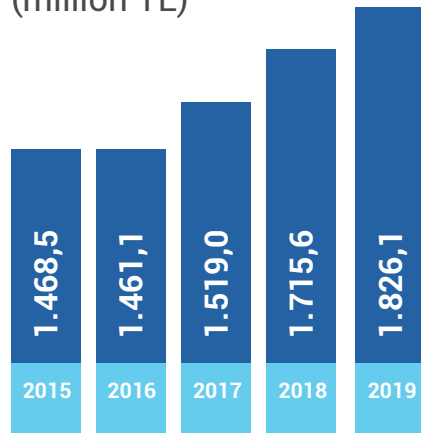
Total Sales (million metric tons)



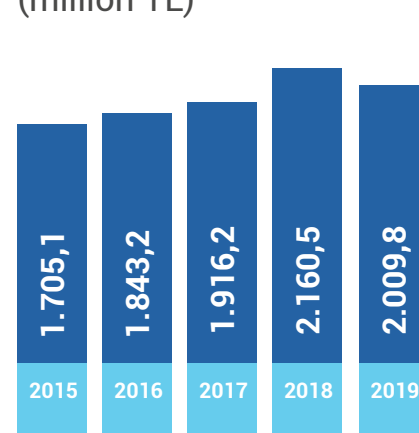


FINANCIAL OPERATIONAL INDICATORS

Net Sales
(million TL)



Total Assets
(million TL)



Sales (million metric tons)	2015	2016	2017	2018	2019
Total Cement- Clinker	7,6	7,9	8,0	7,1	7,2
Cement - Total	6,9	7,5	7,6	6,5	5,2
Domestic	6,2	6,4	6,6	5,5	3,6
Abroad	0,7	1,1	1,0	1,1	1,6
Clinker - Total	0,7	0,4	0,4	0,6	2,0
Domestic	0,0	0,0	0,1	0,0	0,0
Abroad	0,6	0,4	0,3	0,6	2,0
Ready-Mixed Concrete (million m3)	4,4	3,9	3,4	3,0	2,2
(million TL)					
Net Sales	1.468,5	1.461,1	1.519,0	1.715,6	1.826,1
EBITDA	429,8	407,9	308,5	354,3	244,6
EBITDA Margin (%)	29,3	27,9	20,3	20,7	13,4
EBIT	358,8	332,8	225,5	270,1	147,2
EBIT Margin (%)	24,4	22,8	14,8	15,7	8
Profitability					
Net Profit (million TL)	281,1	286,4	148,7	179,8	75
Earnings per Share	1,5	1,5	0,8	0,9	0,3
Dividend Rate per Share (Gross) (%)	134,6	123,9	66,9	79,8	24,2
Net Financial Borrowing (million TL)	91,1	185,1	332,7	289,7	321,6
Shareholders' Equity (million TL)	1.187,2	1.215,0	1.096,9	1.093,7	1.028,9
Total Assets (million TL)	1.705,1	1.843,2	1.916,2	2.160,5	2.009,8



REPORTING PERIOD HIGHLIGHTS

- In 2018, our Büyükçekmece Cement Factory and Gebze Ready Mixed Concrete Plant became Turkey's first cement and concrete plant to earn the CSC Certificate of Responsible Use of Resources according to the rules set by the Concrete Sustainability Council. Audits in both plants resulted in Silver Certificates.
- Kemerburgaz Ready-Mixed Concrete Plant is awarded with the CSC **"Responsible Sourcing Certificate"** in line with the rules set by the Concrete Sustainability Council.
- Akçansa Çanakkale Plant received **'Cement Sector Occupational Health and Safety Performance Award'** as a result of the survey held by Cement Industry Employers' Association (ÇEİS) OHS Committee on the cement production plants in Turkey.
- Within the scope of **"IMSAD Turkey Investing in the Future Awards"** where sustainable best practices

are evaluated, Akçansa received an award in the Social Domain category with its **"Concrete Ideas Project Competition"**.

- At the International Stevie Business Awards, the most prestigious business competition in the world, our blog, **betondafarkindalik.com**, won the Bronze Stevie Award in the Website Category in Europe.
- We received the Silver Stevie Award at the International Stevie Business Awards for our My Neighborhood project in the Category of Corporate Social Responsibility Program of the Year in Europe. We also earned an award at the Academy Awards for Sustainable Development presented by the Corporate Social Responsibility Association in the Qualified Education category, and the Best Corporate Social Responsibility Project Award presented by the JCI Culture Young Leaders and Entrepreneurs Association.

- People-oriented management culture and employee-related investments of Akçansa were rewarded with **"Gold Standard"** by Investors in People (IIP).
- We developed special products for the 1915 Çanakkale Bridge project.
- 12% of the energy we use comes from renewable sources.

In the last three years:

- We have reduced our energy intensity by 22%.
- We have increased biomass use by 73%.
- We have increased the use of alternative fuels by 67%.
- We have reduced our greenhouse gas emissions by 24%.
- We have increased our energy savings by 64%.
- During the reporting period, we renewed all our plants' environmental permits and licenses.

- In 2019, we reused 85% of the water we used in the cement production process.
- Also, in 2019, we sent 100% of our plants' non-hazardous waste to be recycled, 88% of our hazardous waste to energy recovery and 12% to recycling.
- In 2019, we provided 28.6 hours of training per employee, a 3-fold increase compared to 2018.
- We gave each of our employees 20 hours of training in occupational health and safety (OHS).
- To help spread the OHS culture more effectively to subcontractors, we held the Occupational Health and Safety Workshop, which senior management attended for the first time.





GENERAL OVERVIEW OF TURKEY'S CEMENT INDUSTRY



The Turkish cement industry doubled its capacity from 50 million tons to 100 million tons between 2008 and 2017. In 2020, the sector is expected to reach its highest capacity in history. Consumption per person fell from 927 kg in 2017 to 575 kg as of 2019. Demand is predicted to remain at these levels for the next five years.

A 21.5% decrease was experienced in cement production in Turkey in 2019 compared with the previous year. The sector once again turned to exports to overcome the shrinking domestic market, exporting about 19.4% of the cement produced. According to Turkish Cement Manufacturers' Association data, domestic sales decreased 29.4% in 2019 compared to the previous year, but cement exports increased by 48%. Along with this, domestic and foreign gray cement dollar prices have decreased by more than 50% over the last five

years, with domestic cement prices differentiating negatively from export prices due to increased capacity, the fragmented structure of the market and increased demand.

According to TÜİK data, Ivory Coast was the country that showed the most significant increase in cement and clinker exports in January-December 2019. In the same period, we exported to countries such as the United States, Ghana, Israel, Guinea, Syria and Colombia. Examining the building licenses issued by municipalities shows the number of building construction decreased by 48.3% in 2019 compared to the previous year, while surface areas decreased by 52.4%, value decreased by 43.8%, and the number of apartments decreased by 53.9%. Occupancy permits issued by municipalities, on the other hand, show the number of building construction decreased by 26.6%, and

surface areas decreased by 14.5%. However, the value increased by 0.2% in 2019 compared to the previous year. House sales reached 1,348,729 in 2019, a decline of 1.9% compared to last year.

Global cement consumption volume is expected to reach 4.42 billion tons in 2021. Factors such as increasing construction, accelerating urbanization and rising annual spendable household incomes are predicted to lead to growth in the cement industry. However, it is worth noting that the reduction of fossil resource reserves, which make up much of the energy used in production, could be an obstacle to growth. Global trends include expansion of the civil engineering sector around the world, increased demand for green cement and increased infrastructure projects in developing regions.



STRONG GOVERNANCE



STRONG GOVERNANCE

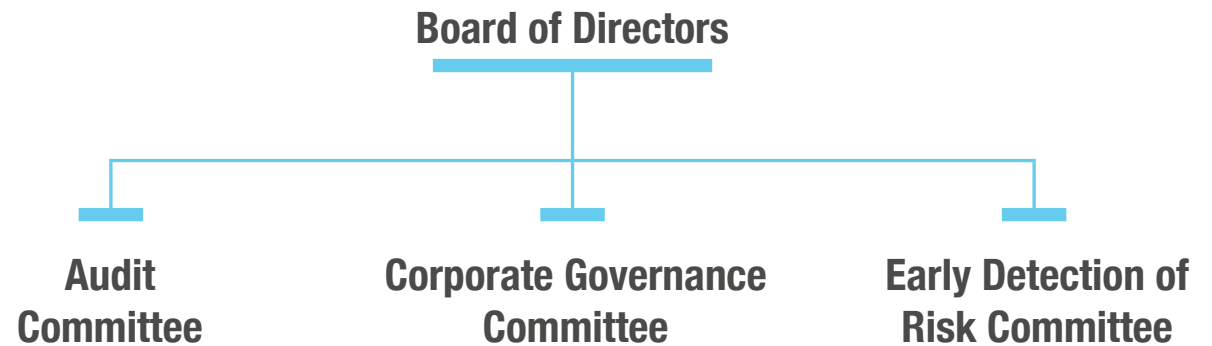
Governance is one of the most important components of sustainability. We care about being a company with a strong governance structure that is trusted by all our stakeholders, especially our shareholders. Environmental risks are part of the building materials sector, especially for cement companies. We are committed to a responsible, transparent, accountable and fair corporate governance understanding to manage these risks in the most effective way, and to sustain the value we create with our activities.

Elected by the General Assembly, the

Akçansa Board of Directors is made up of a total of six members: two are independent, none are executives and one is a woman. All but one of the members of the Board of Directors are local members. The Chairman of the Board of Directors and the CEO are different persons. The CEO of Akçansa is responsible for the company's performance and chairs the Executive Board of senior managers representing various areas of expertise. The Audit Committee, the Corporate Governance Committee and the Early Detection of Risk Committee function under the Board of Directors.

Committees under the Board of Directors

Committees under the Board of Directors



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Our understanding of corporate governance contributes to the Sustainable Development Goals of Peace, Justice and Strong Institutions (16).



Business Ethics

Business ethics is one of the most fundamental and important elements of our business. We are careful about business ethics in all our operations and consider our Code of Business Ethics which includes corporate principles, ethical values and standards. These rules ensure that all Akçansa employees perform their duties in a timely and thorough manner in accordance with legal obligations, company regulations and contracts, in addition to acting as a guide to help them avoid any behavior that would harm the company. The Code of Business Ethics concerns all of our operations and business processes, and binds all employees, including Board members. We also expect all suppliers, subcontractors, dealers and business partners to adhere to these principles. In addition to the Code of Business Ethics, the Supplier Code of Business Ethics also includes rules that suppliers must follow in their business dealings.

The Code of Business Ethics and the Supplier Code of Business Ethics can be found [here](#).

The Akçansa Code of Business Ethics is presented to every new employee, and every year, digital training of the Sabancı Code of Business Ethics (SA-ETHICS) based on Sabancı Group values and working principles are provided to our employees to maintain business ethics awareness. In 2019, a total of 360 employees participated in this training at a participation rate of 100%. The Code of Business Ethics includes preventing unfair competition. In this context, we also give competition training to employees. In 2019, a total of 15 employees received eight hours of training per person. All employees and stakeholders may communicate any notices of suspicion of non-compliance with the Code of Business Ethics to the Human Resources Department, the Ethics Policy Advisor, the Sabancı Holding Ethics Committee or the Heidelberg Cement Ethics Hotline by telephone or e-mail in accordance with our privacy policy. Notices in this regard can be made to etik@akcansa.com.tr or etik@sabanci.com via e-mail, by filling out the required information at <https://www.speakupfeedback>.

[eu/web/heidelbergcement/tr](https://www.heidelbergcement.com.tr) or by telephone at 0216 571 31 00 and 00800 448824369. All complaints and notices are evaluated confidentially. In 2018 and 2019, a total of eight notifications made through these channels were reviewed by the Internal Audit department, related reports were shared with senior authorities within the company, and the actions necessary were taken to prevent a repeat of the cases

Fighting Corruption and Bribery

Fighting Corruption and Bribery Efforts to combat corruption and bribery help us do our job reliably and protect our reputation. In 2019, we provided a total of 350 person/hours of training on the Fight Against Corruption and Bribery. The internal audit team evaluates operations in terms of ethical and corruption risks as part of their annual audit plans.

The Anti-Bribery and Anti-Corruption Policy can be found [here](#).

Situations contrary to the policy can be forwarded via the Ethical Line to the Ethics Representative of Akçansa Çimento A.Ş. and the Ethics Committee of Sabancı Holding and the necessary sanctions are applied if inappropriate behavior is detected. In addition, we offer our employees HeidelbergCement's Prevention of Corruption training in English in an e-learning format.

Risk Management and Internal Audit

Akçansa aims to manage all possible risks in the most effective way. We assess our risks based on many developments, from slow growth in the sector to changing competitive conditions in the market. To manage our risks, we use the risk management model based on the risk management procedures and mechanisms implemented by Sabancı Holding and HeidelbergCement Group companies. With this model, we aim to manage environmental, social, economic and governance risks holistically, and we develop preventive approaches. We also do sensitivity analyses on foreign

currency positions, budget realization scenarios and fuel prices (petcoke).

We aim to manage environmental, social, economic and governance risks holistically, and we develop preventive approaches.



The Early Detection of Risk Committee was formed by the Board of Directors for the purpose of detecting any risk that could jeopardize the existence, development and continuity of Akçansa, and the early implementation of any measures and remedies necessary to manage these risks. The Committee regularly convenes at least six times a year, invites any managers it considers necessary to its meetings to get their view on the risks, and supervises the performance of risk management practices in accordance with committee decisions, presenting its assessments and recommendations on these issues in writing to the Board of Directors. In these tasks, the Committee is supported by the company's Risk, Insurance and Compliance Manager and his regularly prepared reports.

The Corporate Risk Management (CRM) system is coordinated by the Directorate of Risk, Insurance and Compliance, in parallel with the risk management practices and procedures of the main partners Hacı Ömer Sabancı Holding A.Ş. and HeidelbergCement Group companies, and in accordance with international risk management standards. For effective risk management, we

regularly meet with people with different functions and tasks to identify risks. In these meetings, we identify risks and assess their impact and probabilities. We design controls to prevent risks from occurring or to mitigate their impact when they occur, and assess the level of control efficiency these activities have, so they are well implemented to prevent the risk. Taking these controls into consideration, we prepare the risk action plans necessary based on the risk levels determined. We set key risk indicators and monitor changes in risks. All these studies result in a corporate risk inventory and risk map, which we report to the Early Detection of Risk Committee and the Board of Directors.

The Akçansa Internal Audit Department periodically conducts programmed and thematic audits in accordance with the standards of the International Institute of Internal Auditing. Based on its findings, it offers management recommendations for viable and reasonable improvement. We use the SAP system to prevent systems from being affected by any extraordinary situation or data loss. We support decision-making processes by following operation results instantaneously and by offering measuring and processing

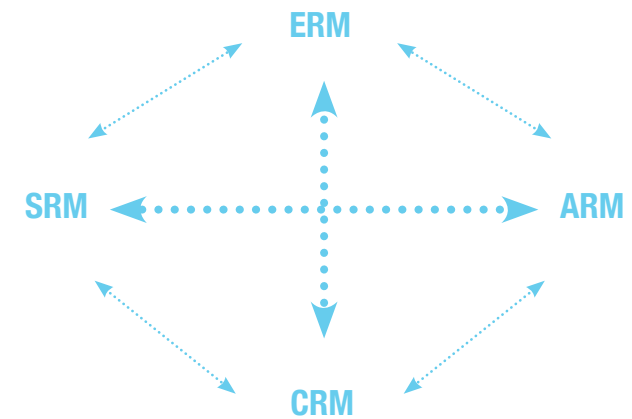
opportunities. With the SAP, we reduce human errors and increase the effectiveness of the internal control system. We also focus on investments such as the company backup system.

We used a holistic perspective to combine the CRM system with asset risk management and credit-receivables risks, as well as an understanding of top-down management of strategic risks.

CRM covers:

- Using a holistic perspective to identify and communicate risks,
- Asset risk management through inspections and risk improvement efforts to increase resilience against both large-scale and low-probability risks in our operations,
- Measuring customer credit risks through credit risk management, a reliable customer rating mechanism and mitigation plans.
- Strategic risk management, on the other hand, covers the high-level management of risks that can become major concerns in the end.

Holistic perspective of ERM combined with traditional yet agile risk management of credit, assets, commercial counterparties and strategy within a top-down & bottom-up context



Enterprise Risk Management

Holistic risk view and risk communication

Asset Risk Management

Resilience in operations against large scale low probability risks and response to risk engineering surveys to improve risks

Credit Risk Management

Quantifying customer credit risk exposure accoupled with a solid customer rating mechanism and mitigation plans

Strategic Risk Management

Risks managed at top level that are currently not material, but could develop into major concerns in the long-term

SUSTAINABILITY MANAGEMENT





INABILITY MANAGEMENT

In line with Akçansa's understanding of sustainability and the life cycle of cement, we are integrating sustainability into all our business processes, from raw material production to after-sales relations. Our aim is to make sustainable business models an integral part of our corporate culture to ensure the continuity of our business in the future.

In 2010, we evaluated the 2020 Sustainability Targets covering all of HeidelbergCement's subsidiaries, together with local conjuncture and stakeholder expectations, and set the Akçansa 2020 Sustainability Targets. In 2020, we will publish the 2030 Sustainability Targets and continue to be guided by these targets in our work.

After an evaluation of changing global trends, risk management and stakeholder expectations, in 2019 we restructured the sustainability organization we had established in 2010 to be more in line with Akçansa's 2030 Sustainability Targets. This new structure will be the locomotive for our company's sustainable growth, allowing us to

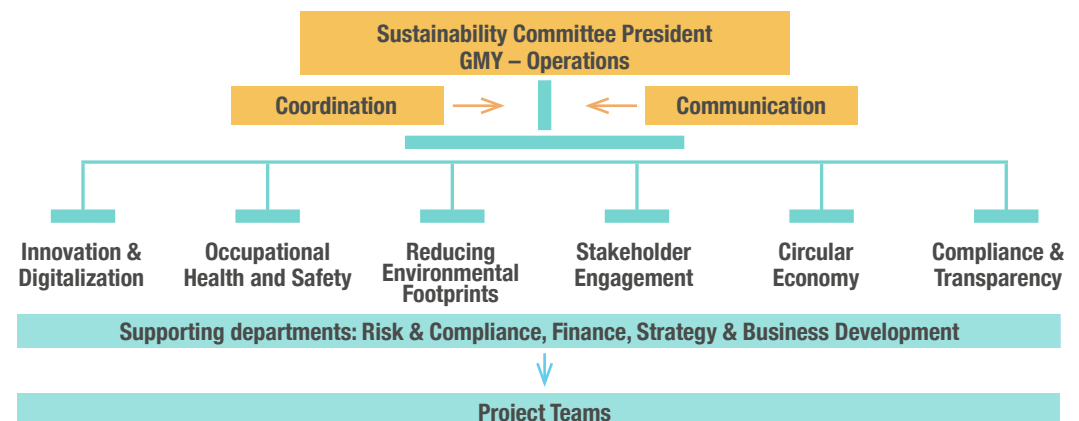
manage sustainability more effectively, from targets to all business processes. In order of authority, the Board of Directors, the Sustainability Steering Committee and the Sustainability Committee manage decision-making in the field of sustainability, respectively. While bottom-up decision-making is dominant in this structure, top-down participation, sharing and implementation are spread throughout the company. Thus, we directly include all employees, from the Board of Directors to field workers, in our sustainability targets and practices. The Sustainability Committee is at the heart of sustainability management, and is made up of the managers of the relevant departments. The Committee is responsible for setting sustainability targets, establishing field project groups, and developing and implementing projects to achieve these targets. It convenes quarterly and reviews ongoing projects and key performance indicators (KPI). The Sustainability Committee is chaired by the President of the Executive Committee and the Deputy General Manager for Operations, who is also a member of the Sustainability Steering

Akçansa Sustainability Organization

Organization	Purpose	Frequency/Meeting	Members
Board	Defines the Vision & Strategy	Once a year Review of sustainability KPI's at least in one board meeting	Board of Directors
Sustainability Steering Committee	Reviews and approves <ul style="list-style-type: none"> • Targets • Projects • Investments 	Twice a year President of Sustainability Working Com. shares important issues in excom presentations	Executive Committee
Sustainability Committee	<ul style="list-style-type: none"> • Sustainability targets setting • Establishes Project groups/task forces • Project development & implementation to reach targets • Regular follow-up & Reporting of KPI's 	Every 4 months Review of KPI's, Ongoing projects	Heads of 6 Pillars

Decision Making Process

Info flow and Involvement





Committee. This renewed structure has six main departments: Innovation and Digitalization, Occupational Health and Safety, Reducing Environmental Footprints, Circular Economy, Good Neighbor Relations, and Transparency and Compliance.

The Sustainability Steering Committee, chaired by the CEO, regularly tracks sustainability targets while managing the decision and approval mechanisms for the targets, projects and investments. The Akçansa Board of Directors, on the other hand, defines sustainability vision and strategy, and the CEO informs it about sustainability targets status at least once a year.

As the first company in the cement industry to publish a sustainability report in 2011, we continue to pioneer applications in sustainability in the sector. As a signatory of the UN Global Compact (UNGC), and Women Empowerment Principles (WEPs), we participate in global initiatives. Furthermore, we have transparently shared the greenhouse gas emissions and water consumption resulting from our operations regularly with our stakeholders through the Carbon Disclosure Project (CDP) since 2011 and

the Water Program since 2015.

Material Issues

We conducted a comprehensive and participatory stakeholder analysis to identify the material issues Akçansa should focus on in the field of sustainability.

When identifying the priorities of stakeholders:

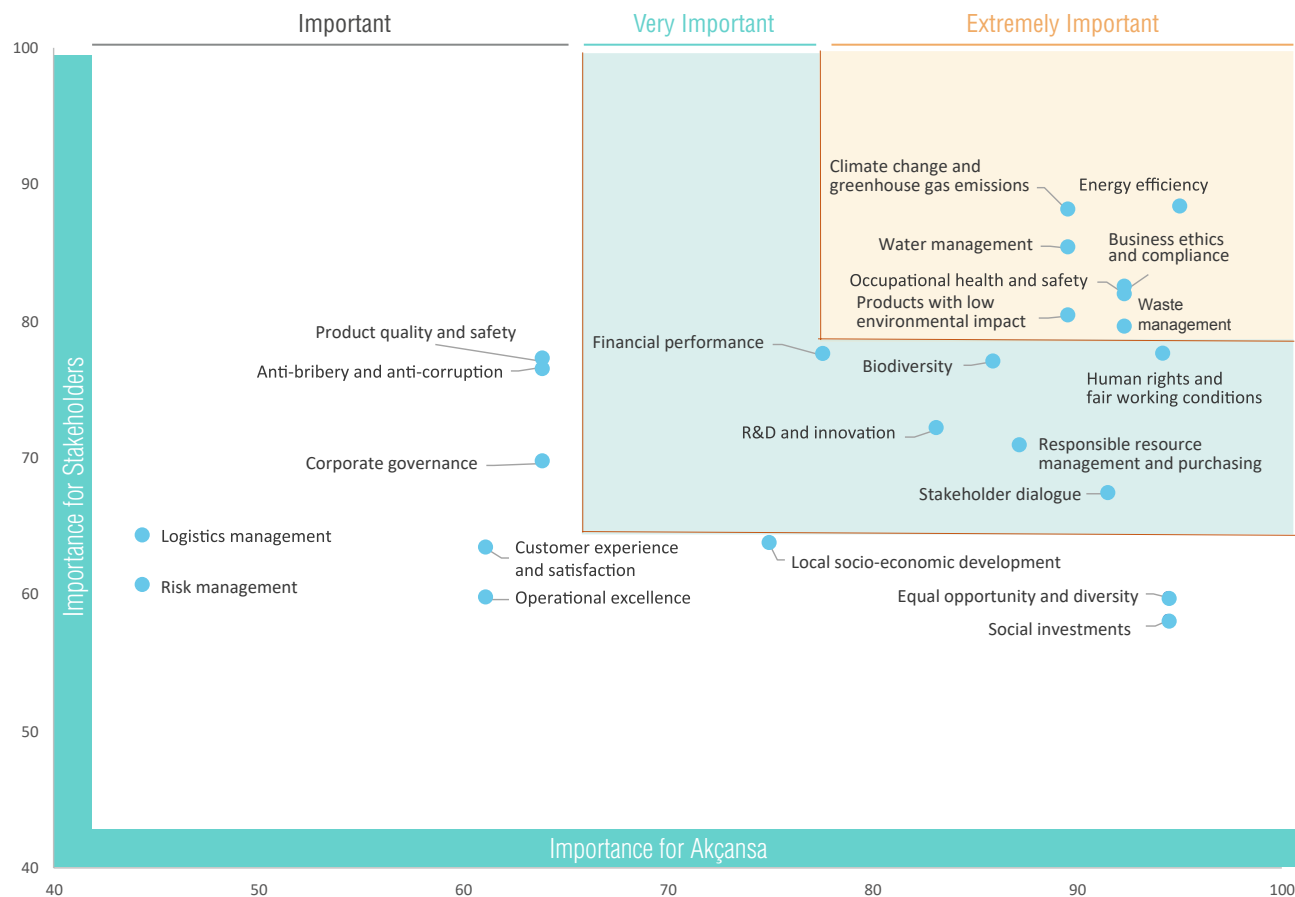
- We reached out to internal employee stakeholders and representatives of our strategic external stakeholders, investors, customers, suppliers and non-governmental organizations (NGOs) with an online questionnaire.
- We analyzed trends around the world and in Turkey. In this context, we analyzed the World Economic Forum's predictions of global risks, the sector specific priority issues prepared by the Sustainability Accounting Standards Board (SASB), the Sustainable Development Goals and the 11th Development Plan to evaluate the issues that guide global and local agendas.

We analyzed the prominent priorities of stakeholders in line with Akçansa's strategic business priorities. While analyzing Akçansa business priorities:

- We received feedback from senior managers via an online questionnaire.
- We evaluated the issues Akçansa should/is expected to focus on based on the 2030 Sustainability Targets it will announce in 2020.

The results of this analysis were separated into important, very important, and extremely important material issues. The analysis outputs played an important role in finalizing the 2030 Sustainability Targets and road map based on this line.





Extremely Important

- Energy efficiency
- Climate change and greenhouse gas emissions
- Water management
- Occupational health and safety
- Business ethics and compliance
- Products with low environmental impact
- Waste management

Very Important

- Human rights and fair working conditions
- Biodiversity
- Responsible resource management and purchasing
- Financial performance
- R&D and innovation
- Stakeholder dialogue

Important

- Anti-bribery and anti-corruption
- Product quality and safety
- Local socio-economic development
- Corporate governance
- Multi-stakeholder initiatives and collaboration
- Customer experience and satisfaction
- Operational excellence
- Logistics management
- Risk management
- Employee satisfaction and engagement
- Data privacy and cyber security
- Talent management



Importance Level	Material Issue	Related Section	Related SDG
Extremely Important	Energy efficiency	Environmental Impact	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	Climate change and greenhouse gas emissions	Environmental Impact	13 CLIMATE ACTION
	Water management	Environmental Impact	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Occupational health and safety	Employees	8 DECENT WORK AND ECONOMIC GROWTH
	Business ethics and compliance	Strong Governance	16 PEACE AND JUSTICE, STRONG INSTITUTIONS
	Products with low environmental impact	Sustainable Value Chain	9 INDUSTRY INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	Waste management	Environmental Impact	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Very Important	Human rights and fair working conditions	Employees	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
	Biodiversity	Environmental Impact	15 LIFE ON LAND
	Responsible resource management and purchasing	Sustainable Value Chain	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Financial performance	About Akçansa	8 DECENT WORK AND ECONOMIC GROWTH
	R&D and innovation	Sustainable Value Chain	9 INDUSTRY INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
	Stakeholder dialogue	Sustainability Management	17 PARTNERSHIPS FOR THE GOALS



STAKEHOLDER RELATIONS

We have a participatory management approach that prioritizes stakeholder dialogue in decision-making processes. In the ecosystem in which we operate, we interact with different stakeholder groups and make sure to establish effective communications with them. We decide on the type and frequency of communication tools needed to respond to stakeholders' expectations and needs, taking into account the nature of each group.

By Impact	Stakeholder Group	Application Type and Frequency
Direct economic impact	Employees	Surveys and research (at various intervals); training activities, SA-ETHICS Principles, Akçansa Code of Business Ethics, corporate portal, announcements and postings (continuous), Suggestion and Reward System (instant), OHS committees, function-based meetings (once a month), working groups and committees (at least six times a year), Performance Management and Career Development meetings, social events (at least twice a year), management meetings, communication meetings, Family Day, annual report, Environment Day (once a year), sustainability report, Working Life Evaluation Survey (biennially), We're Listening To You (periodic), social media, Facebook, LinkedIn, Instagram notifications
	Shareholders and investors	General Assembly meetings, investor presentations, one-on-one meetings (by request), annual report (once a year), Board meetings, financial performance reports (four times a year) sustainability report (biennially), special circumstances disclosures (as needed), Carbon Disclosure Project Climate Change and Water Management programs (Carbon Disclosure Project – CDP) (every year)
	Dealers	One-on-one meetings (by request), foreign dealer meetings, domestic dealer meetings, annual report (once a year), sustainability report (biennially), social media, Facebook, LinkedIn, Instagram notifications
	Suppliers	One-on-one meetings (by request), OHS committees (once a month), annual report (once a year), sustainability report (biennially), Supplier Code of Ethics (continuous) Akçansa Harcı Magazine, business ethics information meetings (twice a year)
	Customers	Cement Day (once a year), Neighborhood Council (annually)
	Local governments	Meetings and discussions, support for infrastructure investments, festival and social event sponsorships (by request), annual report (once a year), Neighborhood Council (annually), sustainability report (biennially)
Indirect economic impact	Non-governmental organizations	Memberships (permanent), work groups, committees and Board memberships (periodic) joint projects and initiatives, meetings and discussions (by request) annual report (once a year), sustainability report (biennially)
	Neighboring organizations (Other industrial establishments near factories)	Meetings and discussions (by request) informative reports (at various intervals), public audits (various intervals/instantaneous), annual report (once a year) Neighborhood Council, sustainability report (biennially)
	Product end users	Product labels, marketing communication studies (continuous), fair participation, product information training (several times a year), annual report (once a year), sustainability report (biennially)
	Employee families	Informative studies (continuous), Akçansa Harcı Magazine (three times a year), social events (at least twice a year), Environment Day (once a year)
	Local community	Grievance system, community projects, donations and sponsorships (by request), informative meetings (as needed), annual report (once a year), sustainability report (biennially), Neighborhood Council (annually)
	Media	Interviews and conversations, Neighborhood Council (annually), meetings and discussions (by request), press releases, special circumstances disclosures (as needed), annual reports (once a year), sustainability report (biennially)
Those bringing new opportunities, knowledge and understanding	Universities	Academic congresses and seminar participation (continuous), R&D project partnerships, sponsorship and support, support for academic research and publications, meetings and discussions (by request), annual report (once a year), the Concrete Ideas Project Competition (once a year), sustainability report (biennially), scholarship and internship opportunities
	Opinion leaders	Meetings and discussions (by request), annual reports (once a year), sustainability report (biennially)

* Other industrial establishments near



ENVIRONMENTAL MANAGEMENT



ENVIRONMENTAL MANAGEMENT

According to the World Economic Forum's (WEF) Global Risks Report, of the top ten risks most likely to happen, the top five are environmental risks. When assessed for their effects, three of the risks in the top five are climate action failure, biodiversity loss and extreme weather events. The cement and ready-mixed concrete industry we operate in is dependent on natural resources and raw materials; therefore energy consumption and greenhouse gas emissions are two of the sector's main effects. We strategically evaluate our environmental impact based on the global agenda and the views of our stakeholders. Based on this, energy efficiency, climate change, greenhouse gas emissions, water management, low environmental impact products and waste management take place among our very high priority issues while biodiversity, responsible resource management and purchasing, on the other hand, are

among our high priority issues.

By focusing on the environmental impacts of our business, we are taking action on the main issues of the climate crisis and energy, biodiversity, and waste and water management.

Managing environmental risks is an important way to respond to the effects of environmental problems. Within the framework of the ISO 14001:2015 Environmental Management System, we have taken all the necessary measures for environmental health and safety as well as comprehensive action for environmental management. Our three factories, ready-mixed concrete and aggregate plants, and our Ambarlı port and terminal are regularly subjected to external audits in accordance with ISO 14001. The experts of HeidelbergCement, a partner in our selected factories

and plants, carry out high standard environmental audits every year. We see all these external audits as opportunities for improving our factories and plants to manage our environmental impact at a much higher performance, and we are swift to fill any identified deficiencies.

We group environmental risks as Air Emission Values, Continuous Emission Monitoring and Environmental Complaints, and the Environmental Management Unit monitors all of them regularly with indicators and evaluates them in weekly and monthly meetings.

Detailed information on climate change, environmental health and safety risks can be found in the [Strong Governance](#) section.



Ensure sustainable consumption and production



Take urgent action to combat climate change and its impacts



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss

All three of our factories have ISO 140001 Environmental Management System and ISO 50001 Energy Management System certificates. Between 2018 and 2019, we invested 17 million TL in environmental measures, and we have received no environmental punishments in the last three years.

We contribute to the Responsible Consumption and Production (12), Climate Action (13) and Life on Land (15) Sustainable Development Goals through our work to reduce and effectively manage our environmental impact.

³ Global Risks Report, WEF, 2020



Climate Change and Energy Management

The climate crisis poses risks to business world operations, and it can have a devastating impact on economies. With effects such as extreme weather events, reductions in natural resources and biodiversity, the climate crisis is predicted to cause approximately US \$8 billion in losses by 2050. This loss, equivalent to 3% of worldwide GDP, will be most felt in the world's poorest regions. The cement industry is responsible for close to 7% of annual global greenhouse gas emissions. Therefore, a responsible production approach is critical to contributing to the Paris Agreement's target of keeping global temperature increases below 2°C.

Cement manufacturing processes require intense energy. The high amount of energy and electric consumption derived from fossil fuels causes a significant increase in greenhouse gas emissions. Therefore, energy efficiency and the use of alternative fuels instead of fossil fuels are two of the leading methods for reducing greenhouse gas emissions,

which are the main effects of the cement industry.

We have been increasing the use of alternative fuel in our factories every year. At the same time, we have been a solution partner in the waste problem by converting waste into fuel in the regions in which we operate. We are converting to alternative and renewable energy sources to manage our greenhouse gas-induced environmental impact. 12% of the electrical energy we use now comes from renewable sources, including wind and waste heat. In 2019, 93% of the renewable energy sources we used came from waste heat and 7% came from wind. The 2.5 MWh capacity wind turbine at our Çanakkale coastal plant met approximately 2% of the plant's electricity needs in 2019, and prevented the release of 4,500 tons of greenhouse gases. In the main area of the Çanakkale plant, 22% of total electricity needs were met with a 15 MWh capacity waste heat recovery system, preventing the release of 55,000 tons of greenhouse gases. Betonsa, on the other hand, worked on their infrastructure systems to make more use of daylight, resulting in a 3% increase in energy efficiency.

We calculate and reduce Scope 1 and Scope 2 emissions from our operations in accordance with the Energy and Carbon Dioxide Inventory Protocol – which has become an industry standard – prepared by the WBCSD Cement Sustainability Initiative (CSI).

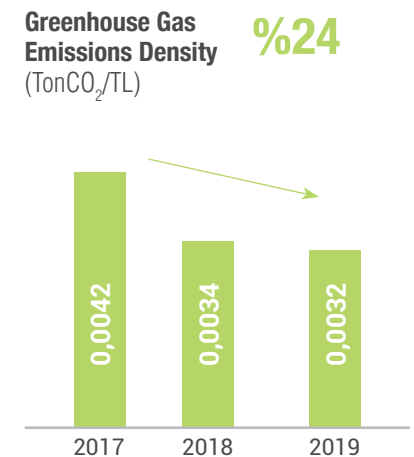
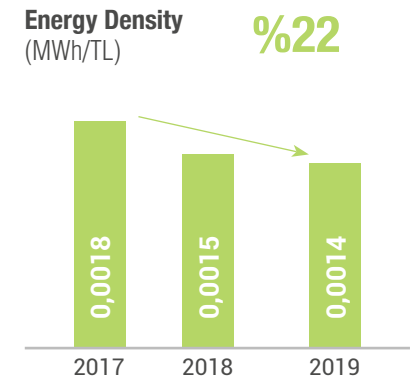
The amount of energy we spend per unit turnover in our cement operations (including Scopes 1 and 2) has decreased by 22% since 2017. With our energy-saving practices, we reduce our carbon footprint and save financially. We saved 3,298 MWh and over TL 1.4 million financially in 2019 by switching to energy efficient equipment and optimizing and improving factory logistics. In the last three years, our energy savings have increased by 64%. We have increased biomass use by 73% and alternative fuel use by 67%.

As of 2019, our energy savings in the last three years have increased by 64%.

We have reduced greenhouse gas emissions per unit turnover (including Scopes 1 and 2) by 24% in the last three years. In addition, by showing improvement in the CDP Climate Change Program we are involved in, we improved our score from D in 2018 to B in 2019, above the average of all sectors in the world.

We have reduced greenhouse gas emissions per unit turnover by 24% in the last three years.

We want to be ready for the carbon pricing system expected to be established in our country today. We closely follow the PMR (Partnership for Carbon Market Readiness) project carried out by the Turkish Ministry of Environment and Urbanization with the support of the World Bank, communicate continuously with organizations in the sector and the Ministry, express our opinions and recommendations regarding simulations enacted and legislative drafts developed as part of the project.



⁴ Global economy will be 3 percent smaller by 2050 due to lack of climate resilience. *The Economist*, 2019

⁵ Technology Roadmap – Low Carbon Transition in the Cement Industry. IEA, 2018

⁶ Bigger Climate Action Emerging in Cement Industry. UNCC, 2017



Air Emissions

Air pollutants such as combustion gases (nitrogen oxides (NO_x), sulfur oxides (SO_x), carbon monoxide (CO), organic compounds, metals, hydrogen fluoride (HF), hydrogen chloride (HCl), dioxin and furan – which are released during the cement production process – are among the main elements of air pollution. Thanks to the CEMS – Continuous Emission Measurement System – dust and combustion gases in all the main flues in the factories are measured instantaneously 24/7, and tracked by the Turkish Ministry of Environment and Urbanization and the Provincial Directorates of Environment and Urbanization. In addition, filters and dust and gas leaks in the main flues are regularly checked annually through measurements made by accredited organizations according to all legal requirements. We report the waste burning measurements to the Ministry in quarterly periods. Other pollutant emissions are recorded and reported to the Ministry and Provincial Environment Directorates with measuring devices in flues that can be monitored instantly. Selective Non-Catalytic Reduction (SNCR) systems installed in all our

factories reduce NO_x gases from combustion processes. This reduces the release of ammonia and NO_x into the atmosphere, which react with combustion gases.

In our furnaces, combustion efficiency is kept at the highest level in a carefully optimized production environment, preventing the formation of other pollutants. No limit was exceeded in any of our factories during the reporting period.

All air emissions permits and waste incineration licenses have been renewed in all our factories.

Dust Emissions

Dust is the main type of emission stemming from the raw materials and production processes of the cement industry and to reduce them, we have started to use one of the best techniques available: bagged filtration systems. Furthermore, in addition to our CEMS monitored flues within our factories, we are also implementing improvements on non-flue sources.

In 2019, we continued to renew and improve the coatings in the areas (closed stock halls), belt conveyors and roofs where we store materials in our Büyükçekmece factory. We started our filter improvement investments in the Çanakkale factory clinker stock halls. We invested TL 2,877,328 in 2019 as part of efforts to reduce dust emissions.

In 2019, we broke new ground in Turkey in our Büyükçekmece factory by starting to use an air quality measuring system that works with a new generation of sensors that monitor dust emissions 24/7 and take the actions necessary according to the data.

Water Management

The gradual reduction of water resources is an important risk to our business processes and to life around the world. Water is an important component of cement production, and we take care to use it responsibly. Cooling, dedusting, washing, irrigation and domestic use make up our areas of need. We protect water resources by reducing water consumption and by recycling the water we use. By establishing closed

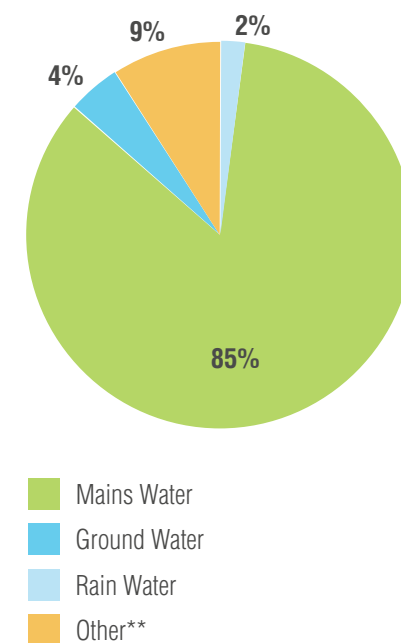
cycle systems in the cooling process, we provide the highest rate of recovery. We recycle and re-use water used in aggregate production dedusting and washing.

In 2019, we recycled 85% of the water we used, and re-used it as cooling water. Our amount of wastewater has decreased by 12% in the last three years.

We recycled 85% of the water we used in 2019.

We established filter press units in 32% of our ready-mixed concrete plants. With recycling pools in all the plants, we increased treated water usage rates in total water consumption by 7%. Recycled water used in production increased by 16 liters for the production of 1m³ concrete, thereby ensuring that the quality of the discharged water does not harm the environment and optimizing water usage. Our subsidiary, Karçimsa, on the other hand, used 99% recycled water in their ready-mixed concrete production.

Water Usage by Source (m³)



**Purchased water for irrigation and cooling



Waste Management

Population growth and the ever-increasing amounts of waste resulting from production and consumption trends negatively affect natural life, especially marine life. Traditional disposal methods, such as storage and incineration, cause greenhouse gas emissions and contaminate groundwater. We are taking a circular economic approach to reduce the environmental impact of our operations' waste and to take advantage of waste's economic potential.

We evaluate our products' lifecycles and pay the utmost attention to the responsible use of all kinds of resources in production. We prioritize energy recovery and the recycling of all waste from our factories. In 2019, we re-used 88% of our hazardous waste for energy purposes and recycled the other 12%. We deliver all non-hazardous waste to licensed recycling companies. In 2018, these companies recycled 66% of our non-hazardous waste and this rate increased to 100% in 2019. We have started a Zero Waste adaptation program to separate non-hazardous waste at the source in office and campus buildings and to improve waste management.

In 2019, we recycled 100% of non-hazardous waste, while we re-used 88% of our hazardous waste for energy purposes, recycling the other 12%.

Recycling of Non-Hazardous Wastes



By using our resources responsibly, we incorporate waste into the economy as alternative fuel and alternative raw material. We used 177,534 tons of waste

in 2018 and 194,659 tons in 2019 as alternative fuel (dried treatment sludge, cropped rubber, and waste-derived fuel). We also used 112,130 tons of waste in 2018 and 107,062 tons in 2019 as alternative raw materials (grid, marble fracture, molding sand, concrete waste). Thus, while eliminating the environmental impact of more than 591,000 tons of waste, we also reduced costs and contributed to the economy.

During the reporting period, we eliminated the environmental impact of more than 591,000 tons of waste and incorporated it into our economy.

Istanbul has a population exceeding 15 million people, and in cooperation with İSKİ (Istanbul Water and Sewerage

As partners in the solution to Istanbul's waste problem, in the last five years, we have used 1,000,000 tons of Istanbul's waste as alternative sources of fuel and raw materials.

We are increasing the variety and quantity of waste used as alternative sources in our fuel portfolio. We have reached 14% on a calorific basis in our annual use of alternative fuel.

We have started a program to evaluate waste oil in our Büyükçekmece factory. We increased the alternative fuel use rate in our Ladik Factory to 26% in 2019. We aim to achieve a 30% rate of use in alternative fuels and 15% in biomass by 2030.

We aim to achieve a 30% rate of use in alternative fuels and 15% in biomass by 2030.

In 2018, our company's Gebze Ready-Mixed Concrete Plant became the

first to obtain the globally accepted "Responsible Use of Resources Sustainability Certificate" given to cement, concrete and aggregate producers in accordance with the rules set by the International Concrete Sustainability Council. In the same year, our Büyükçekmece factory was the first cement factory in Turkey to receive the "Responsible Use of Resources Sustainability Certificate".

Our Kemerburgaz Ready-Mixed Concrete Plant was awarded the golden level of "Responsible Use of Resources Sustainability Certificate" in 2019, once again breaking new ground in Turkey.



Protecting Biodiversity

Biodiversity is declining at a rate never seen in the history of the world; 75% of terrestrial life and 66% of marine life are undergoing serious changes due to human activity. This change, which results from habitat loss and ultimately leads to a reduction in biodiversity, is one of the critical environmental risks the world is facing. In the cement industry, the change in land use during raw material extraction has a major effect on biodiversity.

We see reducing the impact of our activities on ecosystems as our core responsibility. We carry out an Environmental Impact Assessment (EIA) assessing environmental and social risks before starting any work at mine sites. Production site operations begin only after the relevant public institutions have given their approval, and we prepare a plan to use the land with the

lowest environmental impact during the course of operations, followed by a scheduled rehabilitation plan including improvement criteria.

We are developing innovative applications based on stakeholder engagement. Since 2013, we have organized the Biodiversity Project Competition to protect plant and animal diversity in mine sites and to make them ecologically healthy by restoring damaged land. Students, graduates, academics and researchers of all ages can participate in the competition, which is a first in Turkey, and it encourages the development of new ideas based on science. In 2018, the third time we organized this competition, a project group consisting of secondary and high school students from İzmir Çakabey College was selected by the International Jury from hundreds of projects in the "Student Category" to win first place with its "Vertical Planting Project in Mines."

We will organize the fourth competition in 2021.

We are also working on mine site forestation. By the end of 2019, we had completed the land rehabilitation of mine sites whose production had ceased with locally suitable trees on a total area of 25.2 hectares. At the same time, on November 11, 2019, we held a tree-planting event at our Ladik Factory attended by our employees and their families in support of forestation work throughout Turkey.



THE
QUARRY LIFE AWARD

SUSTAINABLE VALUE CHAIN

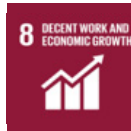




SUSTAINABLE VALUE CHAIN

As a prominent representative of the cement industry with a wide value chain in Turkey, we believe that the spread of sustainability understanding, from reducing environmental impacts to creating social benefits, to all tiers of the value chain has a wide, comprehensive and positive effect. We aim to support the transformation of the industry by spreading our sustainability approach and practices for protecting our ecosystem.

We invest in R&D and innovation to transform our business model, and carry out innovative projects to develop products that will make our global success sustainable and increase customer satisfaction. Among the Sustainable Development Goals, we support Decent Work and Economic Growth (8), Industry, Innovation and Infrastructure (9), Responsible Consumption and Production (12) and Partnerships for the Goals (17).



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Ensure sustainable consumption and production patterns



Strengthen the means of implementation and revitalize the global partnership for sustainable development



R&D and Innovation

As Akçansa, we see R&D and innovation as a fundamental tools to protect our competitive power and contribute to the country's economy. R&D and innovation investments set Akçansa apart in many different areas, such as implementing applications that create a competitive advantage in the sector, supporting employee development and building national and international collaborations, especially to reduce our environmental impact by using the power of technology. Our R&D efforts to best meet customers' demands and expectations include developing innovative products, as well as designing processes that help minimize energy consumption and greenhouse gas emissions, and developing new cement and concrete formulas. Products, applications and services developed as a result of investments in R&D and innovation are important for the efficient use of limited natural resources while reducing costs.

In 2019, we performed 1,426 concrete test as part of R&D projects exploring raw material performance, optimization

and special product studies in concrete phases at our Akçansa Technology Center Laboratory.

As in past years, this year we focused on product development efforts for large projects. We develop strategic collaborations with stakeholders with different experiences and infrastructures to design innovative products and take part in Turkey's mega projects as a solution partner. We developed special products for the 1915 Çanakkale Bridge project, which will be the suspension bridge with the world's largest central span. We used smart concrete technology to create 1803 Concrete, which was specially produced for the bridge. With smart concrete technology and the help of sensors placed in the concrete, both the temperature and the strength of the concrete can be monitored instantaneously by mobile application. This application will end sampling by traditional methods, saving our customers time and giving them a cost advantage.

We developed special products for the 1915 Çanakkale Bridge project, which will be the suspension bridge with the world's largest central span.

For the 1915 Çanakkale Bridge project, 1803 Cement, a special low alkali cement, was produced in our Çanakkale factory. 1803 Concrete, a cement with mineral additives, is a specially designed product developed with university cooperation in our R&D laboratories to be the best solution for projects whose service lives will last 100 years or more. In addition to the special products developed for the 1915 Çanakkale Bridge project, our ready-mixed high production capacity concrete plant also responded

to all the other needs of the mega project with hot water, cold water, ice and micro-silica units that can produce products for all seasons as needed by customers, differentiating ourselves from our competitors. Akçansa's solution partnership in the 1915 Çanakkale Bridge ensured its position as the preferred brand for similar projects in the future, gaining a sustainable competitive advantage.





We carry out project-based and long-term collaborations and partnerships with NGOs, universities and public institutions. R&D projects carried out in cooperation with universities and public institutions are as follows:

- Use of Activated Natural Materials as Cement Replacement (in cooperation with Sabancı University)
- Nuclear Shielding Performance Concrete Project (in cooperation with the Turkish Atomic Energy Authority)
- Tracking Quality Control Parameters in Cement Production with Advanced Data Analytics
- Researching the Use of Alternative Mineral Additives in Cement and Concrete Production
- Performance Analysis of Cement Grinding Additives
- Çimento Öğütme Katkılarının Performans Analizi

In addition to the project-based collaborations we carry out, we also

deliver presentations on cement and concrete technology on technical field trips attended by students from high schools and universities to inform them about the cement and ready-mixed concrete sector. About 500 students participated in these technical trips in 2019.

Energy Efficiency through Artificial Intelligence (AI)

One of our goals is to provide energy and production efficiency through a project that uses artificial intelligence to provide fuel optimization in rotary furnaces. Our Büyükçekmece Plant has started the pilot application of the project, which will fully optimize the furnace line of the factory with artificial intelligence. We are carrying out this project in cooperation with SabancıDx, with the goal of increasing the usage rate of alternative fuel sources in the fuel mixture, creating energy efficiency and cost advantage, while reducing greenhouse gas emissions.

The Akçansa Universe (Akçansa EVRreni)

Digitalization plays a significant role in transforming the global economy today, but it is also a tool for the sustainable transformation of companies' business models. The Akçansa Universe project was started in 2019, and it was the first in the sector to digitalize the orientation process for new employees. In the 3D universe we designed in virtual reality (VR), we created a one-to-one orientation program where new employees can tour our factories and learn about our departments and employees from just one point in a very short time. Employees can get information about relevant departments from selected screens using a virtual reality remote control, and new employees can complete their OHS training without entering production sites. The use of virtual reality facilitates the intensive orientation process by eliminating the need to go to plants located in different locations, making the process more efficient and shortening the time required.

Innovative Products

As one of Turkey's leading building materials companies, we continue to invest in value-added products, digitalization, alternative fuels and energy efficiency. In line with our mission of being the leading building materials company that also improves the quality of community life; we have offered high quality special ready-mixed concrete products to the Turkish market since 2003. Our special product portfolio, developed according to the demands of our customers, includes solutions that reduce environmental impacts and lower greenhouse gas emissions, are high performance, are heat, sound and waterproof, save labor and time, and contribute to reducing occupational health and safety risks.



Using the power of R&D and innovation, we develop special products as our customers demand. In 2019, our special product sales reached a 15% share in cement with 534,000 tons. The share of ready-mixed concrete was 19% at 408,000 m3.

The share of special product sales was 15% in cement and 19% in ready-mixed concrete



Product	Specifications
DUOCEM	<ul style="list-style-type: none"> An architect of high-performance and sustainable structures, a cement that is structure-friendly and reduces environmental impacts. Thanks to its mineral additive ratio of up to 20%, it emits 10% fewer greenhouse gases than Portland cement. Its outstanding features include sustainability, stable performance, easier processing and consistency protection performance, resistance and durability performance equivalent to Portland cement (CEM I 42.5 R), lower hydration temperature (especially for mass concretes and hot weather applications) and fineness (space filling effect).
SOLIDCEM	<ul style="list-style-type: none"> This power-injected cement contains 21-35% mineral additives. Highly resistant to harmful environmental effects especially, sulfate environments. Superior features such as easier processing and long-term durability. Emits 15% fewer greenhouse gases.
ACTIONCEM	<ul style="list-style-type: none"> This high-durability cement contains 36-45% mineral additives. Highly resistant to harmful environmental effects especially, sulfate environments. Superior features such as easier processing and long-term durability. mits fewer greenhouse gases.
ACTIONCEM+	<ul style="list-style-type: none"> Turkey's highest performing cement contains 21-35% mineral additives. Highly resistant to harmful environmental effects especially, sulfate environments. Superior features such as easier processing and long-term durability. Mits fewer greenhouse gases.
100+ CEMENT and 1803 CEMENT	<ul style="list-style-type: none"> Specially produced for concretes that require service lives of 100 years or more. Properties such as chloride content soluble in C3A, MgO, Alkali and acid are limited.
1803 CONCRETE and 100+ CONCRETE	<ul style="list-style-type: none"> Developed for major infrastructure projects such as bridges, airports, subways and highways, which should last 100 years or more and require superior durability and impermeability properties with special cement and mineral additives. Use a high percentage of mineral additives instead of clinkers in their compositions, greatly reducing greenhouse gas emissions.
İZOŞAP	<ul style="list-style-type: none"> Betonsa's ready-made screed product is lightweight, low in density and fluid thanks to its spaced structure and has thermal insulation qualities. Increases earthquake resistance by reducing unnecessary structure load.
YEŞİLŞAP	<ul style="list-style-type: none"> Special additive cements used in its production reduce greenhouse gas emissions by up to 35%. Pecial chemical additives make it 25% lighter than conventional screeds and contribute to the thermal insulation in buildings.
İZOBETON	<ul style="list-style-type: none"> Light concrete for insulation purposes. With a structure up to 60% lighter than other concretes, it reduces the total load of buildings and increases earthquake resistance.



Product	Specifications
A+ CONCRETE	<ul style="list-style-type: none"> • Greatly reduced greenhouse gas emissions due to the blast furnace slag, which makes up to 70% of its composition. • This durable and high-performance concrete was developed for green buildings.
ViSKOBETON	<ul style="list-style-type: none"> • A self-compacting concrete manufactured for use in structures requiring high strength and durability. • A high rate of additive mineral content instead of clinker means fewer greenhouse gas emissions. • Increases the resilience of structures and reduces maintenance costs due to their high strength and durability.
KRATOSBETON	<ul style="list-style-type: none"> • Safer, stronger and more sustainable structures are possible with this next generation fiber-reinforced product. • Its high quality synthetic fibrous properties make it easy to use and reduces installation time and cost. • It can be used for industrial floors, screed and field concretes, and in tunnel plating with spray concrete.
FINERBETON	<ul style="list-style-type: none"> • Obtained by adding polypropylene fibers to concrete to prevent plastic shrinkage (contraction) cracks and internal micro cracks that are likely to occur in field concretes and high-strength concretes. • It prevents fresh concrete cracks, and increases fire resistance in hardened concrete.
FORTABETON	<ul style="list-style-type: none"> • Produced by Betonsa with macro synthetic fiber fittings. • It offers a complete solution particularly for industrial floor concretes, allowing high bending, tensile, and impact and abrasion resistance. • Areas of use include all concrete floors, spray concretes and precast products.
DRABETON	<ul style="list-style-type: none"> • Produced for use on industrial floors with steel wire equipment. • This feature saves energy and labor in stocking, handling and audit phases on construction sites.
SMART CONCRETE	<ul style="list-style-type: none"> • Specially designed and built according to customer needs and monitored by embedded intelligent sensors. • Betonsa pioneers digital transformation in the concrete sector with this product, using Industry 4.0 concepts such as IoT and simulation, especially in projects where hydration temperature and resistance development are important. • The product minimizes the special device investment and labor costs necessary to track project concrete properties, and provides reliable data to field workers so that project schedules can be accelerated as needed.
CEM III A 32,5 N	<ul style="list-style-type: none"> • The amount of slag used in this Karçimsa cement has been increased from 47% to 50%. • Greenhouse gas emissions are reduced by producing fewer clinkers.
CEM II B-S 42,5 N	<ul style="list-style-type: none"> • Karçimsa's slag content used in this cement increased from 22% to 23%, reducing greenhouse gas emission.



Betonsa's sustainable purchasing policy, its raw material input checkpoint regulations and concrete production prescription optimizations have contributed to the reduction of greenhouse gas emissions by reducing the equivalent concrete usage per 1 Mpa pressure resistance by 7%. The mineral additive usage rate has also increased 14% as per the sustainable resource consumption target.

Responsible Production and Supply Chain

The effects of the COVID-19 pandemic are visible in many areas of business and everyday life, especially economic activities. This period has almost brought global trade to a halt, and strained the durability of supply chain structures. Localization (shortening of chains), building long-term relations with suppliers, Industry 4.0, IoT and Block chain issues have come to the fore to strengthen and make supply chains more durable .

We expect our suppliers to adopt specific working principles, such as business

ethics, environmental quality and human rights, together with meeting certain product standards, quality, quantity and cost requirements. We have defined the principles our suppliers should follow in their business relations with Akçansa under the Supplier Code of Business Ethics.

The Supplier Code of Business Conduct can be found [here](#).

In 2019, our number of suppliers reached 2,283. Local suppliers make up about 97% of all suppliers. Approximately 83% of total payments to suppliers were made to local suppliers.

Cement Day with the Participation of our Business Partners

Together with Çimsa, the Sabancı Holding Cement Group organized a meeting called Cement Day for the first time this year to share our vision and mission in the sector with our business partners. Sabancı Holding's Chairman of the Board of Directors Güler Sabancı, Sabancı Holding CEO Cenk Alper, and Sabancı Holding Cement Group Chairman Dr. Tamer Saka, as well as 400 Akçansa and

Çimsa business partners attended this meeting, which was held for the first time to celebrate the occasion of the Sabancı Group's 50th year in the cement industry. We received positive feedback from business partners as well as requests for a repeat of the meeting, which was attended by two guest speakers who shared their opinions regarding Turkey's economic and social development.



Stevie Award 2019

Our betondafarkindalik.com blog received the Website Category Bronze Stevie Award for Europe at the International Stevie Business Awards, which is considered the most prestigious business competition in the world. We also received an award for the Akçansa Port website.



Kemerburgaz Plant Award

Our Kemerburgaz Ready-Mixed Concrete Plant was the first concrete production plant in Turkey to receive the Gold Certificate of Responsible Use of Resources according to the rules set by the International Concrete Sustainability Council.



Customer Orientation

Technological advances, digitalization and changing consumer demands make products with lower environmental impact and better energy efficiency more and more important. This trend encourages the spread of sustainable business models in our industry. The cement industry is also turning to products with low environmental impact and improved process efficiency due to stakeholder's and especially consumers' increased expectations of companies regarding responsible growth, transparency and social benefits. At the same time, increased Internet access and mobile solutions are opening up new areas in customer relations and user experience for companies. At Akçansa, we prioritize product quality perception and customer satisfaction as we aim to reshape the customer experience and products in accordance with expectations.

We adhere to national and international quality and management system

standards in order to maintain an internationally accepted level of excellence in our business processes and products. All Akçansa plants are ISO 9001 Quality Management System certified.

Our total number of customers in 2019 was 108. Of these, 107 were domestic customers (we sell cement and clinkers domestically), and one was foreign (exporting abroad). In addition, we have 50 dealers. We operate according to the Law on the Protection of Personal Data on customer safety and privacy issues; we obtain customer information by consent and store it according to the relevant law requirements. We offer technical support to our customers before and after sales. In 2019, our Call Center received 652 Cement notifications regarding the Akçansa Market, information acquisition, our headquarters, sales and shipping, complaints, technical support and the Construction Club. We also received 993 Betonsa notifications about sales, information acquisition, our headquarters, quality and products, sales

and shipping, ordering, complaints and technical support.

Akçansa Loyalty Programs, Dialogue with Dealers and Customers

We consider our dealers and customers business partners and we communicate with them bidirectionally. We hold dealer meetings as part of our Customer Excellence Program, and use loyalty surveys to identify customer needs and expectations in order to take the actions necessary to ensure customer satisfaction. Through the Akçansa Loyalty Programs, we respond to the rapidly changing needs of different customer groups, increase satisfaction and strengthen relationships.

Betonsa provides periodic training to clients, construction companies, concrete component manufacturers, civil engineers, audit firms, engineers and technicians from local and central authorities, and university students to explain concrete technology, the

durability of concrete, maintenance and the importance of curing, and to providing information on concrete casting techniques in cold and hot weather.

Construction Club Portal

Our business partners can access any technical documents and tutorial technical videos they need through our Construction Club Portal, a digital platform that sells bagged products, and consolidates all our sales channels. Through surveys shared on the system, we learn what our customers think and respond quickly.



Dealer Customer Support Line

We support our business partners and help them add value to their businesses with the Dealer Customer Support Line, which they can use to solve difficult issues in their business and private lives that affect their performance and efficiency. Our experts provide 24/7 support, counseling and information in all areas our clients may feel the need to research such as psychological counseling, legal information, financial information, medical counseling and information, waist-neck-back pain and office ergonomics, nutritional counseling, newborn care information, social life and general information services, a dental care plan, road aid package, and locksmith services.



EMPLOYEES



EMPLOYEES

In the cement industry, the development and proper evaluation of employee competencies play important roles in effective management of human resources. A fair, equitable and healthy work environment is necessary for employees to reach their highest potential. In a sector built on manual labor and a high rate of machinery use, occupational health and safety come to the fore.

As Akçansa, we aim to grow together with our employees by supporting them in all areas to develop the skills required in modern times, maintain our sectoral leadership and continue to be the preferred brand. We rank human rights, fair working conditions and OHS issues among our priorities.

Other areas our human capital management approach focuses on are as follows:

- Making a difference in employee experience
- Strengthening the leadership development
- Experiencing and learning continuously
- Creating a flexible work culture open to innovation and based on data
- Making it possible for the company to recruit and hold onto talented people.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Achieve gender equality and empower all women and girls



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



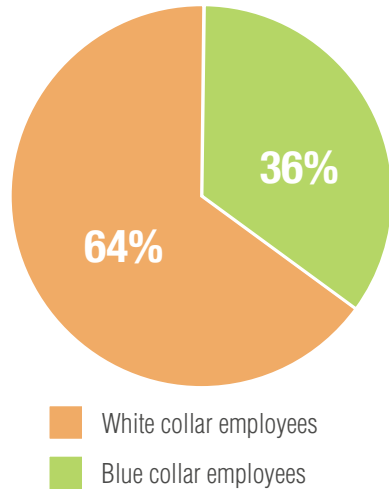
Reduce inequality within and among countries

By offering a work environment that supports development and derives power from diversity, equal opportunity and inclusion to help employees reach their highest potential, we support the following Sustainable Development Goals: Quality Education (4), Gender Equality (5), Decent Work and Economic Growth (8) and Reduced Inequalities (10).



As of 2019, our operations continue with a team of approximately 1,000 people. White collar employees make up 36% of our workforce and blue-collar employees make up 64%. 83% of the blue-collar employees are employed within the framework of the Group Collective Labor Agreement signed between the Cement, Ceramics, Clay Products, and Glass Industry Workers' Union (Çimselş) and the Cement Industry Employers' Association (ÇEİS) covering the period January 1, 2020 to December 31, 2021 remains in effect.

Employees by Category



IIP Award

Our policy, practices and approach to the development and management of human resources received the Gold Standard Award by Investors in People (IIP), the only global people-oriented quality standard. Following the application process, which started with the slogan "We Support Our People", we became the first and only company in Turkey to achieve this success in 6th Generation IIP, and placed in the top 7% of companies that have won this award around the world.



Occupational Health and Safety

The work environment of the cement industry poses high occupational health and safety risks. Managing these risks effectively is vital for employee and plant safety, business continuity and brand reputation. OHS is one of our material issues, and we work with zero accidents goal in all our plants and operations. We make the technological and physical improvements necessary to raise OHS standards. Our goal is to be the leader of the cement industry and to set an example with innovative applications in the field of OHS.

At Akçansa, senior leadership manages OHS issues. The Director of Occupational Health and Safety oversees OHS and reports directly to the CEO. In addition, OHS committees are responsible for managing OHS-related issues. OHS committee meetings are held every month with the participation of subcontractor representatives on issues such as assessing OHS related hazards and determining any preventative measures that need to be taken. An employer representative heads the

committee, and the secretariat of the committee consists of OHS experts. All members are informed of meeting agendas and schedules beforehand. Meeting decisions are forwarded to relevant persons to perform necessary actions, and important issues are announced to employees. Decisions taken are binding on all employers and employees. The representation rate of employees on the OHS committee is at 30%.

We map risks as part of our OHS risk assessment studies to highlight physical and mechanical risks such as falling down from a height, working in closed areas, lifting operations, working with fire and ergonomic risks. We act in accordance with national and international legal legislation and regulations to manage such risks, and our plants have been certified by international management systems to further reduce them. Our Ready-Mixed Concrete plants are managed according to ISO 45001 Occupational Health and Safety certification. We continue to work on transitioning all plants to ISO 45001 certification, especially the cement plants.



Medium and long-term OHS targets are as follows:

- Reduce accident frequency by 15% compared to the previous year,
- 5% increase in Near-Miss notifications,
- Complete the ISO 45001 certification transition process in all locations,
- Ensure that administrators receive IOSH occupational safety training,
- Provide OHS Leadership training for managers, technicians, and supervisors.

We monitor our OHS performance through a joint system with HeidelbergCement. Injury data is recorded in the system via a joint network. In addition, performance data from all HeidelbergCement locations around the world are analyzed and compared at the end of each month and benchmark results are presented to assigned senior management. We organized the Akçansa Occupational Health and Safety Week with HeidelbergCement, a one-week event included various meetings, training and

field visits by senior management, aimed to raise awareness and perception of OHS risks in all locations.

Cement Industry Occupational Health and Safety Performance Award

In 2019, the Cement Industry Employers' Association OHS Board audited our Çanakkale Factory and gave it the Cement Industry Occupational Health and Safety Performance Award, demonstrating the success of the factory's pioneering OHS practices in Turkey's cement sector.

Training and development programs are greatly important for disseminating a safe and healthy work culture throughout the organization. Therefore, for the first time in the sector, we provided our executive employees with internationally recognized NEBOSH Occupational Health and Safety Certificate Training. We are continuing to innovate in OHS and contributing to the spread of a zero accidents culture through trainings we regularly organize for our employees. In 2019, we provided employees with 20

hours of OHS training per person for a total of 26,631 person*hours.

For the first time this year, to ensure a more effective spread of OHS culture to our subcontractors, we held an Occupational Health and Safety Workshop attended by senior management. Furthermore, we gave a total of 12,700 person*hours of OHS training to our subcontractors.

No Akçansa employee or subcontractors suffered fatal accidents in 2018 and 2019.



Open Path Project

As part of OHS, we provided theoretical and practical training to all heavy vehicle drivers working in ready-mixed concrete plants and factories. In 2019, 494 drivers successfully completed the program, comprised of 3,952 person*hours of training, and were awarded safe driver ID cards. In addition to heavy vehicle drivers, we also gave 190 company vehicle drivers 1,520 person*hours of training on safe driving and vehicle use for different weather and road conditions.



Dikkat! Önce Güvenlik!



Employee Development

Companies need to have an effective human resources strategy to adapt to global trends such as technology and digitalization, demographic changes in the workforce and changing consumer behavior. Being well versed in modern age competencies and cultivating a well-equipped and qualified human capital have important roles to play in effectively managing global risks and opportunities.

At Akçansa, we are investing in training and development programs to help employees reach their highest potential and have the careers of their dreams, developing applications to attract new talent and training new leaders. With a fair and equitable performance management system, we help our employees achieve their professional career goals. All these investments and applications help us be flexible when it comes to the responding to trends affecting the cement industry and to be the preferred brand.



Talent Management

Our talent management approach plays a critical role in achieving our company's strategic objectives, and through it, we improve employees' personal and professional capabilities and direct them to positions that best suit their capabilities. We invest in training and development programs, which are an important part of the human resources process. We aim to cultivate existing talents by designing innovative applications within the framework of talent management and to strengthen together by recruiting new talent.

To develop competencies for the future and to train leaders, we develop programs that incorporate experience-

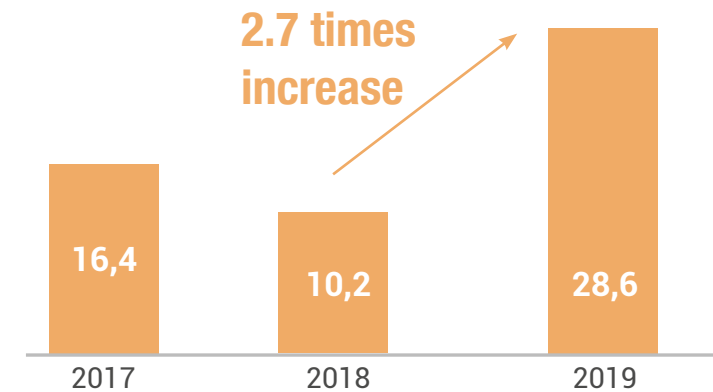
based learning, projects, talent mobility, competence, and technical development tools. Employees can benefit from Akçansa's Sales Academy Training and Purchasing Academy Training programs. In addition, they can participate in trainings at Sabancı Holding such as TP-X, X-Posure, Advanced Data Analytics and X-Celerate. The Industrial Leaders Training Program in the training catalogue was prepared in cooperation with Sabancı University EDU and is available to employees of Sabancı Holding Industry and Cement Group companies.

In 2019, we gave a total of 28,529 person*hours of training to Akçansa employees. About 6% of this training focused on ethical principles, bribery,

and corruption, as well as on the environment and sustainability. In 2019, training hours per employee were measured at 28.6, an increase of nearly 2.7 times more than last year's rate.

We increased the average training time per employee by 80% compared to 2018.

Training Hours Per Employee





We initiated the “Choose the right person for the right job” principle, a decisive component of our recruitment process, to place talents in their proper units. We use a determination process based on multiple observations and objective criteria, especially value-based interviews, inventory, and foreign language exams to decide whether candidates are qualified for the relevant position. In addition, in 2018, we launched a six-month recruitment and rotation program called Let’s Shape the Future Together, which helps employees learn about the business operations of all Akçansa’s departments and their structure. We also manage our talent pool to back up positions within the program. When filling open positions within the company, we prioritize Akçansa employees, filling 62% of the positions opened in 2019 with internal candidates. We initiated Akçansa Shadow Excom as one of our talent management practices.

Inspired by the vision of Sabancı of New Generation, in 2019 we brought together representatives of generation Y from all functions to support leadership development. This event helps us support leadership qualities by leveraging the energy and dynamism of Young Akçansa members to bridge the

line between senior management and employees, as well as further including future Akçansa managers in decision-making processes.

We are working on train future leaders within the scope of talent management. Our goal is to train leaders who have qualities such as working with a focus on the development of the Akçansa Family, communicating continuously and transparently, coaching, being visionary and managing by committing the values. We support managers’ leadership journeys through annual Leadership Meetings, a Leadership Style Survey, an Organizational Climate Survey, and Leadership Development Programs. We implement different development programs within our company that we designed with partnerships:

- Career Plane Tree (Akçansa Internal Mentoring Program with EMCC accreditation)
- A New Leader Program developed in cooperation with Boğaziçi University
- High Level Leadership Development Program in cooperation with ÇEİS (Cement Industry Employers’ Association) and Koç University

- Leadership Development Program in partnership with ÇEİS (Cement Industry Employers’ Association) and Sabancı University ÇEİS ve
- X-Posure and T-PEX development programs for both senior management and future leaders with Sabancı Holding

Performance Management

In line with our performance management approach that promotes fairness and professional development, we integrate company strategy and corporate goals with individual and team goals, in a process that continues throughout the year. The performance management approach consists of three stages, covering goal setting, continuous performance and goal evaluation processes. Performance evaluation results are actively used for employee development planning and during pay raise periods, promotion, and assignment processes. Performances are evaluated according to the “Career Line” process for blue collar employees, and the results are used in promotion-assignment decisions. The process supports continuous development by means of regularly determining employee

and executive participation in the pursuit of individual and corporate goals. In 2019, 100% of white-collar employees underwent regular performance and career development assessments.

Our regular performance and career development assessments in 2019 covered 100% of our white-collar employees.

We follow a fair, high performance-rewarding, non-discriminatory wage policy based on employee level of responsibility and scope of duty. We use an evaluation policy prepared according to internationally accepted evaluation methodologies, and we are careful about complying with market and economic conditions to maintain our competitiveness. Total revenue packages may vary depending on the premium or seniority obtained based on performance

management process results.

We offer employees a variety of vested benefits. With the Bflex application, employees can exercise their rights in a way that provides maximum benefit according to need. A variety of appreciation and recognition methods are employed and such as “An evening with Akçansa,” “Special Reward for Performance,” “Executive Committee Special Appreciation Awards,” “OHS Leaders of the Year Awards,” and “Seniority Plaques” in order to reward high-performing employees and teams.



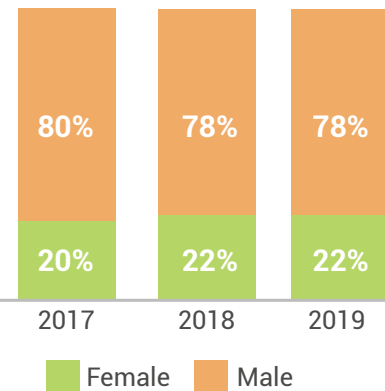
Diversity and Equal Opportunities

To promote sustainable development and provide an inclusive work environment, it is necessary to give employees equal rights and opportunities, to fight all kinds of discrimination and to ensure diversity. We have adopted the Akçansa Gender Equality Policy as a guide on diversity and equal opportunity. We embrace an equitable, fair, safe, and diverse corporate culture that does not accept any kind of violence, and we work to raise gender equality awareness. We offer a work environment where religion, language, race, sect, gender, physical conditions, and life preferences are never questioned, and discrimination is not tolerated.

These days, women and disadvantaged groups have low rates of participation in work force regardless of function. However, increased diversity in work environments supports all business processes, especially innovation, increasing companies' turnover by up to 19%. In the cement industry, where the rate of women's employment is low, providing equal opportunities also brings many opportunities. In 2019, women

accounted for 22% of our white-collar employees and 19% of executive positions.

White Collar Employee Rates by Gender



İş'te Sen Network

With the İş'te Sen Network; we take actions to raise all our stakeholders' gender equality awareness. We voluntarily join local and global initiatives to empower women in business and to eliminate gender discrimination in all business processes. We have taken part

in the Equality in Business Platform since 2013, established under the auspices of the WEF and the Turkish Ministry of Family and Social Policies. We have been signatories to the United Nations Global Compact (UNGC), one of the most important global initiatives in the private sector, since 2013 and the Women's Empowerment Principles (WEPs), established in partnership with the United Nations Women's Unit (UN Women), since 2014.

In 2013, we participated in the Domestic Violence Survey conducted by Sabancı University as part of the Business Against Domestic Violence Project (BADV) with the support of UNFPA. We provided our employees with BADV training in 2018, leading us to become the first Sabancı Group company to publish gender equality policy, titled Akçansa Gender Equality. Following the research conference called to transform BADV into a sustainable structure, Akçansa became one of the 12 Founders Committee companies. In addition, we aim to increase the proportion of female employees in executive positions to 30% in line with WEPs and BADV.

Since 2018, we have organized Gender

Equality workshops in Istanbul, Çanakkale and Samsun where field and office workers can participate. About 200 Akçansa employees participated in the events over the last two years.



⁹ Women in the Workplace 2020, McKinsey & Company, 2020

¹⁰ A Study Finds That Diverse Companies Produce 19% More Revenue, Forbes, 2018



Employee Engagement and Dialogue

We often bring together employees and senior management through Communication Meetings and events called 'We Listen to You', and we offer communication channels to share information, ideas and suggestions. In addition, we organize visits to all factories and plants with our 'HR In the Field' program to determine and implement any actions that might need to be taken through one-on-one interviews. The Council of Working Ambassadors and the Happiness Workshop, which Akçansa employees established voluntarily, support strong, reliable, and open employee communication. The Council also organizes sporting, cultural and social events in accordance with requests and expectations.



We are aware of the strategic importance of the digitalization of human resources and business processes to adapt to global trends and the rapid change that comes with them. The Mosalk HR Portal we developed in this context improves the efficiency and effectiveness of performance, development and learning processes, while integrating and managing other human resources practices. In addition, its user-friendly structure responds to different employee expectations and allows employees to access modules regardless of their office environment.



In 2019, we launched the "Flexible Actions" to help our employees adapt to the working conditions of the future and promote flexible work culture, introducing innovations such as working from home two days per month, flexible working hours, birthday leave and flexible clothing.

Our "Flexible Actions" offers employees work from home options, flexible working hours and birthday leave.

We carry out projects and competitions to gather our employees' innovative ideas, support in-house entrepreneurship and enhance their work experience by promoting cooperation. "Külçe Külçe Project Competition" and "Continuous Improvement Projects - CIPs, were started with this goal, continuing into 2019. In addition to these practices, our employees, who are Sabancı Advanced Data Analytics Academy data scientists and data engineer graduates, lead digitalization projects of the company.

Every two years we conduct the Working Life Evaluation Survey to measure the effects of the applications used to increase employee communication and to strengthen motivation and the sense of belonging, and to determine areas open for improvement. In the 2019 Satisfaction Survey, which had a participation rate of 90% of employees, the score was 58%, with an increase of 8 points compared to the previous survey. This year's employee loyalty survey showed a 12-point increase compared to the previous survey, reaching 42%.

Akçansa Universe Project

In 2019, we digitalized our orientation processes with the "Akçansa Universe" to increase efficiency in business processes. The use of virtual reality eliminated the need to physically visit plants in many different locations, shortening the process. This initiative increased employee satisfaction and saved both time and energy. More information can be found in the R&D and Innovation section.

CORPORATE RESPONSIBILITY





CORPORATE RESPONSIBILITY

In line with our sustainability strategy, we work to improve the quality of life of society while helping to build a safe and prosperous future. We implement projects that create value for society in many areas such as the environment, culture, education, and sports. We create employment opportunities for the local communities in the areas where our production centers are located through our entrepreneurial activities, strengthen our communication with them to ensure the continuity of our success, and carry out projects and initiatives that create common value. In 2019, we reserved TL 3.8 million for social investments including philanthropy, corporate social responsibility projects and sponsorship.

In 2019, we reserved TL 3.8 million for social investments, including philanthropy, corporate social responsibility projects and sponsorship.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all



Reduce inequality within and among countries



Make cities and human settlements inclusive, safe, resilient and sustainable



Strengthen the means of implementation and revitalize the global partnership for sustainable development

With our corporate responsibility approach, we support the Sustainable Development Goals of Quality Education (4), Decent Work and Economic Growth (8), Reduced Inequalities (10), Sustainable Cities and Communities (11) and Partnership for the Goals (17).



High School of Fine Arts in Çanakkale

In cooperation with the Governorship of Çanakkale and the Ministry of National Education, we established the Akçansa High School of Fine Arts to support education, culture, and art. The Akçansa Çanakkale High School of Fine Arts is training 200 successful and talented young people in the field of painting and music.

The school was designed to be an education center with 27 classrooms and 31 rooms including a laboratory, cultural classroom, design classroom, recording and broadcast room and a tonmeister room. The high school was established to prepare students for fine arts faculties and conservatories according to their interests, desires, and abilities, and it has modern classrooms, conference halls and show rooms.

Concrete Ideas Project Competition

To raise awareness about the importance of cement and concrete in the construction sector, we have held the Concrete Ideas Project Competition since 2010, supporting university students to develop and produce sustainable and innovative ideas in the field.

In the last couple of years, the areas of cement and concrete use – which play important roles in building a sustainable future – have become more widespread. Thus, the competition is calling for undergraduate and graduate students with groups of two to four people to produce innovative and applicable ideas in the fields of social responsibility, marketing, digitalization, architecture, product development and productivity. We offer internship opportunities to the first three teams selected by the jury from the finalist projects to allow their ideas to come to life as well as rewarding them with a variety of products.

This year, we held the 10th Concrete Ideas Project Competition with the motto

“We Need A Digital Idea Over Here”. A team from Istanbul Technical University took first place in the competition, while a team from Karabük University and another from Istanbul Technical University shared second place. A team from Özyeğin University won the third-place prize. More than 10,000 students from different Turkish universities have submitted projects to the Concrete Ideas Project Competition so far, and 850,000 people were reached on social media in 2019.

For emphasizing the importance of sustainability concepts and raising awareness in this field since 2017, our competition was awarded second prize in the Social Field category at the 2019 Future Investment Awards organized by the Association of Turkish Construction Material Producers (IMSAD).

We won the second-place prize in the Social Field category at the 2019 Future Investment Awards for the Concrete Ideas Project Competition.



My Neighborhood

To support education, our specially designed Akçansa Education Truck aims to deliver quality education to students as part of the My Neighborhood project we started in 2015. This project has helped educate more than 30,000 students, teachers and parents in Istanbul-Büyükcemece, Samsun-Ladik and Çanakkale and has reached a total of 1 million people over four years in cooperation with the National Education Directorate of Büyükcemece District, Çanakkale Provincial Directorate of National Education, Ladik District National Education Directorate and TOÇEV (Tüvana Education Foundation for Children Willing to Study).





Benim Mahallem

Through the project, we go to schools in various regions in specially designed mobile education trucks, talk with school counselors to determine what subjects parents and students need help with, and then teach the necessary content for two weeks accompanied by TOÇEV's expert psychologists. The 2,000 teachers in the region received first aid awareness training. Thanks to the project, children in Büyükçekmece, Istanbul demonstrated positive changes of 18% on communication difficulty tests, 22% on exam anxiety tests, 30% on tests measuring anger levels, and 13% on tests measuring attention problems.

In 2019 we started our 'My Profession, Your Choice' project to raise awareness about choices of professions for students, reaching 800 students in 10 schools in Çanakkale. As part of this, we carried out group studies where students gained insight about themselves and learned about professions.

Our My Neighborhood project won a Silver Stevie Award at the International Stevie Business Awards – the most prestigious business competition in the world – in the category of Corporate Social Responsibility Program of the Year in Europe. It also won an Award in the Qualified Education category at the Academy Awards for Sustainable Development as presented by the Corporate Social Responsibility Association, and the Best Corporate Social Responsibility Project Award is given by the JCI Culture Young Leaders and Entrepreneurs Association.



Our My Neighborhood project was awarded a Silver Stevie Award in the Category of European Corporate Social Responsibility Program of the Year, the Award in the Qualified Education category at the Academy Awards for Sustainable Development, and the Best Corporate Social Responsibility Project Award by the JCI Culture Young Leaders and Entrepreneurs Association.

Akçansa Volunteers

In line with our understanding of corporate citizenship, we encourage our employees to volunteer to support social development. The Akçansa Volunteers platform was created within the company to help with this.

More than 30 Akçansa Ladik Factory Volunteers painted the classroom walls of Ladik Atatürk Elementary School in cooperation with the Ladik District Governorship and the Ladik District National Education Directorate before the start of the 2019-2020 school year.

In addition to providing pedagogical training and guidance in Çanakkale, Akçansa and its employees volunteered to describe their jobs as part of the My Profession Your Choice project, which we started in 2019 to raise students' awareness about choosing professions.



On April 23rd Children's Day, Akçansa Volunteers participated in a workshop to make walkers designed by Hasan Kızıl, who was selected as "The Difference Maker" by the Sabancı Foundation for designing walkers and prosthetics for animals with disabilities, at the Büyükçekmece Akçansa Mehmet Akif Ersoy Elementary School.





ANNEXES



2020 SUSTAINABILITY TARGETS

1. Attributing Utmost Priority to Occupational Health and Safety

	Target Definition	Key Performance Indicator	Unit	2017	2018	2019	2020 Target
Cement	Providing the highest level of occupational health and safety conditions for all employees, sub-contractors and 3rd parties	Accident severity rate	-	91	87,6	245	0
		Fatalities	-	0	0	1	0
		Frequency rate of accidents resulting in lost time	-	4	5,1	5,5	0
Ready-mixed concrete		Accident severity rate	-	68	169	70,8	0
		Fatalities	-	1	1	0	0
		Frequency rate of accidents resulting in lost time	-	4	4,7	3	0
Aggregate		Accident severity rate	-	729	184,7	0	0
		Fatalities	-	0	0	0	0
		Frequency rate of accidents resulting in lost time	-	5	17,6	0	0

2. Sustainable Supply Chain Management

	Target Definition	Key Performance Indicator	Unit	2017	2018	2019	2020 Target
Cement, Ready-mixed concrete, Aggregate	Alternative fuel supply	Practices for increasing supply of alternative fuels	%	8,41	13,1	14,09	29
	Raising supply chain stakeholders' awareness of sustainable business models	Projects with stakeholders in the supply chain		High quality personal protective equipment, cost half paid by Akçansa. Sub-contractor procedure policy developed and updated to improve upper level selection criteria. Selection criteria table enacted, only partly affecting price.			Establishing KPIs for supply chain sustainability

3. Lasting, Positive Contribution to Biodiversity

	Target Definition	Key Performance Indicator	Unit	2017	2018	2019	2020 Target
Cement	Preparation of rehabilitation plans and obtaining their approval by public authorities	Rate of quarries with rehabilitation plans approved by public authorities	%	100	100	100	100
	Decommissioning mine sites where production has terminated	Areas rehabilitated	ha	18,6	20,1	25,1	25,0



4. Fight Against Climate Change

	Target Definition	Key Performance Indicator	Unit	2017	2018	2019	2020 Target
Cement	Reduction of fossil fuel use	Rate of fuel replaced by waste (as thermal value) (alternative fuel usage rate)	%	8,41	13,1	14,09	29
		Rate of fuel replaced by biomass (as thermal value)	%	3,23	4,71	5,59	6,33
	Reduction of clinker use in cement	Clinker usage rate in cement	%	89,1	89,06	89,7	79
Cement	Continuous Monitoring of Emissions	NOx emissions	mg/m ³	Büyüççekmece Plant: 680,66 Çanakkale Plant: 827 Ladik Plant: 890,4	Büyüççekmece Plant: 493,49 Çanakkale Plant: 624,93 Ladik Plant: 703,6	Büyüççekmece Plant: 440,22 Çanakkale Plant: 633,27 Ladik Plant: 612,73	<800
		SOx emissions	mg/m ³	Büyüççekmece Plant: 43,85 Çanakkale Plant: 20,64 Ladik Plant: 8	Büyüççekmece Plant: 60,18 Çanakkale Plant: 14,84 Ladik Plant: 6,75	Büyüççekmece Plant: 9,69 Çanakkale Plant: 13,50 Ladik Plant: 35,24	<50
		Dust Emissions	mg/m ³	Büyüççekmece Plant: 18,5 Çanakkale Plant: 16,83 Ladik Plant: 10,27	Büyüççekmece Plant: 10,23 Çanakkale Plant: 11,96 Ladik Plant: 16,18	Büyüççekmece Plant: 12,05 Çanakkale Plant: 15,67 Ladik Plant: 14,75	<10
		Specific CO ₂ emissions	kg CO2/tons clinker	855,9	837	838,5	830
Cement	Online monitoring of NOx and SOx values	Rotary kiln online monitor rate	%	100	100	100	100
	Dedusting of factories	Covered stokehole rate	%	100	100	100	100
		Covered clinker conveyor belts and stock halls rate	%	100	100	100	100
	Replacement of electrostatic filters with bagged filters	Bagged filter rate in raw mills, kilns and cement mills	%	97,5	97,5	97,5	100
Ready-mixed concrete	Storage of aggregate in closed areas	Rate of facilities where aggregate is stored in covered units	%	75	83	85	100
	Increased use of new mixer and pumps	Rate of mixers and pumps under 10 years-old	%	35	63	71	100
	Environmental complaint reduction	Number of Complaints / Year	%	0	0	0	0
Agrega	Installation of truck tire washing systems	Rate of plants with washing systems installed	%	25	25	25	100
	Covering tops of plants	Rate of top-covered plants	%	100	100	100	100
Cement, Ready-mixed concrete, Aggregate	Providing efficient water management	Water reduction rate and projects for efficient management of water	%	No reduction in water consumption during the reporting period.			Achieving a 5% reduction compared to base year 2013
				We implemented many projects to reduce water consumption in plants. At the Ladik Plant, we invested in a surface water collection system and a pond. The collected water is used in the cooling tower. Water collected in the Büyüççekmece pond is used to water plant roads. We placed water flowmeters in all three plants to measure the amount of water collected and consumed. Determining any actual reduction would not be possible since no measurement devices are installed at the inlets & outlets of the collection ponds.			



5. Sustainable Construction Solutions

	Target Definition	Anahtar Performans Göstergesi	Unit	2017	2018	2019	Hedef 2020
Ready-mixed concrete	Becoming a solution partner in green building projects	Rate of projects in the Marmara market	%	27	15	33	30
Ready-mixed concrete, Cement	Reducing the environmental footprints of buildings	Obtaining environmental product labels for cement and concrete	Number of products and services	R&D activities are focused on boosting energy efficiency, reducing clinker/cement rate, sustainable production, and value-added and environmentally friendly products. We have established partnerships with various universities and institutions to realize these activities. Sample products include A+Beton, Solidcem, Duocem.			Developing products and services for sustainable construction solutions.
Aggregate	Producing recycled aggregate	Rate of recycled aggregate production to total aggregate production	%	0	0	0	20

6. Stakeholder Engagement

Corporate Citizenship	Conducting corporate citizenship projects in line with sustainability strategy	<ul style="list-style-type: none"> ‘- Voluntary Reader, “Learning Kid, Responsible Individual” projects were realized. - Through the My Neighborhood Social Responsibility Project, we provided teachers, children and parents with training. By the end of 2017, we had trained 10 thousand people. 	<ul style="list-style-type: none"> ‘- Projects for Vocational High School Coaches were realized. - In addition to training students and parents, 2000 teachers were trained through the My Neighborhood CSR Project. Additionally, we reached 30.000 trainees as of the end of 2018. - Akçansa Volunteers supported the Volunteer Reader Project launched by the Boğaziçi University Assistive Technology and Education Laboratory for Individuals with Visual Disabilities (GETEM) by reading books for visually impaired individuals to create an audio library. 	<ul style="list-style-type: none"> ‘- We visited 10 schools in Çanakkale and reached approximately 1.000 students with the “My Neighborhood” project launched in cooperation with the Çanakkale Provincial Directorate of National Education and TOÇEV. Akçansa employees voluntarily shared their professional experiences with young people. - The Akçansa Fine Arts High School was opened in Çanakkale. 	Contributing to the development and growth of society.
Increasing Stakeholder Engagement	Research and mechanisms to increase stakeholder engagement	<ul style="list-style-type: none"> - We hosted various stakeholder groups with factory organized Open Door events. -We organized Leaders of the Future Meetings. - We held various other types of meetings such as Dealer Councils and analyst meetings. We reviewed stakeholder suggestions and adopted applicable examples. 	<ul style="list-style-type: none"> “- We organized various types of meetings such as Dealer Councils and analyst meetings. - We held the third Turkey Biodiversity Project Competition to allow students and academics to present projects that increase the biological values of mine sites and to increase awareness on this matter. - We held the 9th “Concrete Ideas Project Competition.” 	<ul style="list-style-type: none"> ‘- We organized various types of meetings such as Dealer Councils and analyst meetings. - We organized the 10th “Concrete Ideas Project Competition”. -Sabancı Holding Cement Group organized a meeting called “Cement Day” for the first time to share its vision and mission with its business partners. 	Developing mechanisms directly channeled to the Board of Directors to respond to stakeholder expectations.



6. Stakeholder Engagement

	Target Definition	Key Performance Indicator	Unit	2017	2018	2019	2020 Target
	Corporate Citizenship	Conducting corporate citizenship projects in line with sustainability strategy		<ul style="list-style-type: none"> - Voluntary Reader, "Learning Kid, Responsible Individual" projects were realized. - Through the My Neighborhood Social Responsibility Project, we provided teachers, children and parents with training. By the end of 2017, we had trained 10 thousand people. 	<ul style="list-style-type: none"> - Projects for Vocational High School Coaches were realized. - In addition to training students and parents, 2000 teachers were trained through the My Neighborhood CSR Project. Additionally, we reached 30.000 trainees as of the end of 2018. - Akçansa Volunteers supported the Volunteer Reader Project launched by the Boğaziçi University Assistive Technology and Education Laboratory for Individuals with Visual Disabilities (GETEM) by reading books for visually impaired individuals to create an audio library. 	<ul style="list-style-type: none"> - We visited 10 schools in Çanakkale and reached approximately 1.000 students with the "My Neighborhood" project launched in cooperation with the Çanakkale Provincial Directorate of National Education and TOÇEV. Akçansa employees voluntarily shared their professional experiences with young people. 	Contributing to the development and growth of society



Corporate Memberships

Turkish Industry and Business Association (TÜSİAD)

Foreign Economic Relations Board of Turkey (DEİK)

European Round Table of Industrialists

Business Plastics Initiative

World Economic Forum (WEF)

Economic Development Foundation (İKV)

Ethics and Reputation Society of Turkey (TEİD)

Corporate Governance Association of Turkey (TKYD)

Business Council for Sustainable Development Turkey (BCSD Turkey)

Association of Private Sector Volunteers (ÖSGD)

Turkey Internal Audit Institute (TİDE)

Turkish Investor Relations Society (YİD)

Istanbul Chamber of Commerce (İTO)

United Nations Global Compact (UNGC)

Board of Directors Association (YÜD)

People Management Association of Turkey (PERYÖN)

American Turkish Society

International Turkish Ukrainian Businessmen Association (TÜİD)

Association of Turkish Construction Material Producers (İMSAD)

Clean Sea Association (TURMEPA)

Women's Empowerment Principles (WEP)

Turkish Green Building Council (ÇEDBİK)

Miners' Association of Turkey

Port Operators' Association of Turkey (TÜRKLİM)

Turkish Risk Managers Association (KRYD)

Turkish Cement Manufacturers' Association (TÇMB)

Aggregate Producers' Association of Turkey (AGÜB)

Turkish Ready Mixed Concrete Association (THBB)

Environmental Protection and Packaging Waste Recovery and Recycling Trust (ÇEVKO)

International Organization for Standardization (ISO)

Chambers of Industry and Commerce



Performance Indicators

Social Performance Indicators

Employees by Category	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Total	80	975	86	967	81	902
White collar	78	307	83	290	78	271
Blue collar	2	668	3	677	3	631
Covered by the collective labor agreement	2	552	2	561	2	524

Employees by Age	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Under 30 years old	17	151	29	145	27	126
Between 30-50 years old	61	778	55	774	52	729
Over 50 years old	2	46	2	48	2	47

New Employees Hired During the Year	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
	4	33	17	76	11	36
Under 30 years old	1	17	13	35	7	16
Between 30-50 years old	3	16	4	38	4	18
Over 50 years old	0	0	0	3	0	2

Employees by Years on the Job	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
0-5 years	44	256	47	251	40	215
5-10 years	12	259	19	204	19	220
10 years and over	24	460	20	512	22	467

Employees Leaving the Job	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Under 30 years old	7	11	2	11	4	7
Between 30-50 years old	8	88	9	69	14	72
Over 50 years old	1	12	0	16	1	23

Employees in Executive Positions	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Under 30 years old	0	1	0	0	1	1
Between 30-50 years old	14	72	15	67	16	64
Over 50 years old	0	6	0	5	0	8



Performance Indicators

Employees Subject to Regular Performance Evaluations	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Total number of employees	79	309	83	291	78	271

Employees with Disabilities	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
Total number of employees	1	24	2	25	1	24

Training (person*hour)	2017	2018	2019
Total training hours	17.314	10.692	10.692
Ethics training	776	748	748
Anti-bribery and anti-corruption training	388	374	374
Sustainability and environment training	1.288	490	490

OHS Training (person*hour)	2017	2018	2019
Employees	37.209	31.959	28.529
Subcontractors	27.970	25.187	12.701

Employees' OHS Performance	2017	2018	2019
Number of fatalities	0	0	0
Absenteeism due to accident	174	89	187
Accident frequency rate (IR)*	3,3	3	4,7
Occupational disease rate (ODR)**	0	0	0
Lost day rate (LDR)***	71,2	38,2	88,1

* IR = (Number of accidents/Total working time)*1.000.000

** ODR = (Number of occupational diseases/Total working time)*1.000.000

*** LDR = (Absenteeism due to accident/Total working time)*1.000.000



Environmental Performance Indicators

Air Emissions (tons)	2017	2018	2019
NOx	6.587	10.494,2	10.877,4
SOx	217	373,2	268,9
Persistent organic pollutants (POP)	0,122	0,156	0,036
Volatile organic compounds (VOC)	87	323	406
Hazardous air pollutants (HAP)	0,18	0,24	0,68
Particulate matter (PM)	270	205,7	272,8
Total	7.161	11.396	11.826

Energy Consumption by Fuel Type (Mwh)	2017	2018	2019
Natural gas	1.572,2	1.472,2	1.358,3
Electricity	800.959,2	725.389,1	682.905,5
Coal (total, domestic, imported and nationalized)	500.445,5	332.270,4	211.860
Fuel-oil	4.066	4.268,9	1.957,3
Petroleum coke (total, domestic, imported and nationalized)	1.238.298	1.215.560,9	1.332.881,9
Alternative fuels (refuse-derived fuel, sewage sludge, rubber, oil etc.)	160.105,3	233.392,5	254.029,8
Total Energy Consumption (MWh)	2.705.446	2.512.354	2.484.993

Greenhouse Gas Emissions (tons CO ₂)	2017	2018	2019
Scope 1	6.052.594	5.611.429	5.623.598
Scope 2	272.269	246.137	304.140
Total	6.324.863	5.857.566	5.927.738

Water use (m3)*	2017	2018	2019
Mains water	35.421	35.033	388.66,2
Ground-rainwater	1.687.210	1.509.913	1.661.981
Rain water	80.000	80.000	80.000
Purchased water	152.618	156.101	178.824,1
Total	1.955.249	1.781.047	1.959.671

*From cement operations.

Hazardous Waste (tons)*	2017	2018	2019
Recovered for energy purposes	26,9	226,18	451,08
Recycled	1.521,8	1.046	60
Total	1.548,7	1.272,1	511,3

*From cement operations.

Non-hazardous Waste (tons)*	2017	2018	2019
Recycled	2.309	2.131,01	2.832
Interim storage	928	1.113	0
Total non-hazardous waste	3.238	3.243,7	2.832

*From cement operations.



GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
GRI 102: General Disclosures 2016	Organizational Profile		
	102-1	3	-
	102-2	6	-
	102-3	http://www.akcansa.com.tr/en/dealer-and-production-facility-information/#genel-mudurluk	-
	102-4	6	-
	102-5	6	-
	102-6	6, 7	-
	102-7	6-8, 34-36, 41, 52	-
	102-8	41, 52	-
	102-9	32, 37	-
	102-10	There is no significant change during the reporting period.	-
	102-11	13, 14	-
	102-12	51	-
	102-13	51	-
	Strategy		
	102-14	4, 5	-
	102-15	13, 14	-
	Ethics and Integrity		
	102-16	13	-
	102-17	13	-
	Governance		
	102-18	12, 16, 17	-
	102-19	16, 17	-



Omission	Disclosure	Page Number(s) and/or URL(s)	Omission
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
GRI 102: General Disclosures 2016	Stakeholder Engagement		
	102-40	24	-
	102-41	41, 52	-
	102-42	24	-
	102-43	24	-
	102-44	19	-
	Reporting Practice		
	102-45	7, 8	-
	102-46	3	-
	102-47	18, 19	-
	102-48	No significant restatements of information given in previous reports are made.	-
	102-49	18, 19	-
	102-50	3	-
	102-51	3	-
	102-52	3	-
	102-53	3	-
	102-54	3	-
	102-55	55-57	-
	102-56	No external assurance sought for the report.	-



GRI 200: Economic Standard Series			
Economic Performance			
GRI 103: Management Approach 2016	103-1	7, 8	-
	103-2	7, 8	-
	103-3	7, 8	-
GRI 201: Economic Performance 2016	201-1	7, 8	-
	201-3	http://www.akcansa.com.tr/docs/akc-faaliyet-2019.pdf p. 114, 115	-
GRI 300: Environmental Standard Series			
Materials			
GRI 103: Management Approach 2016	103-1	29	-
	103-2	29	-
	103-3	29	-
GRI 301: Materials 2016	301-1	54	-
	301-2	29, 54	-
Energy			
GRI 103: Management Approach 2016	103-1	27	-
	103-2	27	-
	103-3	27	-
GRI 302: Energy 2016	302-1	27, 54	-
	302-3	27	-
	302-4	27	-
Water and Effluents			
GRI 103: Management Approach 2016	103-1	28	-
	103-2	28	-
	103-3	28	-
GRI 303: Water and Effluents 2018	303-1	28	-
	303-2	28	-
	303-5	54	-



GRI 300: Environmental Standard Series			
Biodiversity			
GRI 103: Management Approach 2016	103-1	30	-
	103-2	30	-
	103-3	30	-
GRI 304: Biodiversity 2016	304-1	30	-
	304-2	30	
	304-3	30	
Emissions			
GRI 103: Management Approach 2016	103-1	27	-
	103-2	27	-
	103-3	27	-
GRI 305: Emissions 2016	305-1	27, 54	-
	305-2	27, 54	
	305-4	27	
	305-5	27	
	305-6	28	
	305-7	28	-
Waste			
GRI 103: Management Approach 2016	103-1	29	-
	103-2	29	-
	103-3	29	-
GRI 306: Waste 2020	306-1	29, 54	-
	306-2	29	-
	306-3	29, 54	-
	306-4	29, 54	-
	306-5	54	-



GRI 200: Economic Standard Series			
Environmental Compliance			
GRI 103: Management Approach 2016	103-1	26	-
	103-2	26	-
	103-3	26	-
GRI 307: Environmental Compliance 2016	307-1	26	-
GRI 400: Social Standards Series			
Employment			
GRI 103: Management Approach 2016	103-1	40, 41	-
	103-2	40, 41	-
	103-3	40, 41	-
GRI 401: Employment 2016	401-1	52	-
	401-3	52	-
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	41, 42	-
	103-2	41, 42	-
	103-3	41, 42	-
GRI 403: Occupational Health and Safety 2018	403-1	41	-
	403-2	41, 42	
	403-3	41	
	403-4	41	
	403-5	42, 53	
	403-7	41, 42	
	403-9	53	
	403-10	53	-



GRI 400: Social Standards Series			
Training and Education			
GRI 103: Management Approach 2016	103-1	43, 44	-
	103-2	43, 44	-
	103-3	43, 44	-
GRI 404: Training and Education 2016	404-1	43, 53	-
	404-2	43, 44	-
	404-3	44, 53	-
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1	45	-
	103-2	45	-
	103-3	45	-
GRI 405: Diversity and Equal Opportunity 2016	405-1	45, 52	-
Freedom of Association and Collective Bargaining			
GRI 103: Management Approach 2016	103-1	40, 41	-
	103-2	40, 41	-
	103-3	40, 41	-
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	41, 52	-
Material Topics That Are Not Covered by the GRI Standards			
Products with Low Environmental Impact			
GRI 103: Management Approach 2016	103-1	34-36	-
	103-2	34-36	-
	103-3	34-36	-



UNGC References

Area	Principles	Relevant Report Section
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Sustainable Value Chain (Responsible Production and Supply Chain)
	Principle 2: make sure that they are not complicit in human rights abuses.	Employees (Introduction)
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Message from the Chairman of the Board of Directors and the CEO
	Principle 4: the elimination of all forms of forced and compulsory labour;	Employees (Introduction)
	Principle 5: the effective abolition of child labour; and	
Environment	Principle 6: the elimination of discrimination in respect of employment and occupation.	Employees (Diversity and Equal Opportunities)
	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Sustainable Value Chain (Innovative Products)
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	
Anti-Corruption	Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Environmental Management
	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Strong Governance (Business Ethics)

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