AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.

2024 CDP Corporate Questionnaire

Contents

C1. Introduction 7

(1.1) In which language are you submitting your response? 7

(1.2) Select the currency used for all financial information disclosed throughout your response. 7

(1.3) Provide an overview and introduction to your organization. 7

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years. 7

(1.4.1) What is your organization's annual revenue for the reporting period? 8

(1.5) Provide details on your reporting boundary. 8

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)? 8

(1.7) Select the countries/areas in which you operate. 10

(1.12) Which part of the concrete value chain does your organization operate in? 10

(1.24) Has your organization mapped its value chain? 10

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of? 11

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities 12

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities? 12

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts? 13

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities? 13

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities. 13

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed? 27

(2.3) Have you identified priority locations across your value chain? 27

(2.4) How does your organization define substantive effects on your organization? 28

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health? 30

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities. 30

C3. Disclosure of risks and opportunities 33

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future? 33

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future. 33

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks. 66

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent? 67

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations? 70

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)? 70

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by? 70

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future? 71

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future. 71

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities. 85

C4. Governance 88

(4.1) Does your organization have a board of directors or an equivalent governing body? 88

(4.1.1) Is there board-level oversight of environmental issues within your organization? 88

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues. 89

(4.2) Does your organization's board have competency on environmental issues? 93

(4.3) Is there management-level responsibility for environmental issues within your organization? 94

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals). 95

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets? 113

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals). 114

(4.6) Does your organization have an environmental policy that addresses environmental issues? 129

(4.6.1) Provide details of your environmental policies. 129

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives? 132

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment? 133

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year? 134

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year. 139

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response? 145

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication. 145

C5. Business strategy 147

(5.1) Does your organization use scenario analysis to identify environmental outcomes? 147

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis. 147

(5.1.2) Provide details of the outcomes of your organization's scenario analysis. 160

(5.2) Does your organization's strategy include a climate transition plan? 162

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning? 163

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy. 164

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning. 167

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition? 168

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition. 168

(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year. 172

(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment. 174

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities? 175

(5.5.1) Provide details of your organization's investments in low-carbon R&D for cement production activities over the last three years. 175

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year? 181

(5.10) Does your organization use an internal price on environmental externalities? 181

(5.10.1) Provide details of your organization's internal price on carbon. 181

(5.10.2) Provide details of your organization's internal price on water. 183

(5.11) Do you engage with your value chain on environmental issues? 185

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment? 186

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues? 188

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process? 189

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place. 190

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues. 200

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain. 204

C6. Environmental Performance - Consolidation Approach 207

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data. 207

C7. Environmental performance - Climate Change 209

(7.1) Is this your first year of reporting emissions data to CDP? 209

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data? 209

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year? 209

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions. 209

(7.3) Describe your organization's approach to reporting Scope 2 emissions. 210

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure? 210

(7.5) Provide your base year and base year emissions. 210

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e? 216

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e? 217

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions. ... 218

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years. 225
(7.9) Indicate the verification/assurance status that applies to your reported emissions. 225
(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements. 226
(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements. 227
(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements. 228
(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year? 229
(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year. 229
(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure? 230
(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization? 230
(7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2. 230
(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type? 230
(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP). 230
(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area. 231
(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide. 231
(7.17.2) Break down your total gross global Scope 1 emissions by business facility. 231
(7.17.3) Break down your total gross global Scope 1 emissions by business activity. 232
(7.19) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e. 233
(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide. 233
(7.20.2) Break down your total gross global Scope 2 emissions by business facility. 233
(7.21) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e. 235
(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response. 235
(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response? 236
(7.29) What percentage of your total operational spend in the reporting year was on energy? 236
(7.30) Select which energy-related activities your organization has undertaken. 236
(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh. 237
(7.30.2) Report your organization's energy consumption totals (excluding feedstocks) for cement production activities in MWh. 238
(7.30.6) Select the applications of your organization's consumption of fuel. 238
(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type. 239
(7.30.8) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel for cement production activities. 242
(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year. 244
(7.30.10) Provide details on the electricity and heat your organization has generated and consumed for cement production activities. 246

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7. 246

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year. 248

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations. 249

(7.47) State your organization's Scope 1 and Scope 2 emissions intensities related to cement production activities. 250

(7.52) Provide any additional climate-related metrics relevant to your business. 250

(7.53) Did you have an emissions target that was active in the reporting year? 251

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets. 252

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets. 255

(7.54) Did you have any other climate-related targets that were active in the reporting year? 258

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production. 258

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets. 261

(7.54.3) Provide details of your net-zero target(s). 269

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases. 271

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings. 271

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below. 271

(7.55.3) What methods do you use to drive investment in emissions reduction activities? 275

(7.64) Disclose your organization's best available techniques as a percentage of Portland cement clinker production capacity. 276

(7.74) Do you classify any of your existing goods and/or services as low-carbon products? 277

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products. 277

(7.79) Has your organization canceled any project-based carbon credits within the reporting year? 279

C9. Environmental performance - Water security 280

(9.1) Are there any exclusions from your disclosure of water-related data? 280

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored? 280

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change? 285

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change. 287

(9.2.7) Provide total water withdrawal data by source. 288

(9.2.8) Provide total water discharge data by destination. 291

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge. 292

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities? 295

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year. 296

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified? 303

(9.5) Provide a figure for your organization's total water withdrawal efficiency. 305

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority? 305
(9.14) Do you classify any of your current products and/or services as low water impact? 306
(9.15) Do you have any water-related targets? 306
(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories. 306
(9.15.2) Provide details of your water-related targets and the progress made. 307

C10. Environmental performance - Plastics 311
(10.1) Do you have plastics-related targets, and if so what type? 311
(10.2) Indicate whether your organization engages in the following activities. 311

C11. Environmental performance - Biodiversity 314
(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments? 314
(11.3) Does your organization use biodiversity indicators to monitor performance across its activities? 314
(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year? 314

C13. Further information & sign off 316
(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party? 316
(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used? 316
(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored. 317
(13.3) Provide the following information for the person that has signed off (approved) your CDP response. 318
(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website. 318

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:
☑ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:
☑ TRY

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:
☑ Publicly traded organization

(1.3.3) Description of organization

Akçansa began its operations as a merger of Akçimento and Çanakkale Cement in 1996. Akcansa, a JV of Sabancı Holding and Heidelberg Materials, is a leading Turkish Cement Manufacturer. Listed on the Borsa Istanbul, 39.72% of the company's shares are held by Hacı Ömer Sabancı Holding A.Ş., 39.72% by Heidelberg Materials, and the remaining 20.56% is publicly traded. Operating in the Marmara, Aegean, and Black Sea regions, Akçansa produces cement and clinker at its three integrated cement production facilities located in Istanbul-Büyükçekmece, Çanakkale, and Samsun-Ladik. The company also owns two ports and four cement terminals in Istanbul-Ambarlı, Izmir-Aliağa, and Yalova. In addition, Akçansa operates 26 ready-mixed concrete facilities under the Betonsa brand and two aggregate operations under the Agregasa brand. Agregasa brand at our facilities located in Tekirdağ (Saray) and Bursa. Akçansa aims to deliver "the highest quality in production and service" to meet the demands of both domestic and international customers, aiming to excel beyond price competition. With its environmentally friendly identity, innovative sustainable products, superior service approach, and high-tech equipped facilities, Akçansa produces products in line with global quality standards, as recognized by the Istanbul Chamber of Industry (ISO). Akçansa's vision statement, "Sustainable growth beyond all boundaries," reflects its business strategy, which embraces sustainability as an integral part and core component of the company's business model. The company's sustainability journey began in 2009 with the establishment of the Sustainability Committee and the setting of the 2020 Sustainability Goals. Akçansa continues to pursue its sustainability vision through its mission to "be a leading building materials company by enhancing the quality of life in society with our culture of commitment to environmental, legal, and ethical principles." Akçansa is a member of the United Nations Global Compact, the UN Women's Empowerment Principles, and World Business Council for Sustainable Development (WBCSD) Turkey. Since 2013, it has been making environmental disclosures under the CDP Climate Change/Water Security programs.

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/30/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:
☑ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:
☑ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:
☑ 2 years

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:
☑ 2 years

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:
☑ 1 year

(1.4.1) What is your organization's annual revenue for the reporting period?

18724427906

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

AKCNS

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☑ Turkey

(1.12) Which part of the concrete value chain does your organization operate in?

Select all that apply

☑ Blended cement manufacturing

☑ Clinker production

☑ Portland cement cementitious materials production

☑ Alternative 'low CO2'

☑ Limestone quarrying

☑ Concrete production

☑ Aggregates production

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

☑ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 4+ suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☑ All supplier tiers known have been mapped

(1.24.7) Description of mapping process and coverage

There are Supplier Evaluation and Supplier Identification procedures. These procedures determine the performance evaluations and responsible and sustainable methods of Supplier companies in all locations and subsidiaries of Akçansa. In this way, purchasing from qualified suppliers is ensured. Scores and these scoring calculations are shared within the scope of evaluation criteria for all suppliers within the procedure. The Sustainable Supply Chain Policy has been published in order to make operations throughout the supply chain safe and efficient. All our suppliers are selected by considering environmental management, quality, occupational health and safety and human resources practices, and suppliers and subcontractors working in the facilities are regularly evaluated every year in accordance with our comprehensive supplier scoring procedure. Social risks in our supply chain are issues such as workers' rights not being fully and correctly met, lack of qualified labor, missing documents or contracts. Human rights criteria are observed throughout the supply chain. Environmental risks are risks such as dust during land and sea transportation, pollution (coal, tire, bilge waste), CO2 emissions due to intensive transportation, and leakage during waste transportation. To minimize supply risks, we have continued to develop business arrangements with alternative suppliers in all possible areas to ensure uninterrupted continuity of raw materials and services by creating alternatives to risky resources.

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

☑ Yes, we have mapped or are currently in the process of mapping plastics in our value chain

(1.24.1.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

☑ Downstream value chain

☑ End-of-life management

(1.24.1.4) End-of-life management pathways mapped

Select all that apply

☑ Preparation for reuse

☑ Recycling

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

In Akçansa, short term Strategic Plan covers a 5-year lifespan and is revisited frequently and updated if needed.

Medium-term

(2.1.1) From (years)

5

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Akçansa's mid-term definition covers 5 to 10 years and the Company Mid-term Action Plan is determined in and monitored against the 5 year Master Plans.

Long-term

(2.1.1) From (years)

10

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ No

(2.1.3) To (years)

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Akçansa considers beyond 10 years as a long-term period. The vision for long term is guided with a 10-year Master Plan. In addition to this, while addressing its climate change actions, Akçansa considers 2030 and 2050 as key milestone years & sets targets accordingly. The year 2030 aligns with the UN Sustainable Development Goals (SDGs), while 2050 marks a critical target year under the Paris Agreement. Akçansa is committed to aligning its strategies with these global frameworks. Moreover, both our shareholders Sabancı Holding and Heidelberg Materials also set climate-related targets for 2050. In line with the International Energy Agency Low-carbon Technology Road Transition for the Cement Industry, GCCA, and CEMBUREAU roadmaps, our long-term perspective extends to 2050, both to monitor global and sectoral long-term risks and to explore innovative technology opportunities.

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

☑ Tier 2 suppliers

☑ Tier 3 suppliers

☑ Tier 4+ suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ Internal company methods

International methodologies and standards

☑ ISO 14001 Environmental Management Standard

Other

☑ External consultants

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Heavy precipitation (rain, hail, snow/ice)

Chronic physical

☑ Changing temperature (air, freshwater, marine water)

☑ Sea level rise

Policy

☑ Carbon pricing mechanisms

Market

☑ Availability and/or increased cost of certified sustainable material

Reputation

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ NGOs

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

At Akçansa, we manage the risks defined within the corporate risk management methodology based on corporate risk management standards and best practices. Our enterprise risk management approach addresses environmental, social, governance, operational, strategic, financial, and compliance risks in a holistic manner. In accordance with Article 378 of the Turkish Commercial Code No. 6102, a Risk Early Detection Committee has been established at Akçansa. The committee works to take measures in accordance with the corporate risk appetite for risks that may affect the existence, development, and continuity of the company. With our Corporate Risk Management, we use various methods and reports to identify and define risks, calculate impact, probability, and risk scores, explain the measures taken, and monitor risks. Our corporate reporting takes an integrated approach, addressing environmental, social, governance (ESG), and sustainability dimensions. We simultaneously analyse the dimensions related to the transition to a low-carbon economy, the assessment of production activities, the environmental performance of operations, the efficient use of natural resources, investor relations, the approach to gender equality, and the people-oriented management culture in terms of potential risks and opportunities. Our Sustainability Committee operates in alignment with our strategic goals. The scope of the committee has been expanded to include managing these risks and integrating sustainability considerations into our risk management processes. As a signatory to the Task Force on Climate-related Financial Disclosures (TCFD), our priorities include the integration and monitoring of climate and other ESG risks into enterprise risk management, business continuity, and crisis management.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Impacts

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

☑ Tier 2 suppliers

☑ Tier 3 suppliers

☑ Tier 4+ suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

International methodologies and standards

☑ Other international methodologies and standards, please specify **:**GHG Protocol

Databases

☑ Other databases, please specify **:**IEA CO2 Emissions from Fuel Combustion IPCC Guidelines for National Greenhouse Gas Inventories, 2006 WBCSD Cement Protocol GCCA Sustainability Framework Guidelines

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Employees

☑ Investors

☑ Local communities

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

As a company, we actively participate in national, international, and industry-led initiatives, such as TÜSİAD and Türkçimento, to mitigate and adapt to climate change. We also contribute to legislative processes, such as the establishment of the Green Taxonomy and the ETS system, by providing input in consultations organized by the Ministry of Environment, where Akçansa is an active stakeholder. We focus on transitioning to a net zero economy by identifying opportunities for modernization, energy efficiency, and resource efficiency across our operations. To minimize the carbon footprint of our entire value chain, we accelerate our green transformation through our R&D

and digital transformation efforts. We calculate our emissions annually in accordance with the GHG Protocol (Scope 1, 2, and 3) and have them verified by accredited third-party verification companies.

Row 3

(2.2.2.1) Environmental issue

Select all that apply

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Impacts

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Partial

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative only

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

(2.2.2.11) Location-specificity used

Select all that apply

☑ Local

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ TNFD – Taskforce on Nature-related Financial Disclosures

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Local communities

☑ NGOs

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

In line with the permits obtained and the Environmental Impact Assessment (EIA) reports prepared prior to commissioning our new worksites, we ensure the rehabilitation of our new areas of operation under their unique environmental conditions. We consider the rehabilitation of our mining sites to be one of the key issues in creating a positive impact on biodiversity. As part of our biodiversity targets, we monitor our impact through the total number of mine sites rehabilitated, our operating sites with biodiversity management plans and the total number of trees planted as a result of rehabilitation. In 2023, we planted 1,300 trees and rehabilitated approximately 1 hectare of land previously used for mining. We have completed the rehabilitation of a total of 28.5 hectares of former mining sites. We aim to develop biodiversity management plans for our facilities in 2024, using a science-based approach. As part of our parent companies, Heidelberg Materials and Sabancı Holding, we are aligned with their specific biodiversity goals. Heidelberg Materials aims to enhance biodiversity at its operational sites by implementing comprehensive biodiversity management plans and restoring ecosystems affected by its activities. Their target includes achieving a net positive impact on biodiversity by 2030, with a focus on rehabilitating mining sites and improving water management practices. Sabancı Holding, on the other hand, is committed to integrating biodiversity into its sustainability framework, aiming to reduce environmental impact through targeted rehabilitation efforts and the development of biodiversity action plans at all relevant facilities by 2025.

Row 4

(2.2.2.1) Environmental issue

Select all that apply

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ WRI Aqueduct

Enterprise Risk Management

☑ Enterprise Risk Management

International methodologies and standards

☑ IPCC Climate Change Projections

☑ ISO 14001 Environmental Management Standard

Other

☑ External consultants

☑ Internal company methods

☑ Materiality assessment

☑ Scenario analysis

☑ Other, please specify :Heidelberg Materials Risk Management Guide, Sabancı Holding Compliance Report

(2.2.2.13) Risk types and criteria considered

Chronic physical

☑ Groundwater depletion

☑ Water availability at a basin/catchment level

☑ Water stress

Market

☑ Inadequate access to water, sanitation, and hygiene services (WASH)

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ NGOs

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Local communities

☑ Indigenous peoples

☑ Water utilities at a local level

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Risk Management at Akçansa is an integrated and multi-disciplinary process. Akçansa defines, continuously evaluates and manages its water-related risks within the framework of corporate risk management practices. "Water Risks" is also assessed under "ESG Risks". The Board of Directors is the highest-level governance body directly responsible for all risks and opportunities. Water-related risks are assessed and defined by Plant Managers, Operations Department, Environmental Management Department, Risk Manager and Sustainability Manager. All defined risks are then followed up and reported by Risk Manager, Sustainability Manager in corporate level and Environmental Executive in plant level including all business lines. Water related risks are assessed by corporate risk management procedures in line with Sabancı and Heidelberg Materials Risk Management protocols. ISO 14001 Environmental Management System is also used for assessment and management of water-related risks. Also, scenario analysis for climate-related water risks were done according to TCFD recommendations. A global modelling software developed by a major insurance company is used to evaluate three different climate scenarios (RCP 2.6, RCP 4.5 and RCP 8.5) with different time horizons. Each of our facilities has risk scores for each scenario and time horizon according to the location risk intelligence report of the scenario analysis study. Water risks and opportunities are presented to Risk Committee, Early Risk Identification Committee and to Corporate Governance Committee periodically. Through environmental working group water related risk mitigation actions are developed and implemented. Akçansa has a company-wide target to decrease water withdrawal per cementitious product. In order to manage water-related risks and opportunities Sustainability Manager and Risk Manager are periodically review the related risks with Environmental Manager by evaluating likelihood, magnitude and possible impacts and review before each Board meeting. One of our main water risks is that production processes will be adversely affected due to difficulties in accessing water and operational problems that may arise. In order to manage this risk, for the regions with high water stress we started to prepare "Water Management Plans". Currently, Water Management Plan and Water Master Plan have been prepared for our 3 cement factories which has 85% of total water consumed. In order to contribute to our

company's water use reduction target, water use is kept under control with digital tracking processes, water use in production and loss/leakage are determined and prevented.

Row 5

(2.2.2.1) Environmental issue

Select all that apply

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Partial

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

☑ Tier 2 suppliers

☑ Tier 3 suppliers

☑ Tier 4+ suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative only

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ WRI Aqueduct

Enterprise Risk Management

☑ Enterprise Risk Management

International methodologies and standards

☑ IPCC Climate Change Projections

☑ ISO 14001 Environmental Management Standard

Other

☑ External consultants

☑ Internal company methods

☑ Materiality assessment

☑ Scenario analysis

☑ Other, please specify :Heidelberg Materials Risk Management Guide, Sabancı Holding Compliance Report

(2.2.2.13) Risk types and criteria considered

Chronic physical

☑ Water availability at a basin/catchment level

☑ Water stress

Market

☑ Availability and/or increased cost of raw materials

☑ Inadequate access to water, sanitation, and hygiene services (WASH)

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

In line with the permits obtained and the Environmental Impact Assessment (EIA) reports prepared prior to commissioning our new worksites, we ensure the rehabilitation of our new areas of operation under their unique environmental conditions. Additionally, in compliance with our Sustainable Supply Chain Policy, our activities directly impact our suppliers by encouraging them to align with our sustainability standards, thereby reducing environmental and social risks throughout the procurement and supply chain processes.

Row 6

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Partial

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

International methodologies and standards

☑ ISO 14001 Environmental Management Standard

Databases

☑ Other databases, please specify :Internal monitoring system

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Limestone and clay, which are the raw materials of cement, are taken directly from nature in quarries. Akçansa also supplies some of its raw materials from its own quarries. Innovative systems are being developed to ensure that the raw materials required for production are supplied under adequate conditions. A system called E-Quarry Application has been established that tracks raw material operations in the Çanakkale region in real time.

Row 7

(2.2.2.1) Environmental issue

Select all that apply

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Partial

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

☑ Tier 2 suppliers

☑ Tier 3 suppliers

☑ Tier 4+ suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

International methodologies and standards

☑ ISO 14001 Environmental Management Standard

Databases

☑ Regional government databases

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Employees

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

The cement industry is water-intensive, with large amounts of water consumed as cooling water in cement and clinker production and as a raw material in concrete production. Therefore, effective water management is one of our top priorities. We use closed-loop systems that maximize water recovery for cooling purposes in cement production lines. In 2023, we achieved a water recovery rate of 82% in RMC and AGG business lines, ensuring that water is reused efficiently. Additionally, we treat wastewater as a valuable resource, recycling stormwater and wash water in our cement and ready-mixed concrete operations. Each year, we collect 81,000 m³ of water from our stormwater collection ponds.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

Our sector stands out as an area where risks and impacts related to nature create financial fragility due to its dependencies. The complex interaction of dependency on natural resources and environmental impacts over time can create serious uncertainties on the earnings and cash flows of our operations. This situation can spread across a wide range of financial risks, including market, credit and liquidity risks. At the micro level, these risks include environmental disruptions that lead to unexpected cost increases in production processes, uncertainties in the supply chain, changes in profitability and asset values, and increasing lawsuits arising from environmental regulations. At the macro level, changing construction demand, fluctuations in fuel prices and raw material costs come to the fore. Such environmental factors bring both risks and opportunities to our sector. As Akçansa, thanks to our sustainability-focused strategies and more resilient supply chain structures, we are able to both protect asset values and provide new opportunities. At the same time, we integrate effective management of climate change-related risks into governance, strategy and risk management processes.

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☑ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.3.3) Types of priority locations identified

Sensitive locations

☑ Areas important for biodiversity

☑ Areas of limited water availability, flooding, and/or poor quality of water

Locations with substantive dependencies, impacts, risks, and/or opportunities

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity

(2.3.4) Description of process to identify priority locations

In order to determine the priority areas of activity in 2023, studies were conducted focusing on sensitive areas related to biodiversity and areas facing significant water stress within water management. For water management, we utilized the World Resources Institute's (WRI) Aqueduct Water Risk Atlas to identify high-risk areas, ensuring that water-stressed regions across our value chain were prioritized. Additionally, in the field of biodiversity, we referred to the International Union for Conservation of Nature (IUCN) standards and various international agreements such as the Convention on Biological Diversity to assess and prioritize regions that are ecologically vulnerable.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☑ No, we have a list/geospatial map of priority locations, but we will not be disclosing it

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify**:** Specific amount

(2.4.3) Change to indicator

Select from:

☑ % increase

(2.4.4) % change to indicator

Select from:

☑ 81-90

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

Akçansa manages its risks in line with both Sabancı Holding and Heidelberg Materials risk management procedures/ guidelines and evaluates corporate level as well as asset level risks under multiple categories, namely, financial, operational, system/process, customer, supplier, employee, reputational and compliance risks. Substantive financial and strategic impacts, which are risks that are scored/classified as critical risks, are defined as effects that pose a risk to undermine the entire business. Corporate level substantive risks are defined. Quantitatively as risks above USD 500,000; TRY 14,745,000 (Indicative Average Exchange Rate announced on 12/29/2023 by the Central Bank of Türkiye as 29.49 USD/TRY) on an annual basis. Qualitatively as risks that are a threat to our core business model and business continuity which are evaluated considering risk categories and calculated by Risk Assessment Methodology.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

As Akçansa, we actively participate in national, international and industry-led initiatives to mitigate and adapt to climate change, and develop practices and collaborations that improve performance by considering the opportunities of the transition to a low-carbon economy. When appropriate and achievable in the short term, potential opportunities are considered in regular planning processes and are continuously monitored in operational activities. Business opportunities are identified and considered as part of strategy and planning processes. In opportunities, we refer to possible future developments or events that could lead to a positive deviation from our forecast.
[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☑ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

Potential pollutants have been identified within the framework defined within the scope of the Water Pollution Control Regulation of Türkiye. Water Pollution Control Regulation aims to determine the legal and technical principles necessary to prevent water pollution in accordance with sustainable development goals in order to protect the country's underground and surface water resources potential and to ensure its efficient usage. Principles of wastewater discharge are defined under two groups; sewerage systems and receiving water body regulated by environmental permitting and audit procedures. Reuse of wastewater is also well defined as essential. Wastewater to be discharged must not exceed the limits in appendix tables of this regulation. Cement sector is one of the quarry dependent industrial sectors as defined in Water Pollution Control Regulation. Industrial Wastewater Sectoral Table 7.5. limits; Suspended Solids (SS), pH, Color (Pt-Co), Oil-Grease, Chromium VI. For special situations such plants have i.e. coal usage; Table 9.3. applies additional limits as Cyanide; vehicle washing systems and run-off water collection Table 20.3. applies additional fish bioassay (ZSF). If water conditioning is present, Chlorine and Ferrous parameters are essential according to table 20.7. Domestic Wastewater that is defined as general but applies to all sectors; Table 20.1 is limiting Suspended Solids (SS), Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), pH, temperature.

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

☑ Inorganic pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Inorganic pollutants comprise mainly of heavy metals, which are toxic or poisonous even at low concentrations. Even in small quantity can damage discharged habitat. Main parameters which of them are monitored in case e.g. ferrous, chromium VI etc.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

☑ Beyond compliance with regulatory requirements

☑ Implementation of integrated solid waste management systems

☑ Industrial and chemical accidents prevention, preparedness, and response

☑ Reduction or phase out of hazardous substances

(2.5.1.5) Please explain

The continuous monitoring of heavy metals like Ferrous (Fe), Chromium (CrVI), and Cyanide (CN) ensures that potential toxic discharges are identified early and mitigated before reaching harmful levels. By following regulatory guidelines and conducting regular water quality assessments, we prevent contamination of the aquatic ecosystem Success is evaluated through the consistent absence of regulatory exceedances, with all water discharge analyses showing no violations during the reporting year.

Row 2

(2.5.1.1) Water pollutant category

Select from:

☑ Other nutrients and oxygen demanding pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Wastewater from sewage treatment plants often contains organic materials that are decomposed by microorganisms, which use oxygen in the process. (EPA)Oxygen is measured in its dissolved form as dissolved oxygen (DO). If more oxygen is consumed than is produced, dissolved oxygen levels decline and some sensitive animals may move away, weaken, or die. (EPA)Thus, two of parameters Biological Oxygen Demand (BOD) and COD (Chemical Oxygen Demand) are important to monitor oxidants and related bacterial growth to assess the potential effects of wastewater.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Beyond compliance with regulatory requirements

☑ Industrial and chemical accidents prevention, preparedness, and response

☑ Water recycling

(2.5.1.5) Please explain

The regular analysis of Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), and Total Suspended Solids (TSS) ensures that oxygen-demanding pollutants are managed effectively, preventing negative impacts on aquatic ecosystems, such as oxygen depletion. Success is measured by the compliance of all discharges with Turkish regulatory limits. Additionally, we track the reduction in BOD, COD, and TSS levels year-over-year as an indicator of improved water treatment performance. No exceedances were reported in the last year.

Row 3

(2.5.1.1) Water pollutant category

Select from:

☑ Oil

(2.5.1.2) Description of water pollutant and potential impacts

When oil enters a body of water, a film develops on the surface that blocks out sunlight that plants and other organisms need to live. (EPA)On the other hand the oil can be ecotoxic, it must be checked in wastewater discharges especially sourced by primary treatment plants. Discharged wastewater is gathered under 3 scopes in our plants. One is physical treatment systems that treat by screening, setting by gravity and flotation using density to separate oil from wastewater.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

☑ Upgrading of process equipment/methods

(2.5.1.5) Please explain

Continuous maintenance to prevent oil leaks and the regular monitoring of oil content in water discharges minimize the risk of oil-related pollution. Upgrading process equipment ensures that discharges remain compliant and prevent ecological harm from oil films on water surfaces. Success is evaluated based on the adherence to regulatory standards and the absence of exceedances in oil concentration levels. There is no limit exceeds during the reporting year regarding oil analyzes.
[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Not an immediate strategic priority

(3.1.3) Please explain

Within our risk management approach, we have assessed our environmental risks including risks related to plastics. Since we are not involved in plastics production or usage for production purposes, we are only dealing with plastics during purchased goods that have plastic packaging Which of them are recycled by third-party waste management companies within our value chain. Thus, there are no significant risks identified associated with plastics.

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.9) Organization-specific description of risk

Following Turkiye's ratification of the Paris Agreement and the announcement of its net zero goal by 2053, efforts to develop climate regulations have gained momentum. Turkiye announced its first Nationally Determined Contribution (NDC), and the Green Deal Action Plan, which includes steps towards establishing a national Emission Trading System (ETS), was introduced. The Ministry of Environment, Urbanization, and Climate Change drafted a climate law outlining the foundations of the ETS and other carbon pricing mechanisms. Additionally, the Market Readiness Partnership (PMR) project was conducted to determine the most suitable carbon pricing system for Turkiye, with ETS identified as the most likely mechanism. The World Bank Partnership for Market Implementation (PMI) project also began to facilitate the implementation of carbon pricing policies. Authorities have indicated that free allowances will be provided, but the carbon price has not yet been defined. Akçansa anticipates additional operational costs in the short term due to CO2 emissions from its three cement production facilities. There is also a risk that increased costs could be passed on to product prices, creating a competitive disadvantage. This risk has been evaluated under ESG-Climate risks and identified as one of the highest inherent risks. To manage this risk, Akçansa has set emission reduction targets and started to implement the necessary action plans.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Virtually certain

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Akçansa is expected to be impacted in the short to medium term by the introduction of a national Emission Trading System (ETS) and potential carbon pricing mechanisms, with a notable financial impact anticipated if prices are at EU levels or similar to those in developing countries. If the carbon pricing regulations are enacted, Akçansa may face increased operational costs due to the need to purchase carbon allowances or invest in emission reduction technologies to comply with new regulations. These additional expenses will likely affect the company's financial performance by reducing margins and profitability, especially if the carbon price is set at a high level or if free allowances are limited. In terms of cash flow, Akçansa will likely face increased expenditures related to the purchase of carbon credits and the implementation of necessary mitigation measures, such as investing in cleaner technologies or improving energy efficiency. These expenditures may place short-term pressure on the company's liquidity and could require adjustments in budgeting or reallocation of resources to cover these costs. If carbon costs are transferred to customers through higher product prices, this could affect demand, potentially leading to reduced sales volumes and a decline in revenue, especially if competitors are not equally affected by such regulations or if the market is highly price-sensitive. Over the long term, the financial impact will depend on several factors, including the pace of regulatory implementation, the market price for carbon allowances, the allocation method, and the volume of free allowances granted. If Akçansa successfully meets its emission reduction targets and adapts to the new regulations, it could mitigate some of the negative financial impacts. However, failure to comply could result in penalties or further increased costs, negatively affecting both the financial position and overall competitiveness of the organization in the market.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

226290355.2

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

452580710.4

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

361129000.96

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

822363709.44

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

1477026969.6

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

1575495434.24

(3.1.1.25) Explanation of financial effect figure

According to carbon price expectations for Turkiye ETS, we assumed the price as 10-20 / ton clinker. In 2023, 6,293,338 ton clinker was produced. It is anticipated that Türkiye Benchmark value for 5 best performance is 805 kg CO2e/ton clinker. Also, free allowance value was included in the calculations. It is assumed that parallel with EU ETS, free allowance rate is determined as 90% for the first year and it will be decreased in years. Therefore, financial effect in medium term will be increased dramatically and then long term it will be stable. (Indicative Average Exchange Rate announced on 12/29/2023 by the Central Bank of Türkiye as 32.63 EUR/TRY) on an annual basis. For medium- and long-term calculations exchange rate of 2023 was used, these amounts could be change according to difference of exchange rate for every year.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Greater compliance with regulatory requirements

(3.1.1.27) Cost of response to risk

22404279

(3.1.1.28) Explanation of cost calculation

To manage this risk Akçansa implements a wide range of initiatives. In line with the SBTi commitment submitted in the first quarter of 2023, Akçansa evaluates initiatives such as energy efficiency, kiln process improvement, alternative fuel, and raw material substitution for each plant, and develops a special roadmap in line with SBTi and plans CO2 reduction investments. We continuously conduct R&D studies to lower the CO2 content of our product and develop low-carbon products (2023 total budget: approximately 22,404,279 TRY).

(3.1.1.29) Description of response

To prevent the risk of carbon pricing, we prioritize projects that contribute to the transition to a low-carbon economy. With the CO2 Roadmap and Low Carbon / Low Clinker New Product Development Plan that we have created in line with our 2030 Sustainability Goals, we manage all our R&D and innovation investments with a focus on sustainability.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify **:**Marmara Basin

(3.1.1.9) Organization-specific description of risk

As per the climate projections and according to our scenario analyzes, Marmara basin is under medium level drought stress over the short term and high to extreme drought stress over the long term. As well, Marmara Basin is under high water stress. Drought stress and water stress levels may lead to water scarcity resulting in inadequate water supply. This poses a substantive water scarcity risk for our Büyükçekmece Plant that is located at this basin. Inability to meet our water demand via existing methods will result in increased operating costs since we will need to identify and have access to additional/alternative water sources at most likely considerably higher costs.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The increase in costs potentially faced in the future by Akçansa due to water stress is presented as the difference between the future scenario's and a base-case (2022 prices against future volumes). • Çanakkale is projected to face a notable increase in water costs, with totals potentially reaching up to 7,5 million USD. This significant increase can be attributed to the region's comparatively high water usage relative to other regions and RMC regions, coupled with the current base-case where water prices are effectively zero. • Büyükçekmece is the only region where Akçansa currently pays for water. As a result, Büyükçekmece is expected to experience a relatively minor impact from the potential increasing water costs. However, this impact is projected to gradually increase, aligning with the broader trend of increasing water prices over time. Specifically, the 2050 3.5- 4C scenario, forecasts the most substantial cost increase, reaching up to 1,1 million USD. • Ladik's projected financial impact due to increased water costs is expected to be minimal. In the worst-case scenario, the increase in costs could reach up to 0,3 million USD. This relatively low impact is primarily due to the low water consumption, resulting in lesser financial impacts due to rising water prices. • The increase in costs for RMC could surge, in the most severe scenario due to increase of water prices, to as much as 0,5 million USD in the Marmara region and 0,3 million USD in the Aegean and Black Sea regions. The latter impacts are primarily results from the increase of water prices, rising from zero.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

23000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

30000000

(3.1.1.25) Explanation of financial effect figure

Water scarcity will cause difficulties in accessing to adequate amount of water to run the plant and will increase the water cost in the market. Thus, this will increase our operational costs. As an indicator average water cost of Büyükçekmece cement plant in by the end of 2023 is about 36.40 TRY. Considering the 2023 total water withdrawn at Büyükçekmece plant which is 370,510 cubic meters (excluding rainwater harvesting 81,000 cubicmeter), total cost is 25,194,680 TRY, assumptions has been taken as doubling the cost.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.27) Cost of response to risk

12500000

(3.1.1.28) Explanation of cost calculation

In order to increase water efficiency in Büyükçekmece plant, several efforts are ongoing. There are some planned projects in the pipeline including efficient equipment replacements, rainwater collection systems, membrane-filter installations etc. Total cost of these projects sums up to 12,500,000 TRY.

(3.1.1.29) Description of response

In order to mitigate this risk, Akçansa is looking into initiatives to mitigate the risk of water stress. In the future, Akçansa aims to reduce its overall water consumption to increase business resilience.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.9) Organization-specific description of risk

Acute Physical climate-related events have already increased in frequency and severity in regions Akçansa operates. The incapability of plants to continue their operations if the operations are interrupted or stopped due to events such as excessive precipitation that results in flooding is deemed to be an acute physical climate-related risk for Akçansa's operating regions. Climate projections indicate these acute extreme weather events will considerably increase in frequency as well as severity. Quantitative risk assessments using several tools were also supporting that the frequency and impacts of these events will increase for medium and long term. A quantitative risk assessment was conducted in 2022 using the Munich Re Location Risk Intelligence tool. According to the Risk Intelligence Portfolio Report, as a result of the analyzes made according to the RCP 2.6, 4.5 and 8.5 scenarios and different time horizons, 25% of the facilities are under medium-high level risk in the long term. The main risks arising from these events for Akçansa covers all facilities from production plant, terminals/ports, ready-mixed concrete and aggregates facilities and may result in temporary-long term production/operation disruption, potential physical damage to facilities and physical assets. In such a case,

Akçansa may be faced with a potential revenue loss due to disruption to production and resulting in lower production output.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Acute physical climate-related risks, such as extreme weather events and flooding, pose significant threats to Akçansa's financial stability in the long term. If these events continue to increase in frequency and severity, they may cause temporary or long-term disruptions in production and operations across Akçansa's facilities, including production plants, terminals/ports, ready-mixed concrete, and aggregates facilities. Such disruptions could lead to lower production output, directly impacting revenue generation and financial performance. In terms of financial position, the company could face substantial costs related to repairing physical damages to facilities and assets caused by extreme weather events. These expenses may put pressure on Akçansa's profitability, particularly if multiple facilities are affected simultaneously or if such events occur more frequently than anticipated. Furthermore, reduced production output and potential damage to infrastructure may result in lower revenue and decreased margins, negatively affecting the company's overall financial performance. Regarding cash flows, the company may experience increased outflows related to repair, maintenance, and operational costs to restore disrupted facilities. There may also be additional capital expenditures required to enhance the resilience of infrastructure against future extreme weather events, which could further strain cash reserves or necessitate additional financing. If production disruptions lead to prolonged downtime, Akçansa could face significant working capital challenges, as fixed costs would continue despite reduced operational output. In the long term, sustained or recurring disruptions may necessitate strategic changes in supply chain management, insurance premiums, and risk management expenses, all of which could impact Akçansa's financial condition.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

16000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

20000000

(3.1.1.25) Explanation of financial effect figure

We have conducted a location-based climate risk assessment, including flood risks such as river flood, flash flood, storm surge risks, and other floods resulting from extreme precipitation and other extreme climate events. Based on the location risk intelligence report, which was the output of the analysis conducted using the Munich Re Location Risk Intelligence tool, and considering RCP 2.6, 4.5, and 8.5 scenarios across different time horizons, we have identified the highest-risk locations during cost estimation. While estimating the potential financial impact of these risks, we evaluated costs including the duration required to restore the plant to pre-incident production levels and the associated production losses. As a result of our calculations, we estimated the potential financial impact to be approximately 0.1% of our 2023 revenue, which was 18,724,427,906 TRY. Therefore, our estimations are based on a 0.1% revenue loss.

(3.1.1.26) Primary response to risk

Policies and plans

☑ Increase insurance coverage

(3.1.1.27) Cost of response to risk

36655303510

(3.1.1.28) Explanation of cost calculation

Under the leadership of Enterprise Risk Management, a process was initiated for the establishment of the Business Continuity Management System in 2022. In this context, business continuity policy and procedures are prepared and emergency support, crisis management and business recovery details are worked on. By having a Business Continuity process, Akçansa will be able to reduce the recovery time after an event, minimize the potential impact of this event, maintain communication with stakeholders on a positive basis, predict possible outcomes more accurately, and therefore design processes for preparing for these outcomes. As part of our efforts to manage acute floods, the primary action we implement is to obtain insurance for all our facilities. Insurance amount for cash, stocks and tangible assets included in the assets is 36,655,303,510 TRY. Akçansa also defined emergency response and adaptation plans for facilities with highrisk potential regarding acute extreme weather conditions.

(3.1.1.29) Description of response

Insurance amount on assets is disclosed in 2023 Integrated Annual Report, page 140.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Sea level rise

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.9) Organization-specific description of risk

As per the climate projections, there is an expected sea level rise resulting due to climate change. According to Nasa's earth observatory projections, depending on the measures taken (from net zero pathway to high emission Business as Usual pathway) the sea levels are projected to rise from 1 to 4 meters. As Akçansa's Çanakkale (CNK) plant is located by the sea, also Büyükçekmece Plant is located near the sea and Büyükçekmece Lake, and ports/terminals are directly in the risky areas this projected sea level rise can cause temporary or potentially long-term disruption or need to relocate the plants. Even though this is a long-term projection, it can still pose a risk to temporary production/operation disruption at the plants due to significant physical damage. Risk assessments were done using Munich Re Location Risk Intelligence tool. Within the tool, hazard zones derived from IPCC sea-level rise data and high-resolution elevation data for respective projection year and RCP scenario. Model is based on storm surge events with 100 years return period. According to the risk intelligence report, we have assessed the medium and high-risk locations during cost estimation.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The projected sea level rise poses a significant long-term risk to Akçansa's financial position, performance, and cash flows, particularly for facilities located near the sea, such as the Çanakkale (CNK) plant, the Büyükçekmece plant, and various ports/terminals. Should sea levels rise as projected—ranging from 1 to 4 meters depending on global emissions scenarios—these facilities may face temporary or potentially long-term operational disruptions or even the need for complete relocation due to severe flooding or storm surge events. The risk of physical damage to these facilities could result in substantial capital expenditures for repairs, reconstruction, or relocation. These costs would impact Akçansa's profitability by increasing operational expenses and reducing margins. Additionally, the potential need for substantial investments to enhance flood defenses or relocate facilities could strain financial resources, requiring significant capital allocation or external financing.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

35000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

40000000

(3.1.1.25) Explanation of financial effect figure

While estimating the potential financial impact associated with this risk, we included the cost related to damages to the production line which also leads to the stoppage of the operations potentially for a time period. The figure represents the potential cost of damage plus loss of revenue with regards to this risk. Since the breakdown of this financial figure is confidential, we cannot disclose.

(3.1.1.26) Primary response to risk

Policies and plans

☑ Increase insurance coverage

(3.1.1.27) Cost of response to risk

36655303510

(3.1.1.28) Explanation of cost calculation

The management of these risks is integrated into our corporate risk management processes. The cost of response to this risk mainly consists of insurance (premium) cost to remedy such physical damage to plants and related indirect losses. As part of our efforts to manage acute floods, the primary action we implement is to obtain insurance for all our facilities. Since the facility specific insurance cost is considered as confidential, we disclose our total company-wide insurance (premium) cost. Insurance amount for cash, stocks and tangible assets included in the assets is 36,655,303,510 TRY.

(3.1.1.29) Description of response

Insurance amount on assets is disclosed in 2023 Integrated Annual Report, page 140.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Changing customer behavior

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.9) Organization-specific description of risk

In line with the increasing level of awareness and climate concerns, as well as developing regulations, the preferences of even B2B customers are changing and there is a tendency towards low-carbon products. In case the low carbon product demand cannot be met, a possible decrease in revenues is considered as a risk for Akçansa. An increase of awareness in both domestic market and overseas market was pushing the construction industry towards low-CO2 cement. In order to manage the risk Akçansa uses additives and started a product portfolio transition process towards blended cements to cut product CO2 emissions. Current status- We know that alternative fuels and raw materials are key for carbon emission reduction, and currently we are optimizing costs. As the cement industry is globally looking into decarbonization options, it is expected that alternative fuels and raw material might become more attractive to peers as well. Further, as some raw materials are related to other carbon-intense industries, less availability might also play a role. These and other drivers might determine higher prices in the future.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In line with the increasing level of awareness and climate concerns, as well as developing regulations, the preferences of even B2B customers are changing and there is a tendency towards low-carbon products. In case the low carbon product demand cannot be met, a possible decrease in revenues is considered as a risk for Akçansa. An increase of awareness in both domestic market and overseas market was pushing the construction industry towards low-CO2 cement. In order to manage the risk Akçansa uses additives and started a product portfolio transition process towards blended cements to cut product CO2 emissions.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

35000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

40000000

(3.1.1.25) Explanation of financial effect figure

The potential financial impact of this risk is reduced demand for our products which would result in decreasing revenues. A decrease of approximately 0.1% in net revenue is estimated. 2023 total revenue is 18,724,427,906 TRY. Costs of alternative fuel and alternative raw material per 2024 are based on Akçansa's inputs. The climate-driven impact on costs for Akçansa is primarily due to increased prices when compared to 2024. The main trends are outlined below: Impact

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Increase investment in R&D

(3.1.1.27) Cost of response to risk

22404279

(3.1.1.28) Explanation of cost calculation

We continue our efforts in areas such as new product development and product optimisation studies, pre-sales and after-sales technical support, lectures and seminars on cement and concrete technologies at universities,

technical tours for university students, support for cement and concrete research at universities, and national/international scientific publications (papers) in cooperation with universities, public institutions, sectoral NGOs and Heidelberg Materials Global R&D Unit. In 2023 our Sustainability Focused R&D and Innovation Investments amount was 22,404,279 TL.

(3.1.1.29) Description of response

To prevent the risk of customer behavior change, we prioritize projects that contribute to the transition to a low-carbon economy. With the CO2 Roadmap and Low Carbon / Low Clinker New Product Development Plan that we have created in line with our 2030 Sustainability Goals, we manage all our R&D and innovation investments with a focus on sustainability.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Increased pricing of water

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify **:**North Aegean Region

(3.1.1.9) Organization-specific description of risk

Water withdrawals are not billed by Government currently but in near term, there is a plan to make a billing for all consumptions. Government may apply billing to water withdrawals. That will increase our operating costs at Çanakkale Plant.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The potential introduction of government billing for water withdrawals would increase operational costs for Akçansa. If water billing is implemented, Akçansa will face higher operating expenses due to the cost of water usage, impacting the company's overall cost structure and reducing profit margins in the near term. Financially, the additional costs associated with water billing could lead to increased operating expenses, thereby affecting net income. Depending on the rates set by the government, the impact on the company's financial performance could range from moderate to significant.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

95000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

110000000

(3.1.1.25) Explanation of financial effect figure

Average cost of billing assumed to be 36.4 TRY. Considering the Çanakkale Plant 2023 total water withdrawal which is 1,572,010 cubic meters, total cost of the risk is calculated as approximately 103.752.660 TRY, assumptions has been taken as doubling the cost.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.27) Cost of response to risk

40000000

(3.1.1.28) Explanation of cost calculation

In order to increase water efficiency in Çanakkale plant, several efforts are ongoing. There are some planned projects in the pipeline including efficient equipment replacements, rainwater collection ponds, water re-use installations etc. In 2023, we launched the project to upgrade the wastewater treatment facilities at our Çanakkale plant and completed the necessary preparations for the plant's commissioning in 2024. In 2-3 years of investment. Total cost of these projects sums up to 40,000,000 TRY.

(3.1.1.29) Description of response

In order to mitigate this risk, we have established site-specific targets and identified necessary infrastructure investment measures and promote best practice and awareness on water management via incentives to our employees. Additionally, rainwater collection ponds and wastewater re-use from our own wastewater effluent via advanced wastewater treatment projects are under investigation.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Increased pricing of water

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify **:**Yeşilırmak Basin

(3.1.1.9) Organization-specific description of risk

Water withdrawals are not billed by Government currently but in near term government may apply billing to water withdrawals. That will increase our operating costs at Ladik Plant.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The potential of government billing for water withdrawals would increase operational costs for Akçansa. If water billing is implemented at levels similar to those in developed countries, Akçansa will face higher operating expenses due to the cost of water usage, impacting the company's overall cost structure and reducing profit margins in the near term. Financially, the additional costs associated with water billing could lead to increased operating expenses, thereby affecting net income. Depending on the rates set by the government, the impact on the company's financial performance could range from moderate to significant.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

5000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

10000000

(3.1.1.25) Explanation of financial effect figure

Average cost of billing assumed to be 36.4 TRY. Considering the Ladik Plant 2023 total water withdrawal which is 91,400 cubic meters, total cost of the risk is calculated as approximately 6.032.400 TRY, assumptions has been taken as doubling the cost.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.27) Cost of response to risk

450000

(3.1.1.28) Explanation of cost calculation

Pressurized sand filter installation to use collected stormwater is under investigation and the cost of this project is about 450,000 TRY.

(3.1.1.29) Description of response

Wastewater re-use from our own wastewater effluent via advanced wastewater treatment investments are under investigation.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify**:** Marmara Basin

(3.1.1.9) Organization-specific description of risk

A quantitative risk assessment was conducted in 2022 using the Munich Re Location Risk Intelligence tool. According to the Risk Intelligence Portfolio Report, as a result of the analyzes made according to the RCP 2.6, 4.5

and 8.5 scenarios and different time horizons, 25% of the facilities are under medium-high level risk in the long term. Büyükçekmece plant and other facilities such as terminal and port, ready-mixed concrete plants and aggregate plants located in Marmara Basin pose medium level flash flood risk. The main impact may be temporary-long term production/operation disruption, potential physical damage to facilities and physical assets. In such a case, Akçansa may be faced with a potential revenue loss due to disruption to production and resulting in lower production output.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Other, please specify :Effect on company assets

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The medium-level flash flood risk at the Büyükçekmece plant and other facilities in the Marmara Basin poses a potential threat to Akçansa's financial position, performance, and cash flows over the medium to long term. If flash floods occur, they could cause temporary to long-term production and operational disruptions, as well as potential physical damage to facilities and assets. These disruptions would likely result in lower production output, leading to potential revenue losses. From a financial perspective, the cost of repairing physical damage to facilities and assets could be substantial, impacting Akçansa's profitability by increasing unplanned capital expenditures. Additionally, repeated or severe flood events could require further investments in infrastructure improvements and protective measures to prevent future damage.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

6000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

8000000

(3.1.1.25) Explanation of financial effect figure

We have conducted location-based climate risk assessment including flood risks including s river flood, flash flood and storm surge risks and other floods. Regarding the location risk intelligence report which was the output of the analyzes made according to the RCP 2.6, 4.5 and 8.5 scenarios and different time horizons within the Munich Re Location Risk Intelligence tool, we have assessed the highest risk locations during cost estimation. While estimating the potential financial impact related to this risk, we assessed the costs involving duration it took to bring the plant back to pre-incident production levels, along with the loss of production. As a result of our calculations, we based on 0.04% revenue loss for the risk of plants located in Marmara Basin. Our 2023 revenue was 18,724,427,906 TRY.

(3.1.1.26) Primary response to risk

Policies and plans

☑ Use risk transfer instruments

(3.1.1.27) Cost of response to risk

36655303510

(3.1.1.28) Explanation of cost calculation

Since the facility specific insurance cost is considered as confidential, we disclose our total company-wide insurance (premium) cost. Overall insurance amount for cash, stocks and tangible assets included in the assets is 36,655,303,510 TRY. Since the breakdown is confidential, overall figure is presented.

(3.1.1.29) Description of response

The management of these risks is integrated into our corporate risk management processes. The cost of responding to these risks primarily consists of insurance premiums to cover physical damage to plants and related indirect losses. As part of our efforts to manage acute floods, our primary action is to obtain insurance for all our facilities. Additionally, under the leadership of Enterprise Risk Management, a process was initiated for establishing the Business Continuity Management System in 2022. In this context, business continuity policies and procedures have been developed, focusing on emergency support, crisis management, and business recovery. Moreover, the Sustainability Committee, which plays a key role in setting sustainability targets and developing projects, actively contributes to these risk management efforts. This committee ensures that sustainability principles are integrated into the overall risk mitigation strategies.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify **:**North Aegean Basin

(3.1.1.9) Organization-specific description of risk

A quantitative risk assessment was conducted in 2022 using the Munich Re Location Risk Intelligence tool. According to the Risk Intelligence Portfolio Report, as a result of the analyzes made according to the RCP 2.6, 4.5 and 8.5 scenarios and different time horizons, 25% of the facilities are under medium-high level risk in the long term. Çanakkale plant and port located in North Aegean Basin pose medium level flash flood risk. The main impact may be temporary-long term production/operation disruption, potential physical damage to facilities and physical assets. In such a case, Akçansa may be faced with a potential revenue loss due to disruption to production and resulting in lower production output.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Other, please specify **:**Effect on company assets

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The medium-level flash flood risk identified for the Çanakkale plant and port in the North Aegean Basin represents a potential threat to Akçansa's financial position, performance, and cash flows, particularly over the long term. Flash floods in this region could cause temporary to long-term production and operational disruptions, as well as

potential physical damage to facilities and assets, which could lead to significant financial consequences. From a financial perspective, any physical damage to the Çanakkale plant and port could require substantial repair costs and capital expenditures to restore operations. These unexpected costs would likely reduce profit margins and impact the overall profitability of Akçansa.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

9000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

10000000

(3.1.1.25) Explanation of financial effect figure

We have conducted location-based climate risk assessment including flood risks including s river flood, flash flood and storm surge risks and other floods. Regarding the location risk intelligence report which was the output of the analyzes made according to the RCP 2.6, 4.5 and 8.5 scenarios and different time horizons within the Munich Re Location Risk Intelligence tool, we have assessed the highest risk locations during cost estimation. While estimating the potential financial impact related to this risk, we assessed the costs involving duration it took to bring the plant back to pre-incident production levels, along with the loss of production. As a result of our calculations, we based on 0.05% revenue loss for the risk of plants located in Marmara Basin. Our 2023 revenue was 18,724,427,906 TRY.

(3.1.1.26) Primary response to risk

Policies and plans

☑ Use risk transfer instruments

(3.1.1.27) Cost of response to risk

36655303510

(3.1.1.28) Explanation of cost calculation

Since the facility specific insurance cost is considered as confidential, we disclose our total company-wide insurance (premium) cost. Overall insurance amount for cash, stocks and tangible assets included in the assets is 36,655,303,510 TRY. Since the breakdown is confidential, overall figure is presented.

(3.1.1.29) Description of response

The management of these risks is integrated into our corporate risk management processes. The cost of response to this risk mainly consists of insurance (premium) cost to remedy such physical damage to plants and related indirect losses. As part of our efforts to manage acute floods, the primary action we implement is to obtain insurance for all our facilities. Under the leadership of Enterprise Risk Management, a process was initiated for the

establishment of the Business Continuity Management System in 2022. In this context, business continuity policy and procedures are prepared and emergency support, crisis management and business recovery details are worked on. By having a Business Continuity process, Akçansa will be able to reduce the recovery time after an event, minimize the potential impact of this event, maintain communication with stakeholders on a positive basis, predict possible outcomes more accurately, and therefore design processes for preparing for these outcomes. Akçansa also defined emergency response and adaptation plans for facilities with high-risk potential. Additionally, to increase resilience, reinforcement project at the port jetty was planned to increase resilience in Çanakkale plant in 2022.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk6

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Sea level rise

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify **:**North Aegean Basin

(3.1.1.9) Organization-specific description of risk

As per the climate projections, there is an expected sea level rise resulting due to climate change. According to Nasa's earth observatory projections, depending on the measures taken (from net zero pathway to high emission Business as Usual pathway) the sea levels are projected to rise from 1 to 4 meters. As Akçansa's Çanakkale (CNK) plant is located nearby the sea. Ports/terminals are directly in the risky areas this projected sea level rise can cause temporary or potentially long-term disruption or need to relocate the plants. Even though this is a long-term projection, it can still pose a risk to temporary production/operation disruption at the plants due to significant physical damage. Risk assessments were done using Munich Re Location Risk Intelligence tool. Within the tool, hazard zones derived from IPCC sea-level rise data and high-resolution elevation data for respective projection year and RCP scenario. Model is based on storm surge events with 100 years return period.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Other, please specify **:**E

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The projected sea level rise poses a significant long-term risk to Akçansa's financial position, performance, and cash flows, particularly for the Çanakkale (CNK) plant and various ports and terminals that are directly located in high-risk coastal areas. As sea levels are expected to rise between 1 to 4 meters depending on global climate scenarios, these facilities face potential temporary or long-term operational disruptions, significant physical damage, or even the necessity for relocation. From a financial perspective, these risks could translate into substantial costs for Akçansa. The company may need to invest in protective infrastructure or consider relocating vulnerable facilities, both of which would involve significant capital expenditures. Additionally, repair and maintenance costs to address damages from storm surges and flooding could increase operational expenses, reducing profitability. In terms of cash flow, Akçansa may experience increased outflows due to the costs associated with protective measures, emergency responses, and repairs of damaged infrastructure. Moreover, extended periods of operational disruption could lead to reduced cash inflows from lower production volumes and potential market share losses if the company is unable to meet customer demand. The need to finance these additional expenses might also lead to higher borrowing costs, impacting the company's overall financial flexibility.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

35000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

40000000

(3.1.1.25) Explanation of financial effect figure

According to the risk intelligence report derived from the analyzes, we have assessed the medium and high-risk locations during cost estimation. While estimating the potential financial impact associated with this risk, we

included the cost related to damages to the production lines which also leads to the stoppage of the operations potentially for a time period. The figure represents the potential cost of damage plus loss of revenue with regards to this risk. Since the breakdown of this financial figure is confidential, we cannot disclose.

(3.1.1.26) Primary response to risk

Policies and plans

☑ Use risk transfer instruments

(3.1.1.27) Cost of response to risk

36655303510

(3.1.1.28) Explanation of cost calculation

Since the facility specific insurance cost is considered as confidential, we disclose our total company-wide insurance (premium) cost. Overall insurance amount for cash, stocks and tangible assets included in the assets is 36,655,303,510 TRY. Since the breakdown is confidential, overall figure is presented.

(3.1.1.29) Description of response

The management of these risks is integrated into our corporate risk management processes. The cost of response to this risk mainly consists of insurance (premium) cost to remedy such physical damage to plants and related indirect losses. As part of our efforts to manage acute floods, the primary action we implement is to obtain insurance for all our facilities.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk7

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Increased ecosystem vulnerability

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify: Marmara Basin, North Aegean Basin, Yeşilırmak Basin

(3.1.1.9) Organization-specific description of risk

Due to the deterioration of the marine ecosystem, disruptions that may occur in logistics processes as a result of affecting both the supply chain and sales in port operations.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Other, please specify: Supply chain disruption

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The deterioration of the marine ecosystem poses a risk to Akçansa's logistics processes, particularly in port operations that are critical for both supply chain management and sales distribution. If the marine ecosystem continues to degrade, it could lead to disruptions in port operations, affecting the timely delivery of raw materials and finished products. This risk could have several financial implications for Akçansa over the short to long term. From a financial position perspective, disruptions in logistics processes may result in increased operational costs due to delays, rerouting, or the need to use alternative, potentially more expensive transportation methods. Additional costs might also arise from penalties for late deliveries, increased inventory holding costs, and potential contractual disputes with suppliers and customers. These increased expenses could reduce profitability and adversely affect the company's financial performance. Regarding cash flows, any delays or disruptions in the supply chain could lead to interruptions in production, resulting in lower sales and reduced revenue. A prolonged disruption in port operations could cause significant cash flow constraints, as Akçansa might need to finance alternative logistics arrangements or increase inventory levels to buffer against potential supply chain delays. Additionally, increased costs related to alternative transportation methods or penalties could put further pressure on liquidity. Over the longer term, if disruptions in logistics become more frequent or severe due to ongoing marine ecosystem deterioration, Akçansa may need to invest in alternative supply chain routes, new technologies, or partnerships to ensure continuity of operations. While these investments could involve substantial upfront costs, they could help mitigate future risks and stabilize cash flows by maintaining more reliable logistics and supply chain operations.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.27) Cost of response to risk

3000000

(3.1.1.28) Explanation of cost calculation

All facilities located in the Marmara Basin discharge into the infrastructure of municipalities with advanced biological wastewater treatment systems. In 2023, a 3 million TRY investment was made in a wastewater treatment plant.

(3.1.1.29) Description of response

Operational improvements are made to minimize the impact on the marine ecosystem. Improvement studies are carried out by making additional measurements on wastewater discharges.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Other chronic physical risk, please specify: Global Pandemic

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.9) Organization-specific description of risk

The emergence of the COVID-19 pandemic in recent years has revealed that governments and companies worldwide were not fully prepared for a global outbreak. Although we have overcome the immediate impacts of COVID-19, we may face the risk of a new virus outbreak in the future due to factors related to climate change,

such as shifts in food consumption patterns. This potential threat could adversely affect both our operations and our supply chain at Akçansa.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Disruption to sales

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ About as likely as not

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

A new pandemic risk arising from changing food habits due to climate change may cause financial instability through decreased sales, increased operational costs for health measures, and potential disruptions in supply chains. These impacts could affect cash flows, require reallocation of resources to risk management, and lead to potential loss of market share.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

150000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

200000000

(3.1.1.25) Explanation of financial effect figure

The potential financial impact of this risk is reduced demand for our products which would result in decreasing revenues. A decrease of approximately 1% in total revenue is estimated. 2023 total revenue is 18,724,427,906 TRY.

(3.1.1.26) Primary response to risk

Engagement

☑ Engage with local communities

(3.1.1.28) Explanation of cost calculation

Since we do not yet know the potential impacts of a new global virus, unfortunately, we are unable to calculate the financial effects of responses to the virus.

(3.1.1.29) Description of response

As Akçansa, we may plan to develop a preparedness and response strategy for potential pandemic scenarios to address the risk of a new virus outbreak related to climate change. This strategy can include strengthening critical supplier relationships, identifying alternative supply sources, updating employee health and safety measures, and promoting flexible working models. Additionally, we may integrate practices that enhance flexibility and resilience into our business processes to ensure operational sustainability. Collaborating with local communities will help promote safer practices and reduce risk.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk6

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Other policy risk, please specify**:** Carbon Border Adjustment Mechanism (CBAM)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.9) Organization-specific description of risk

The Carbon Border Adjustment Mechanism (CBAM) is a policy tool developed by the European Union (EU) to prevent carbon leakage and combat climate change. CBAM aims to impose an additional carbon cost on certain high-carbon products imported into the EU, and the cement sector is one of the industries affected by this mechanism. Cement production is a carbon-intensive process, with a significant portion of emissions arising from

clinker production. With the implementation of CBAM, cement producers exporting to the EU will be required to report their carbon footprint more transparently and pay additional costs based on the carbon content of their products. This situation will directly impact cement producers operating outside the EU, particularly those who are not aligned with the EU's carbon reduction policies. CBAM will introduce additional costs for cement products imported into the EU, potentially reducing the competitiveness of cement producers exporting to the EU market. If producers do not make investments to reduce their carbon footprint, the costs they face in the EU market could increase significantly.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased compliance costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Virtually certain

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The introduction of the Carbon Border Adjustment Mechanism (CBAM) is anticipated to have several notable impacts on Akçansa's financial position, performance, and cash flows over different future time horizons. In the short term, we may face increased operational costs due to the additional carbon charges on cement exports to the European Union (EU). This immediate cost burden could strain our cash flows, particularly if we lack existing carbon reduction measures or technologies to mitigate these charges. The increased costs may also lead to reduced profit margins, adversely affecting our overall financial performance. In the medium and long term, the financial impact could become more pronounced as we may need to invest in new technologies, such as carbon capture and storage (CCS), or shift towards more sustainable production methods to align with EU carbon standards. These investments, while essential for long-term competitiveness, could lead to substantial capital expenditures and affect our financial position by increasing liabilities or reducing available cash reserves. Our revenue growth may be challenged due to potential market share losses in the EU if competitors adapt more quickly to the new regulatory environment. However, if we successfully adapt to the new carbon regulations and enhance our sustainability profile, we could experience a stabilization or improvement in our financial performance. By reducing our carbon footprint and optimizing production processes, we might mitigate CBAM costs, potentially leading to a recovery in profit margins. Furthermore, aligning with global carbon reduction trends could open new market opportunities and enhance our reputation, positively impacting long-term cash flows and overall financial health. On the other hand, failure to adapt effectively could result in continued financial strain, competitive disadvantages, and potentially reduced access to the EU market.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

74370282.95

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

111555424.42

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

82357049.74

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

140569400.45

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

218639901.74

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

388159170.88

(3.1.1.25) Explanation of financial effect figure

According to carbon price expectations for EU ETS, we assumed the price as 80-120 / ton CO2. In 2023, 6,293,338 ton clinker was produced. It is anticipated that EU benchmark value is 693 kg CO2e/ton clinker. Also, free allowance value was included in the calculations. In EU ETS, free allowance rate is determined as 97.5% for the first year and it will be decreased in years. (Indicative Average Exchange Rate announced on 12/29/2023 by the Central Bank of Türkiye as 32.63 EUR/TRY) on an annual basis. For medium and long term calculations exchange rate of 2023 was used, these amount could be change according to difference of exchange rate for every year.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Establish organization-wide targets

(3.1.1.27) Cost of response to risk

22404279

(3.1.1.28) Explanation of cost calculation

To manage this risk Akçansa implements a wide range of initiatives. In line with the SBTi commitment submitted in the first quarter of 2023, Akçansa evaluates initiatives such as energy efficiency, kiln process improvement, alternative fuel, and raw material substitution for each plant, and develops a special roadmap in line with SBTi and plans CO2 reduction investments. We continuously conduct R&D studies to lower the CO2 content of our product and develop low-carbon products (2023 total budget: approximately 22,404,279 TRY).

(3.1.1.29) Description of response

We assess the risks associated with Carbon Border Adjustment Mechanism of EU and manage these risks with comprehensive allocation and forecasting models managed by the Strategy and Finance executives, Sustainability Manager, Risk Manager, responsible Board Members and other relevant departments.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk7

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Heat stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.9) Organization-specific description of risk

According to the TS 1248 standard in effect in our country, weather conditions are classified as "hot weather" when the average temperature exceeds 30°C for three consecutive days during concrete pouring. In addition to high temperatures, other factors that may negatively affect concrete properties, such as high concrete temperature, low relative humidity, high wind speeds, and solar radiation, must also be considered. Hot weather conditions can lead to problems in fresh concrete, such as an increased rate of slump loss, shortened setting times, and a higher risk of plastic shrinkage. In such conditions, early curing of the concrete becomes even more critical. Considering the impact of climate change on average temperatures, these changes directly affect our production processes, which in turn can negatively influence our annual revenues.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Rising temperatures due to climate change are expected to lead to increased production costs in the short, medium, and long term. Specifically, concrete production will require additional materials and cooling systems to mitigate the negative effects of hot weather, which will drive up costs. Labor costs may also rise as working hours are adjusted to avoid peak heat times, and transportation delays may occur to prevent damage from extreme heat during shipping. This issue has become even more pressing as 2023 has been recorded in Türkiye as the hottest year to date, with recent years consistently breaking records for the hottest days. If this trend continues, it will necessitate more precautionary measures in production processes, further increasing costs.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Increase environment-related capital expenditure

(3.1.1.28) Explanation of cost calculation

The estimated costs for implementing additional cooling measures, equipment modifications, water conservation practices, and enhancing monitoring technology for concrete production under high temperatures are expected to be significant. This will include investments in water spraying systems, temperature control systems, and additional labor for monitoring and maintaining curing conditions. However, due to the lack of location-specific data, the financial impact could not be calculated at this stage.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:
☑ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.7) Explanation of financial figures

In aspect of physical risks, we have conducted a location-based climate risk assessment, including flood risks such as river flood, flash flood, storm surge risks, and other floods resulting from extreme precipitation and other extreme climate events. In addition, any pandemic that may occur will also affect our activities. No financial loss was experienced due to any pandemic and other physical risks during the reporting year. For transition risks were determined as carbon pricing mechanism (EU ETS and national ETS) and changes in customer behaviors. For reporting year, any financial loss was happen for carbon pricing, therefore; only customer behavior changes risk effects our financials positively. Therefore, it could be mentioned that there were any financial loss caused by transition risks in reporting year. In order to manage this risks, alternative raw material usage and alternative fuel usage investments and reinforcement works have been done.

Water

(3.1.2.1) Financial metric

Select from:
☑ Liabilities

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

35494967

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:
☑ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.7) Explanation of financial figures

This financial metric refers for increasing cost of water that we paid more than previous year also, we expect that this risk will be continue in next years. At the company level, we will be implementing Water Management Plans in sites located on water-scarce areas. We ensure the effective use of water with monitoring systems at all our sites. One of our goals is to use new technologies in this regard. On the other hand, we are evaluating CAPEX plans to reduce water withdrawal by recycling and reusing water in our operations. We have started a project for online monitoring of water consumption data online via an online platform. In the management of the main water risks, priority is given to capex projects such as effective water management investments, investments for water reuse, infrastructure investments for rainwater use, and other instruments that transfer risk (such as insurance). On the other hand, we do not have financial loss caused by physical risks.
[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Turkey
☑ Other, please specify: Marmara Basin

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 21-30%

(3.2.11) Please explain

Büyükçekmece (BÇM) plant is located in the Marmara Basin and representing approximately 18-23% of total water withdrawals, 31-32% of total water discharges, 16- 22% of total water consumption. With the measures taken for water stress management it is expected that water supply costs will increase. The higher water supply costs will lead to higher operational costs. There is also a possibility of water scarcity. It may not be possible to draw water from the wells. In this case, it will be necessary to find 3rd party resources that could increase the operating costs. Operational costs will increase in line with such measures that can be implemented to manage water stress and/or in case of water shortages. These risks pose substantive impact on Büyükçekmece plant that represents about 21-30% of Akçansa total revenue.

Row 2

(3.2.1) Country/Area & River basin

Turkey

☑ Other, please specify **:**North Aegean Basin

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 26-50%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 51-60%

(3.2.11) Please explain

Çanakkale (ÇNK) plant is located in the North Aegean Basin and representing approximately 65-70% of total water withdrawals, 57-58% of total water discharges, 66- 71% of total water consumption. With the measures taken for water stress management it is expected that water supply costs will increase. The government is planning a billing for the water withdrawals. The higher water supply costs will lead to higher operational costs. There is also a possibility of water scarcity. Also, North Aegean Region shows high seasonal variability that may be an indicator of higher dry periods. Operational costs will increase in line with such measures that can be implemented to manage water stress and/or in case of water shortages. These risks pose substantive impact on Çanakkale plant that represents about 51-60% of Akçansa total revenue.

Row 3

(3.2.1) Country/Area & River basin

Turkey

☑ Other, please specify **:**Yesilirmak

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 1-10%

(3.2.11) Please explain

Ladik (LDK) plant is located in the Yesilirmak Basin and representing approximately 3- 8% of total water withdrawals, 8-9% of total water discharges, 2-7% of total water consumption. With the measures taken for water stress management it is expected that water supply costs will increase. The government is planning a billing for the water withdrawals. The higher water supply costs will lead to higher operational costs. There is also a possibility of water scarcity. Operational costs will increase in line with such measures that can be implemented to manage water stress and/or in case of water shortages. These risks pose substantive impact on Ladik Plant that represents about 1- 10% of Akçansa total revenue.
[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

(3.3.1) Water-related regulatory violations

Select from:
☑ No

(3.3.3) Comment

In the reporting year, our organization did not face any fines, enforcement orders, or other penalties for water-related regulatory violations. We maintain strict adherence to all applicable water regulations and standards.

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:
☑ No, but we anticipate being regulated in the next three years

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Turkey is planning to implement market-based carbon pricing mechanisms (Emission Trading Scheme - ETS) and/or other pricing mechanisms (such as a carbon tax) to mitigate carbon emissions. The draft Climate Law in Turkey provides a comprehensive legal framework covering the reduction of greenhouse gas emissions, adaptation measures, and the planning and implementation tools for these targets. As Akçansa, we are closely monitoring these developments and presenting our views through various NGOs and platforms. It is widely expected that the cement sector in Turkey will be included under the ETS framework. The draft Climate Law proposes the establishment of a national Emission Trading System and the development of market stability and flexibility mechanisms within this framework. To comply with these regulations, we are proactively taking measures to reduce our carbon emissions well below the industry average, preferably to the top-performing 10%. As outlined in our 2030 Roadmap, our low-carbon production strategies include implementing energy efficiency measures, increasing the substitution of alternative fuels and raw materials with lower carbon emissions during the production phase, reducing specific heat consumption in rotary kilns, and increasing the ratio of alternative fuels, including biomass, in our energy mix over the next 10 years. Furthermore, to align with the new regulations mentioned in the Draft Climate Law on the implementation of the Emission Trading System in Turkey, we are closely following the research and development activities on potential applications of Carbon Capture, Utilization, and Storage (CCUS) technologies, and incorporating these into our long-term transition plans. In the longer term, two projects are being implemented to support Turkey's transition process and establish carbon pricing mechanisms: the PMR (Partnership for Market Readiness) and the PMI (Partnership for Market Implementation) projects. The PMR project, funded by the World Bank, covers capacity-building efforts to develop and implement

carbon pricing mechanisms in Turkey. The PMI project, a continuation of PMR, includes the design and implementation parameters of carbon pricing mechanisms, impact assessments, and sectoral transition plans. As Akçansa, we actively participate in these projects through NGOs and closely follow policy and regulatory developments. Our Sustainability Department plays a critical role in monitoring emerging regulations and regularly reports these developments to the Sustainability Committee, Sustainability Steering Committee, the Corporate Governance Committee, and the Board of Directors.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Water	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source
☑ Use of low-carbon energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:
☑ Upstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.8) Organization specific description

As a carbon intensive sector, cement companies, if they act proactively and reduce their emissions, they can benefit from reducing their indirect operating costs. Through the low carbon future, the promising potential ahead of cement industry is the use of alternative fuels, maximizing biomass (such as sewage sludge) in fuel mix to reduce CO2 emissions. Rate of alternative fuel usage in Turkish cement industry is around 8.0% which needs to be increased. Akçansa's realized alternative fuel substitution rate was 23.3% in 2023. Therefore, accelerating the alternative fuel substitution rate in fuel mix can create a competitive advantage as a result of reduced energy costs.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the reporting period, Akçansa's proactive approach in increasing the rate of alternative fuel substitution to 23.3% has led to a significant reduction in energy costs, positively impacting the company's financial performance. By reducing reliance on traditional fossil fuels and incorporating more cost-effective and sustainable alternatives like biomass, Akçansa has managed to lower its indirect operating costs. This shift not only contributes to improved margins and profitability but also enhances cash flow stability by mitigating exposure to the volatility of conventional fuel prices. Furthermore, as regulatory environments increasingly favor low-carbon practices, the accelerated adoption of alternative fuels positions Akçansa for potential future financial incentives, improved market competitiveness, and a stronger financial standing in the long term. In 2023 Akçansa kept improving AF rate condition. For this DSS feeding improvement projects were realized. With the current condition of AF feeding, DSS improvement projects also provides stability of combustion biomass in the kiln environment.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

400000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

450000000

(3.6.1.23) Explanation of financial effect figures

This opportunity has a potential to have high financial impact over the long term. We based our calculations on the AF usage which is prevented fossil fuel usage. This also results savings in our calculations. Our 2023 saving for total AF utilization was approximately 84,6 million TRY.

(3.6.1.24) Cost to realize opportunity

4098007

(3.6.1.25) Explanation of cost calculation

The direct financial impact calculation that can be obtained with this opportunity can be described as the utilization stability based on plants' physical condition and market's condition. In 2023, Büyükçekmece and Çanakkale plants DSS feeding improvement projects were realized with given cost.

(3.6.1.26) Strategy to realize opportunity

Akçansa Sustainability 2030 Targets which were published in 2021, includes a solid AF Master Plan which foreseen increase of Alternative Fuel utilization as 35% overall.

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp5

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Use of recycling

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Other, please specify **:**Marmara Basin

(3.6.1.8) Organization specific description

The long-term increase in water scarcity poses a significant risk by driving up operating costs, especially for industries with high water demands. However, this challenge also offers a short-term opportunity for companies that implement effective water efficiency measures. By reducing freshwater withdrawals, businesses can mitigate some of the financial pressures associated with water scarcity while improving their operational resilience. At Akçansa, we are addressing this risk through the implementation of our Water Master Plan, which is designed to optimize water use across our operations. This comprehensive plan focuses on reducing dependency on freshwater sources by enhancing water efficiency, recycling, and reusing storm water and wastewater. Our Water Master Plan plays a critical role in ensuring that we are prepared for future water-related challenges, positioning us as a leader in sustainability within the cement industry.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The cost savings achieved through these water efficiency initiatives enhance Akçansa's competitive advantage and allow for better capital allocation. This positive impact on cash flows provides increased financial flexibility, enabling the company to invest in further sustainability initiatives or other strategic opportunities. In 2024, we plan to join the CEO Water Mandate to enhance our water stewardship and expand our water efficiency practices. In the short term, these measures support stronger margins and reinforce Akçansa's financial position amidst a growing focus on resource efficiency and sustainability in the industry.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

4176000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

8352000

(3.6.1.23) Explanation of financial effect figures

This opportunity has a potential to have low financial impact over the long term. However, opportunity has the potential to strengthen the position against Water Scarcity which will be important for the stability of production. In Ladik and Büyükçekmece Plants, there are possible projects to be implemented for recycling storm water which is captured and used for cooling systems after treatment. Since the water pricing in Turkey varies between zones, cost of water is different. For Büyükçekmece average cost of Water is 36 TL/m3, while in Ladik there is no cost for freshwater. Thus current financial figure is calculated with this cost.

(3.6.1.24) Cost to realize opportunity

4754419

(3.6.1.25) Explanation of cost calculation

The cost to realize the opportunity is derived directly from the project costs associated with implementing water efficiency measures. Specifically, the project for BCM is estimated at 3,000,000 TL for the year 2025, while the remaining costs pertain to the Ladik facility, which will incur expenses in 2024.

(3.6.1.26) Strategy to realize opportunity

From a point of view, long-term expected increase in water scarcity poses a risk in terms of increasing our operating costs, however, on the other hand, it presents an opportunity over the short-term for companies who implement water efficiency measures to lower their water withdrawals. The opportunity can be defined as reduced water costs at our facilities. Any type of cost savings enables competitive advantage and better capital allocation and is therefore considered as a substantive opportunity in today's operating environment.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.8) Organization specific description

The cement sector in which we operate is perceived as a major contributor to global CO2 emissions, which could affect market perceptions and, consequently, our sales. However, as Akçansa, we see this as an opportunity. With our low-carbon sustainable products, we not only contribute to the industry but also ensure the highest customer satisfaction with superior quality performance. In line with our sustainability goals, we aim to transform our products into fully sustainable products by 2030, reducing the carbon emissions of our domestically sold cement products by 20%. Through this, we aim to increase the sales volume ratio of newly developed products and existing low-clinker products by at least 100%.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Akçansa's investment in the development and expansion of low-emission goods and services, through the use of alternative raw materials and lower clinker ratio cementitious products, has positioned the company to meet the growing market demand for sustainable construction materials. By dedicating resources to R&D for these low-carbon products, Akçansa has created new revenue streams and enhanced its market differentiation, attracting customers who prioritize sustainability. This strategic shift has led to an increase in sales volume and revenue, particularly in markets with higher awareness of climate change and demand for low-carbon products.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

160000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

200000000

(3.6.1.23) Explanation of financial effect figures

This opportunity has a potential to have high financial impact over the long term. We have not yet conducted a detailed market research to quantify this impact and therefore while estimating the potential financial impact related to this opportunity, we based our calculations on the assumption of a 1% revenue increase due to increased demand to our low carbon products. Our 2023 total revenue was 18,724,427,906 TRY.

(3.6.1.24) Cost to realize opportunity

22404279

(3.6.1.25) Explanation of cost calculation

Through the CO2 Roadmap we have established in line with our 2030 Sustainability Targets and the Low Carbon / Low Clinker New Product Development Plan we have created, we are managing all our R&D and innovation investments with a focus on sustainability. Our sustainability focused R&D and innovation investments amounted to TL 22.4 million.

(3.6.1.26) Strategy to realize opportunity

Akçansa's 2030 Sustainability Targets, published in 2021, include an emphasis on increasing value-added/green product marketing. There are two key performance indicators (KPIs) that outline the path towards green transformation: Sustainable cement (GreenForCement) rate as a percentage of total cement sales Sustainable concrete (GreenForConcrete) rate as a percentage of total concrete sales

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Shift in consumer preferences

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.8) Organization specific description

Day by day, customers' awareness of the climate is increasing, and their demands are shifting towards greener products. The number of green projects targeting green building certificates such as LEED and BREEAM is constantly increasing. In line with this, we are also planning a LEED-certified office project at our Ambarlı port, set to be completed in 2024. Customers' demand for more sustainable products can provide a potential income increase for Akçansa, which has a green and environmentally friendly sustainable product portfolio and aims to further develop its product mix with new products in the medium term. Additionally, emerging regulations regarding green construction will enable this opportunity for Akçansa in the near/medium-term.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Akçansa’s focus on expanding its portfolio of green and sustainable products has positioned the company to capitalize on the growing demand for environmentally friendly construction materials. This shift is expected to drive potential revenue growth as customers increasingly seek products that contribute to obtaining green building certifications like LEED and BREEAM. Additionally, Akçansa's proactive adaptation to emerging green construction regulations aligns the company with market trends and ensures compliance, which can reduce regulatory risks and associated costs. As part of our commitment to sustainability, we are also planning a LEED-certified office project at our Ambarlı port, which is set to be completed in 2024.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

The direct financial impact calculation that can be obtained with this opportunity has not been made yet, since sufficient and reliable data and estimations have not been obtained.

(3.6.1.26) Strategy to realize opportunity

Akçansa prepared Environmental Product self-declarations using GCCA's life cycle assessment and calculation tool for 26 concrete products, using its own internal resources. Additionally, 2 cement products have verified EPDs. In line with the demands of the customers, Akçansa shares the necessary information that customers need in green building investments in a solid way by transparently sharing the environmental impacts that the products cause throughout their life cycle. Since internal resources are used completely, there is no need for any investment or additional budget, so there is no additional cost in the realization of the opportunity.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp4

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Use of recycling

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.8) Organization specific description

In line with the use of wastes as alternative fuel and alternative raw materials, effective use of resources is ensured, and a contribution is made to the fight against climate change. With the transition to the circular economy, Akçansa will be able to obtain opportunities with more efficient use of resources in terms of cost efficiency.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Akçansa's increased use of alternative fuels and raw materials as part of its transition to a circular economy has resulted in more efficient resource utilization, leading to reduced operational costs and improved cost efficiency. By minimizing reliance on traditional raw materials and energy sources, the company has been able to lower production expenses, directly enhancing its financial performance. These cost savings contribute to stronger profit margins and positive cash flow. In 2023; We have avoided the use of 360,000 tonnes of natural resources by using alternative raw materials. Also, we started using 100% copper slag instead of iron ore at our Ladik plant. Along with clinker alternative raw materials as copper slag, alternative additive usage for cement also increased. In 2023, Fly Ash usage improvement projects were realized in Büyükçekmece and Çanakkale Plants

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

90000000

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

100000000

(3.6.1.23) Explanation of financial effect figures

This opportunity has the potential to generate a high financial impact over the long term. Our calculations are based on the usage of Alternative Raw Materials (ARM), which reduces natural resource consumption. This also results in cost savings in our calculations. In 2023, our savings from total ARM usage amounted to approximately 78.8 million TRY. Additionally, there is an annual saving of 560,000 USD from Fly ASH. Based on the Central

Bank of Turkey's exchange rate for December 29, 2023 (1 USD 29.4913 TRY), this amounts to 16,515,128 TRY. The total financial impact is calculated as 95,315,128 TRY.

(3.6.1.24) Cost to realize opportunity

5284544

(3.6.1.25) Explanation of cost calculation

The direct financial impact calculation that can be obtained with this opportunity can be described as the increase the capacity based on plants' physical condition and market's condition. In 2023, Büyükçekmece and Çanakkale plants Fly Ash usage improvement projects were realized with given cost.

(3.6.1.26) Strategy to realize opportunity

Akçansa Sustainability 2030 Targets which were published in 2021, includes Alternative Raw Material usage increase. There are KPI's which show the pathway of Circular Economy pillar under the strategy.

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp6

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.8) Organization specific description

Ensuring the continuity of sales of the new products developed and used in order to minimize the effects of extreme climate events (such as water permeable concrete and/or concrete with high resistance to permeability to prevent soil in case of floods). For climate adaptation efforts including increasing the resilience of the infrastructure against destructive effects of climate change and water related risks such as floods, there will also be a demand for specialized building materials.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Akçansa's development and sales of innovative products designed to minimize the impact of extreme climate events, such as water-permeable concrete and high-resistance concrete, create new revenue opportunities by meeting the growing demand for specialized building materials. As climate adaptation efforts increase, the demand for these resilient products is expected to grow, allowing Akçansa to capture a larger market share and drive revenue growth. This diversification of the product portfolio contributes to enhanced financial performance through higher sales and improved profitability. Furthermore, maintaining steady sales of these innovative products strengthens cash flows and provides a buffer against market volatility, supporting long-term financial stability and resilience to climate-related risks.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

700000000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

800000000

(3.6.1.23) Explanation of financial effect figures

The "Green for Cement" group includes 'Actioncem' with low carbon, 'Solidcem' resistant to environmental impacts, and 'Duocem' with high strength and durability as sustainable cement product categories. Under the "Green For Concrete" heading, the ready-mixed concrete specialty products 'Performix', 'Solidmix', 'Hidromix', 'AConcrete', '100Concrete', and 'Yolbeton', which are developed in line with the needs of customers and create added value with their sustainable and long-lasting features, are in the specialty product category, while the new generation ready-mixed concrete product 'Ecocrete', which targets the lowest possible carbon footprint by using sustainable technologies, is in the standard product category. In 2023, the ratio of sustainable products and

services revenues to total revenues was 27%, compared to 16% in 2022. This reflects our strong commitment to increasing our revenue from sustainable products by more than 50% in 2023 compared to the previous year.

(3.6.1.24) Cost to realize opportunity

22404279

(3.6.1.25) Explanation of cost calculation

Through the CO2 Roadmap we have established in line with our 2030 Sustainability Targets and the Low Carbon / Low Clinker New Product Development Plan we have created, we are managing all our R&D and innovation investments with a focus on sustainability. Our sustainability-focused R&D and innovation investments amounted to TL 22.4 million.

(3.6.1.26) Strategy to realize opportunity

Ensuring the continuity of sales of the new products developed and used in order to minimize the effects of extreme climate events (such as water permeable concrete and/or concrete with high resistance to permeability to prevent soil in case of floods). For climate adaptation efforts including increasing the resilience of the infrastructure against destructive effects of climate change and water related risks such as floods, there will also be a demand for specialized building materials.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp7

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Other energy source opportunity, please specify :Waste Heat Recovery

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.8) Organization specific description

As a carbon intensive sector, cement companies, if they act proactively and reduce their emissions, they can benefit from reducing their indirect operating costs. Through the low carbon future, the promising potential ahead of cement industry is the use of waste heat. Therefore, increasing the performance rate in waste heat recovery will create advantage as a result of reduced energy costs.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

WHR system that is used for alternative energy source has direct contribution for reduction in energy costs, positively impacting the company's financial performance. By reducing reliance on conventional energy provided and incorporating more cost-effective and sustainable alternatives. Akçansa has managed to lower its indirect operating costs. In 2023 Akçansa produced 59,728 MWh of energy from waste heat. With the current condition, improvement project for WHR was realized to provides stability and increase of energy produced in Çanakkale Plant.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

200000000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

250000000

(3.6.1.23) Explanation of financial effect figures

This opportunity has a potential to have high financial impact over the long term. We based our calculations on WHR production reduced the procured energy consumption. This also results savings in our calculations. Our 2023 saving for total WHR production 221,328,554.624 TRY.

(3.6.1.24) Cost to realize opportunity

19877360.77

(3.6.1.25) Explanation of cost calculation

The direct financial impact calculation that can be obtained with this opportunity can be described as the increase the capacity based on WHR production rate. In 2023, WHR improvement project was realized with given cost.

(3.6.1.26) Strategy to realize opportunity

As part of our 2030 Sustainability Targets under the Climate Leadership pillar, we aim to achieve 22% energy from our own and renewable sources by 2030.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:
☑ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

593713.4

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:
☑ 1-10%

(3.6.2.4) Explanation of financial figures

At Akçansa, we aim to reduce our environmental impact by integrating advanced technologies into our production systems through our R&D and innovation activities, and to contribute to our company and the industry with a "grow together" approach. We optimise our business processes in line with customer needs and market expectations, and develop innovative and value-added products without compromising the key performance parameters of production and quality. We manage all our activities in accordance with ISO9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System and ISO 50001 Energy Management System. We continue our efforts in areas such as new product development and product optimisation studies, pre-sales and after-sales technical support, lectures and seminars on cement and concrete technologies at universities, technical tours for university students, support for cement and concrete research at universities, and national/international scientific publications (papers) in cooperation with universities, public institutions, sectoral NGOs and Heidelberg Materials Global R&D Unit. We priorities projects that contribute to the transition to a low-carbon economy, in line with the principle of "working responsibly for the future". Through the CO2 Roadmap we have established in line with our 2030 Sustainability Targets and the Low Carbon / Low Clinker New Product Development Plan we have created, we are managing all our R&D and innovation investments with a focus on sustainability. By adopting an innovative approach and placing digital transformation and innovation at the heart of our activities, we continue to be a key

solutions partner for mega projects in our country. Our sustainability focused R&D and innovation investments (related to climate change and water) amounted to TL 22.4 million. The capital expenditures (CAPEX) related to Climate Change account for 2.65% of the total investment, amounting to 593,713 TL.

Water

(3.6.2.1) Financial metric

Select from:

☑ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

22404279

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 1-10%

(3.6.2.4) Explanation of financial figures

At Akçansa, we aim to reduce our environmental impact by integrating advanced technologies into our production systems through our R&D and innovation activities, and to contribute to our company and the industry with a "grow together" approach. We optimise our business processes in line with customer needs and market expectations, and develop innovative and value-added products without compromising the key performance parameters of production and quality. We manage all our activities in accordance with ISO9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System and ISO 50001 Energy Management System. We continue our efforts in areas such as new product development and product optimisation studies, pre-sales and after-sales technical support, lectures and seminars on cement and concrete technologies at universities, technical tours for university students, support for cement and concrete research at universities, and national/international scientific publications (papers) in cooperation with universities, public institutions, sectoral NGOs and Heidelberg Materials Global R&D Unit. We priorities projects that contribute to the transition to a low-carbon economy, in line with the principle of "working responsibly for the future". Through the CO2 Roadmap we have established in line with our 2030 Sustainability Targets and the Low Carbon / Low Clinker New Product Development Plan we have created, we are managing all our R&D and innovation investments with a focus on sustainability. By adopting an innovative approach and placing digital transformation and innovation at the heart of our activities, we continue to be a key solutions partner for mega projects in our country. Our sustainability focused R&D and innovation investments (related to climate change and water) amounted to TL 22.4 million.

Climate change

(3.6.2.1) Financial metric

Select from:

☑ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

5169431585

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 21-30%

(3.6.2.4) Explanation of financial figures

In 2023, the revenue generated from sustainable products and services is 5,169,431,585 TRY. The revenue related to Climate Change accounts for 27% of the total revenue from sustainable products and services, amounting to 1,395,746,527.95 TL.
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ Quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Non-executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

Akçansa's Board Diversity Policy underscores the company's commitment to fostering an equitable, fair, inclusive, and discrimination-free culture. The policy aims to ensure gender equality, prevent all forms of discrimination, and empower women in the workplace. It emphasizes the importance of diversity in the knowledge, skills, experience, and expertise of Board members, believing that this diversity contributes positively to the Board's functioning and the oversight of company activities. The policy encourages the selection of candidates from diverse backgrounds, with a particular focus on enhancing the role of women in leadership positions. Additionally, Akçansa actively participates in national and international initiatives that promote women's empowerment in the economy. The policy is developed in alignment with the recommendations of the Capital Markets Board and best practices at both local and international levels.

(4.1.6) Attach the policy (optional)

Board_of_Directors_Diversity_Policy.pdf

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Director on board

☑ Board-level committee

☑ Other, please specify :Vice Chair

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board mandate

☑ Other policy applicable to the board, please specify :Environment and Energy Policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets
☑ Overseeing and guiding public policy engagement
☑ Overseeing and guiding scenario analysis
☑ Overseeing and guiding public policy engagement
☑ Overseeing the setting of corporate targets
☑ Reviewing and guiding innovation/R&D priorities
☑ Monitoring progress towards corporate targets
☑ Approving and/or overseeing employee incentives
☑ Approving corporate policies and/or commitments
☑ Overseeing and guiding major capital expenditures
☑ Monitoring the implementation of the business strategy
☑ Overseeing reporting, audit, and verification processes
☑ Monitoring the implementation of a climate transition plan
☑ Overseeing and guiding the development of a business strategy
☑ Overseeing and guiding acquisitions, mergers, and divestitures
☑ Monitoring supplier compliance with organizational requirements
☑ Monitoring compliance with corporate policies and/or commitments
☑ Overseeing and guiding the development of a climate transition plan
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

Board of Directors are the highest-level individuals with direct responsibility for all sustainability related issues such as but not limited to sustainability strategy, policies, risks and opportunities. The Board Chair represents Sabancı Holding as the President of the Building Materials Business Unit. The Chair is informed by the Akçansa CEO (General Manager) on behalf of the Sustainability Steering Committee at every Akçansa Board Meeting. The Chair's responsibilities include defining the sustainability vision, strategy, risks, and opportunities, as well as approving policies, targets, and frameworks. The Chair, alongside other Board Members, approved Akçansa's sustainability strategy and the 2030 Sustainability Targets. In March 2023, with the Board's approval, Akçansa committed to the Science Based Targets Initiative to align its goals with the Paris Agreement. The Vice Chair represents Heidelberg Materials as a Vorstand Member responsible for the Africa & East Mediterranean region. The Vice Chair is regularly informed by the Akçansa CEO on behalf of the Sustainability Steering Committee during Akçansa Board Meetings. The Vice Chair's responsibilities include defining the sustainability vision, strategy, risks, and opportunities, and approving relevant policies, targets, and frameworks. The Vice Chair also receives updates from the Sustainability Manager to monitor sustainability progress and climate-related actions on a monthly or more frequent basis if needed. Other Board Members have the responsibility to oversee sustainability-related operations, propose, monitor, and inspect the sustainability vision and strategy. Specific members of the Board hold additional roles; for example, one Board Member chairs the Early Risk Identification Committee, which evaluates climate-related risks and opportunities, while another chairs the Corporate Governance Committee (CGC), responsible for tracking progress on sustainability targets and overseeing climate-related projects throughout the value chain. The Corporate Governance Committee (CGC), authorized by the Board of Directors, oversees the work of the Sustainability Steering Committee in alignment with the company's sustainability strategy. The CGC monitors the progress on priority sustainability issues, material topics, risks, and opportunities determined by the Board of Directors, and evaluates the committee's recommendations for environmental, social, and governance (ESG) practices, making remedial suggestions to the Board as needed. The CGC also tracks the company's compliance with sustainability principles, reviews sustainability targets, and monitors progress at each committee meeting. The CGC is chaired by an independent Board Member who is also part of the Sustainability Steering Committee, and another member chairs the Early Determination of Risk Committee, which reviews all ESG risk management processes, including climate-related risks.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Director on board

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board mandate

☑ Other policy applicable to the board, please specify :Environment and Energy Policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding public policy engagement

☑ Overseeing and guiding scenario analysis

☑ Overseeing and guiding public policy engagement

☑ Overseeing the setting of corporate targets

☑ Reviewing and guiding innovation/R&D priorities

☑ Monitoring progress towards corporate targets

☑ Approving and/or overseeing employee incentives

☑ Approving corporate policies and/or commitments

☑ Overseeing and guiding major capital expenditures

☑ Monitoring the implementation of the business strategy

☑ Overseeing reporting, audit, and verification processes

☑ Monitoring the implementation of a climate transition plan

☑ Overseeing and guiding the development of a business strategy

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Monitoring supplier compliance with organizational requirements

☑ Monitoring compliance with corporate policies and/or commitments

☑ Overseeing and guiding the development of a climate transition plan

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

Board of Directors are the highest-level individuals with direct responsibility for all sustainability related issues such as but not limited to sustainability strategy, policies, risks and opportunities. The Board Chair represents Sabancı Holding as the President of the Building Materials Business Unit. The Chair is informed by the Akçansa CEO (General Manager) on behalf of the Sustainability Steering Committee at every Akçansa Board Meeting. The Chair's responsibilities include defining the sustainability vision, strategy, risks, and opportunities, as well as approving policies, targets, and frameworks. The Chair, alongside other Board Members, approved Akçansa's sustainability strategy and the 2030 Sustainability Targets. Board Chair is also informed by Sustainability Manager to review and oversee the sustainability progress and water related actions monthly or more often if needed. The Vice Chair, representing Heidelberg Materials as a Vorstand Member for Africa & East Mediterranean, is similarly informed by the Akçansa CEO regarding sustainability progress and targets, including the Akçansa 2030 Sustainability Targets. The Vice Chair is responsible for approving the sustainability strategy and the related water targets, alongside the broader sustainability governance structure. Board Members beyond the Chair and Vice Chair are tasked with overseeing sustainability-related operations, monitoring, and evaluating performance against the Akçansa 2030 Sustainability Targets. This includes water withdrawal reduction targets and their impact across the value chain. Corporate Governance Committee (CGC) is authorized by the Board of Directors. It oversees the work of the Sustainability Steering Committee, which operates in line with the sustainability strategy, which includes the priority sustainability issues, risks and opportunities determined and approved by the Board of Directors, and the policies established and approved accordingly CGC Evaluates the Sustainability Steering Committee's recommendations for environmental, social and governance (ESG) practices and makes remedial recommendations to the Board of Directors on ESG issues. CGC monitors the company's compliance with sustainability principles. The progress on sustainability ratings and indexes are monitored by CGC and presented to the BoD. One of the independent Board Members is Head of Corporate Governance Committee and also a member of and Sustainability Steering Committee. Another member of CGC is also head of Early Determination of Risk Committee of the Board and reviews all ESG risks management process including climate related risks and recommends for the better management of related issues. Sustainability Manager participates to each CGC committee meeting (minimum 4 times a year) and presents the progress on material sustainability and climate topics.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Chief Executive Officer (CEO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets
☑ Overseeing and guiding public policy engagement
☑ Overseeing and guiding scenario analysis
☑ Overseeing and guiding public policy engagement
☑ Overseeing the setting of corporate targets
☑ Reviewing and guiding innovation/R&D priorities
☑ Monitoring progress towards corporate targets
☑ Approving and/or overseeing employee incentives
☑ Approving corporate policies and/or commitments
☑ Overseeing and guiding major capital expenditures
☑ Monitoring the implementation of the business strategy
☑ Overseeing reporting, audit, and verification processes
☑ Monitoring the implementation of a climate transition plan
☑ Overseeing and guiding the development of a business strategy
☑ Overseeing and guiding acquisitions, mergers, and divestitures
☑ Monitoring supplier compliance with organizational requirements
☑ Monitoring compliance with corporate policies and/or commitments
☑ Overseeing and guiding the development of a climate transition plan
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

The basic raw materials used in cement production are directly supplied from natural resources. Natural resource consumption, land use, operating the quarry areas, reclamation, water consumption, waste, dust, and noise due to cement production are the factors that impact biodiversity. Avoiding any permanent negative effects on biodiversity, which is crucial for the continuity of activities, natural life, and society, while striving to contribute positively, has been defined as a strategic priority by Akçansa and is listed among the Sustainability Targets 2030. Heidelberg Materials and Sabancı Holding both place great importance on biodiversity as part of their broader sustainability commitments. Heidelberg Materials emphasizes a "nature positive" future, aiming to stop and reverse biodiversity loss, with an ambition for a net gain in nature by 2030 compared to 2020. This includes implementing biodiversity management plans at all quarry sites near high-biodiversity areas and conducting net impact assessments based on restoration plans. Heidelberg also works closely with organizations like BirdLife International to enhance biodiversity at quarries. By 2025, they aim to ensure that 100% of their quarries implement these plans, supporting biodiversity restoration efforts. Sabancı Holding also prioritizes biodiversity in its operations, actively promoting the creation and implementation of biodiversity action plans where necessary. Sabancı's sustainability framework emphasizes minimizing environmental impacts, including biodiversity loss, across all business sectors. Akçansa's targets and practices regarding biodiversity, aligned with both corporate sustainability and Heidelberg's biodiversity strategies, are approved by the senior management team and the Board of Directors. By 2030, Akçansa aims to have at least 5 Biodiversity Management Plans, complemented by reclamation targets outlined in the sustainability roadmap. Progress on biodiversity goals is overseen by the Sustainability Committee and monitored by the Sustainability Steering Committee led by the CEO. Additionally, the Board of Directors reviews biodiversity actions and targets at least once a year, ensuring strategic alignment with the company's sustainability objectives.

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Integrating knowledge of environmental issues into board nominating process

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Integrating knowledge of environmental issues into board nominating process

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Implementing a climate transition plan

☑ Implementing the business strategy related to environmental issues

☑ Managing acquisitions, mergers, and divestitures related to environmental issues

☑ Managing annual budgets related to environmental issues

☑ Managing major capital and/or operational expenditures relating to environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Chief Executive Officer (CEO) is directly responsible for all climate-related initiatives of the company. Climate-related issues are integrated into the company's core strategy. The management of emission reduction projects, R&D projects, and low-carbon product development processes, which are required to be implemented within the

scope of climate action plans, are under the CEO's responsibility. The CEO manages the approval processes for the resources and budget required for these initiatives. In line with the company strategy, the CEO sets and approves climate-related targets. Progress towards these targets is monitored and managed through various monitoring mechanisms and reporting processes established within the company. The CEO is responsible for assessing and managing climate-related risks and opportunities within the corporate risk assessment and risk management processes. The CEO oversees the implementation of the climate transition plan and takes necessary decisions. Additionally, the CEO is responsible for employee engagement and value chain engagement in climate change and related activities. The CEO encourages the dissemination of the company's objectives and targets down to the employee level and provides guidance in this regard. The CEO informs the Board about KPIs related to CO2 emissions, alternative fuel usage, clinker usage, energy KPIs, and other climate-related KPIs, and these KPIs are submitted for the Board's approval within the scope of the 2030 Sustainability Roadmap. The CEO also submits capital expenditure (CAPEX) requirements for the Board's approval.

Water

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Sustainability Steering Committee

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

Sustainability Steering Committee (SSC) consists of Akçansa Executive Committee Members (CEO and other C-Suite Officers (Deputy GMs) and a Board Member who is also the President of Corporate Governance Committee. Its main mission is to approve and follow up sustainability targets, sustainability related projects, performance and roadmaps. SSC meets four times a year in which Chair of Sustainability Committee shares important issues to SSC members. SSC reports to Akçansa Board of Directors.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Sustainability Steering Committee

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

Akçansa's targets and practices regarding biodiversity, which are considered within the scope of sustainability goals and a material issue in its sustainability strategy, are approved by the senior management team as well as the Board of Directors. By 2030, Akçansa aims to have at least 5 Biodiversity Management Plans. Akçansa also has reclamation targets in sustainability roadmap. Actions and target progresses determined by the Sustainability Committee are followed and monitored by the Sustainability Steering Committee led by CEO. In addition, progress in biodiversity targets is overseen by the Board of Directors, which is responsible for the oversight of sustainability issues. Actions and targets related to biodiversity are discussed at committee meetings and monitored at board level at least once a year.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Strategy and financial planning

☑ Managing annual budgets related to environmental issues

☑ Managing major capital and/or operational expenditures relating to environmental issues

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

The CFO is responsible for the budget management of the activities to be carried out for the reduction of climate change and carbon emissions, and processes such as product development, production and investment. At the same time, the CFO, who is the secretariat of the corporate governance committee, monitors the efforts to declare climate-related risks and opportunities in line with TCFD recommendations. Informing investors on climate-related issues is also the CFO's responsibility.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Operating Officer (COO)

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

Strategy and financial planning

☑ Implementing a climate transition plan

☑ Managing major capital and/or operational expenditures relating to environmental issues

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

COO (Deputy General Manager - Operations) is the chair of Sustainability Committee and a member of Sustainability Steering Committee, thus via these committees, reviews and assesses the climate related risks and opportunities as well as the other sustainability related issues. COO plans the necessary investments related with CO2 reduction. The action plans for climate transition are followed by COO. Chief Operating Officer (COO) (Deputy GM for Operations) has the responsibility of chairing the Sustainability Committee and is a member of Sustainability Steering Committee. 3 Plant Managers, R&D Manager, Process Improvement Manager and Environmental Manager who implements the necessary climate-related initiatives in the field directly report to him. COO determines the climate related targets (such as alternative fuel rate, clinker usage, renewable energy and energy efficiency KPIs) together with Plant Managers that are direct reports and Sustainability Manager and implements necessary action plans after top managements approval. COO monitors the climate related operational targets with its team and also at related committees.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Other committee, please specify :Sustainability Steering Committee

(4.3.1.2) Environmental responsibilities of this position

Engagement

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

Sustainability Steering Committee (SSC) consists of Akçansa Executive Committee Members (CEO and other C-Suite Officers (Deputy GMs responsible for sales, supply chain, human resources, finance etc.) and a Board Member who is also the President of Corporate Governance Committee. CEO is the chair of the committee. Its main mission is to approve and follow up sustainability and climate targets & climate change related projects, plans, performance and roadmaps. SSC meets four times a year.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

Strategy and financial planning

☑ Implementing a climate transition plan

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Operating Officer (COO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Sustainability Committee (SC) takes the key position to achieve corporate targets as well as to develop and implement projects. Being chaired by Deputy General Managers (DGM) of Operations and Human Resources Functions at the same time who directly report to General Manager (GM). SC is composed of relevant corporate managerial and executive positions. Committee Members establish Working Groups (WGs) to develop and implement projects to reach which would contribute to reach sustainability targets. SC follows the progress on climate targets and takes actions for better and improved performance. SC meets at least 6 times a year and reports to SSC.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Sustainability manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing engagement in landscapes and/or jurisdictions

☑ Managing public policy engagement related to environmental issues

☑ Managing supplier compliance with environmental requirements

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan
☑ Conducting environmental scenario analysis
☑ Managing annual budgets related to environmental issues
☑ Implementing the business strategy related to environmental issues
☑ Developing a business strategy which considers environmental issues
☑ Managing environmental reporting, audit, and verification processes
☑ Managing acquisitions, mergers, and divestitures related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues
☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other
☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:
☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ More frequently than quarterly

(4.3.1.6) Please explain

Sustainability Manager who is a direct report of CEO is responsible of setting the climate change related targets (such as alternative fuel rate and energy efficiency KPIs) together with CEO, Deputy GM-Operations (COO), CFO, CPO and Plant Managers. Sustainability Manager assesses the climate related risks with Risk Manager and determines mitigation actions with other managers and C-level executives. Sustainability Manager is responsible for offering solutions to climate related issues and suggests mitigation actions in line with the scenario analysis results conducted by him/her. Product development and climate related innovation projects developed by R&D Manager and other managers are also followed by Sustainability Manager. She/he directly reports to CEO and participates to Board Committee meetings. Board Chair and Vice President are also informed by Sustainability Manager monthly or more often if needed.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other
☑ Other, please specify **:**Risk Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities
☑ Assessing environmental dependencies, impacts, risks, and opportunities
☑ Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Risk Manager who is a direct report of CEO, assesses and manages climate-related risks and opportunities and reports to Early Determination of Risks Committee 6 times a year. She/he assesses and follows climate related risks together with Sustainability Manager. She/ he reports climate related risks to Sabancı Holding and Early Risk Identification Committee and Heidelberg Materials regularly. Assessments of Risk Manager, climate related risks and opportunities are followed by Early Determination of Risk Committee as well as Corporate Governance Committee.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Facility Manager

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

Strategy and financial planning

☑ Implementing a climate transition plan

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Operating Officer (COO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Facility Managers are responsible of implementing initiatives determined by top management to reach the climate change related targets (such as alternative fuel rate, clinker reduction and energy efficiency KPIs) together with Deputy GM-Operations. They also suggest projects to increase efficiency and reduce CO2. They monitor these KPIs regularly and reports to COO.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Procurement manager

(4.3.1.2) Environmental responsibilities of this position

Engagement

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

Strategy and financial planning

☑ Implementing a climate transition plan

(4.3.1.4) Reporting line

Select from:

☑ Other, please specify **:**Chief Purchasing and Logistics Officer

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Procurement managers are responsible for the effective supply of alternative fuels and raw materials needed within the scope of climate change transition plan. They also act in accordance with the company's Sustainable Purchasing Policy within the scope of the management of climate impacts throughout the value chain. Specifically, Energy Purchasing Manager and his team are responsible of sourcing alternative fuels to plants, also have annual performance targets on alternative fuel supply rate and cost. Energy Purchasing Manager has a key role in mitigation of CO2 emissions via alternative fuel usage. He is responsible for finding new alternative fuel sources with high biomass content and from that perspective he manages CO2 related risks and opportunities.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Environmental Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

Strategy and financial planning

☑ Managing annual budgets related to environmental issues

☑ Managing environmental reporting, audit, and verification processes

Other

☑ Other, please specify **:**Managing 14001:2015 Environmental Management System, Developing Environmental Action Plans, Managing regulatory compliance of the plants.

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Operating Officer (COO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Environmental Manager has a key role in monitoring, verification and reporting of CO2 emissions. She/he is mainly responsible for environmental compliance issues according to regulations and management of ISO 14001 Environmental Management System. He is also supporting alternative fuel and raw materials usage at plant level. From all that perspective she/he has a responsibility to manage environmental related risks and opportunities together with Risk Manager and Sustainability Manager. She/he is supported by his direct reports (Environmental Management Department: environmental engineers at plants responsible of ISO 14001 EMS management, compliance to regulations, CO2 emissions follow-up/calculations/reporting), Waste Management, Water Management, Pollutant Emissions etc.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Performance, Planning and Control Manager

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

Other

☑ Other, please specify :Data Control and Consolidation

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Operating Officer (COO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Performance, Planning and Control Manager has responsibility in consolidation of climate related operational data and KPI's. He/she is mainly responsible for controlling the data flows from the cement production plants and consolidation of the performance parameters. He is continuously reporting the related KPI's to executive level.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Operating Officer (COO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

(4.3.1.4) Reporting line

Select from:

☑ Other, please specify :Sustainability Steering Committee

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Chief Operating Officer (COO) (Deputy GM for Operations) has the responsibility of chairing the Sustainability Committee and is a member of Sustainability Steering Committee. 3 Plant Managers, R&D Manager and

Environmental Manager directly report to him. He sets the environmental and water related targets (such as decreasing water withdrawal, water efficiency KPIs) together with Plant Managers and Environmental Manager (both are direct reports of COO) together with Sustainability Manager. COO reports to the Sustainability Steering Committee on environmental and water-related issues. COO plans the necessary investments related with water management COO monitors the climate related operational targets with its team and also at related committees.

Water

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

☑ Other, please specify **:**Sustainability Steering Committee

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Sustainability Committee (SC) takes the key position to achieve corporate targets as well as to develop and implement projects. Being chaired by Deputy General Managers (DGM) of Operations and Human Resources Functions at the same time who directly report to General Manager (GM). SC is composed of relevant corporate managerial and executive positions. Committee Members establish Working Groups (WGs) to develop and implement projects to reach which would contribute to reach sustainability targets. SC follows the progress on targets and takes actions for better and improved performance. SC meets at least 6 times a year and reports to SSC.

Water

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Risk Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:
☑ Other, please specify **:**Akçansa CEO (GM) Sabancı Holding Heidelberg Materials Early Risk Identification Committee

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ More frequently than quarterly

(4.3.1.6) Please explain

Risk Manager assesses and follows water and other ESG related risks together with Sustainability Manager. She is a direct report of Akçansa CEO (GM). She reports ESG related risks to Sabancı Holding, Heidelberg Materials and Early Risk Identification Committee regularly. She also reports to board-level committee of Early Identification of Risk Committee 6 times a year about environmental and climate-related risks including water risks.

Water

(4.3.1.1) Position of individual or committee with responsibility

Other
☑ Other, please specify **:**Sustainability Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities
☑ Assessing environmental dependencies, impacts, risks, and opportunities
☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement
☑ Managing engagement in landscapes and/or jurisdictions
☑ Managing public policy engagement related to environmental issues
☑ Managing supplier compliance with environmental requirements
☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets
☑ Monitoring compliance with corporate environmental policies and/or commitments
☑ Measuring progress towards environmental corporate targets
☑ Measuring progress towards environmental science-based targets
☑ Setting corporate environmental policies and/or commitments
☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan
☑ Implementing a climate transition plan
☑ Conducting environmental scenario analysis
☑ Managing annual budgets related to environmental issues
☑ Implementing the business strategy related to environmental issues
☑ Developing a business strategy which considers environmental issues
☑ Managing environmental reporting, audit, and verification processes
☑ Managing acquisitions, mergers, and divestitures related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues
☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Sustainability Manager who is a direct report of CEO is responsible of setting the water related targets together with CEO, Deputy GM-Operations (COO), CFO, CPO and Plant Managers. Sustainability Manager assesses the water related risks with Risk Manager and determines mitigation actions with other managers and C-level executives. Sustainability Manager is responsible for offering solutions to water related issues and suggests mitigation actions in line with the scenario analysis results conducted by him/her. Product development and water related innovation projects developed by R&D Manager and other managers are also followed by Sustainability Manager. She/he directly reports to CEO and participates to Board Committee meetings. Board Chair and Vice President are also informed by Sustainability Manager monthly or more often if needed.

Water

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Environmental Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities
☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

Strategy and financial planning

☑ Managing annual budgets related to environmental issues

☑ Managing environmental reporting, audit, and verification processes

Other

☑ Other, please specify **:**Managing 14001:2015 Environmental Management System, Developing Environmental Action Plans, Managing regulatory compliance of the plants.

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Operating Officer (COO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ As important matters arise

(4.3.1.6) Please explain

Environmental Manager is the Head of "Environmental" pillar in Sustainability Committee and a direct report of COO. He is responsible for developing action plans, assessing water related risks at plant level, following up the quality and availability of the water used and/or discharged, regulation follow-up and compliance. He is supported by his direct reports (Environmental Management Department: environmental engineers at plants responsible of ISO 14001 EMS management, compliance to regulations, CO2 emissions followup/calculations/reporting, water related effors, dedusting of plants).

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Implementing the business strategy related to environmental issues

☑ Managing acquisitions, mergers, and divestitures related to environmental issues

☑ Managing annual budgets related to environmental issues

☑ Managing major capital and/or operational expenditures relating to environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Akçansa's targets and practices regarding biodiversity, which are considered within the scope of sustainability goals and a material issue in its sustainability strategy, are approved by the senior management team as well as the Board of Directors. By 2030, Akçansa aims to have at least 5 Biodiversity Management Plans. Akçansa also has reclamation targets in sustainability roadmap. Actions and target progresses determined by the Sustainability Committee are followed and monitored by the Sustainability Steering Committee led by CEO. In addition, progress in biodiversity targets is overseen by the Board of Directors, which is responsible for the oversight of sustainability issues. Actions and targets related to biodiversity are discussed at committee meetings and monitored at board level at least once a year.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Sustainability Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

Strategy and financial planning

☑ Implementing the business strategy related to environmental issues

☑ Managing acquisitions, mergers, and divestitures related to environmental issues

☑ Managing annual budgets related to environmental issues

☑ Managing environmental reporting, audit, and verification processes

☑ Managing major capital and/or operational expenditures relating to environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Akçansa's targets and practices regarding biodiversity, which are considered within the scope of sustainability goals and a material issue in its sustainability strategy, are approved by the senior management team as well as the Board of Directors. By 2030, Akçansa aims to have at least 5 Biodiversity Management Plans. Akçansa also has reclamation targets in sustainability roadmap. Actions and target progresses determined by the Sustainability Committee are followed and monitored by the Sustainability Steering Committee led by CEO. In addition, progress in biodiversity targets is overseen by the Board of Directors, which is responsible for the oversight of sustainability issues. Actions and targets related to biodiversity are discussed at committee meetings and monitored at board level at least once a year.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Environmental Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

Strategy and financial planning

☑ Implementing the business strategy related to environmental issues

☑ Managing annual budgets related to environmental issues

☑ Managing environmental reporting, audit, and verification processes

☑ Managing major capital and/or operational expenditures relating to environmental issues

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Operating Officer (COO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Akçansa's targets and practices regarding biodiversity, which are considered within the scope of sustainability goals and a material issue in its sustainability strategy, are approved by the senior management team as well as the Board of Directors. By 2030, Akçansa aims to have at least 5 Biodiversity Management Plans. Akçansa also has reclamation targets in sustainability roadmap. Actions and target progresses determined by the Sustainability Committee are followed and monitored by the Sustainability Steering Committee led by CEO. In addition, progress in biodiversity targets is overseen by the Board of Directors, which is responsible for the oversight of sustainability issues. Actions and targets related to biodiversity are discussed at committee meetings and monitored at board level at least once a year.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Raw Materials Executive

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

Strategy and financial planning

☑ Implementing a climate transition plan

☑ Managing annual budgets related to environmental issues

☑ Managing environmental reporting, audit, and verification processes

☑ Managing major capital and/or operational expenditures relating to environmental issues

(4.3.1.4) Reporting line

Select from:

☑ Other, please specify **:**Reports to the Head of Sustainability

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Akçansa's targets and practices regarding biodiversity, which are considered within the scope of sustainability goals and a material issue in its sustainability strategy, are approved by the senior management team as well as the Board of Directors. By 2030, Akçansa aims to have at least 5 Biodiversity Management Plans. Akçansa also has reclamation targets in sustainability roadmap. Actions and target progresses determined by the Sustainability Committee are followed and monitored by the Sustainability Steering Committee led by CEO. In addition, progress in biodiversity targets is overseen by the Board of Directors, which is responsible for the oversight of sustainability issues. Actions and targets related to biodiversity are discussed at committee meetings and monitored at board level at least once a year.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

12

(4.5.3) Please explain

There is management by performance targets process in place at Akcansa. Each individual has its own targets which are set in the Q1 after approval of Deputy GMs (DGMs) and GM. Targets are reviewed at the end of Q2 for feedback and Q4 for final assessment. Targets are set from top to bottom that means company scorecard and GM targets are set first, then DGM targets are set and finally the rest come. Performance targets of all levels include various sustainability KPIs ranging from CO2 emissions, alternative fuel usage, biomass content of alternative fuels, raw material utilization, contribution of digitalization in increasing environmental performance, energy management, use of renewable sources, improvement of emissions management, resource efficiency etc. Based on performance score -if an employee reaches its own target plus company reaches its economic targets- then employee receives monetary incentives. CO2 reduction is also included in company scorecard and valid for all employees.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

12

(4.5.3) Please explain

At Akçansa, there is a management process based on performance targets through the "Remuneration Policy for the Board of Directors and Senior Executives," which integrates ESG goals into performance targets. Each individual has their own targets, which are determined in the first quarter after approval by the Deputy General Managers (DGMs) and the General Manager. The targets are reviewed for feedback in the 2nd quarter and for final evaluation in the 4th quarter. Targets are set from the top down, meaning that the company's scorecard and the General Manager's targets are set first, followed by the DGMs' targets and then other targets. Performance targets at all levels include sustainability indicators such as CO2 emissions, energy consumption, alternative fuel use, biomass content in alternative fuels, raw material use, the contribution of digitalization to improving environmental performance, energy management, use of renewable resources, improvement of emission management, and etc.

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Board Chair

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Achievement of climate transition plan

☑ Shift to a business model compatible with a net-zero carbon future

☑ Increased investment in environmental R&D and innovation

☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Chief Executive Officer is directly responsible from all climate-related initiatives within the company. CEO integrates the climate-related issues into main strategy of the company. Management of mitigation projects, R&D projects, and low-carbon product development processes that are required to be implemented within the scope of climaterelated action plans are under the responsibility of the CEO. CEO manages the approval processes of the resources and budget required for these initiatives. Sets and approves climate-related targets in line with the company strategy. Monitors and manages progress on the climate related targets through various monitoring mechanisms and reporting processes established within the company. Responsible for the assessment and management of climate-related risks and opportunities during corporate risk assessment and risk management processes. Monitors and directs the implementation of the climate transition plan, takes the necessary decisions. CEO also have the responsibility for employee engagement and value chain engagement on climate change and related activities. Encourages the dissemination of the objectives and targets to the employee level and has an important role on guidance. Board is informed by CEO on climate related KPI's such as CO2 emissions, alternative fuel usage, clinker usage, energy KPI's and other related KPI's which are also included in Sustainability 2030 Roadmap, during Board Meetings as well as CAPEX requirements.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

With this incentive, the Board contributes to achieving the climate targets specified in the company's scorecard and encourages the entire management team to lead in this area. In this context, the Board closely monitors all progress and continuously keeps the issue on the agenda.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Corporate executive team

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Resource use and efficiency

☑ Improvements in water efficiency – direct operations

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

With having water efficiency KPI in the scorecard all C-Level executives and other executives are motivated to implement initiatives and efforts since the company scorecard directly impacting salary bonuses.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

With the water efficiency improvement KPI's, each C-Level executive is motivated to take action regarding water. Therefore, operational water efficiency tends to be increased overall

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Corporate executive team

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Achievement of climate transition plan

☑ Increased investment in environmental R&D and innovation

☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Increased engagement with customers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Executive team is entitled to receive a bonus at the end of the year within the scope of scope 1 and 2 emission reduction targets, realization of decarbonization projects, alternative fuel targets and reduction of clinker use included in the company scorecard. Other than the company targets, each executive has their own climate related targets in their individual scorecards. Targets are determined according to the annual reduction targets in the transition plan. The minimum and maximum ranges of these targets are defined, and the bonus amount is determined according to the realization range of the target.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

With this incentive, the company's management team directs their teams to achieve the relevant climate targets defined in the company scorecard and personal targets and encourages them to take action.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Board approval of climate transition plan

☑ Achievement of climate transition plan

☑ Increased investment in environmental R&D and innovation

☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Increased engagement with customers on environmental issues

☑ Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

CEO is entitled to receive bonus within the scope of targets on emission reduction, reaching other climate-related targets and progress towards long-term targets, and realizing various projects in the company scorecard. Scope 1 and 2 emission reduction targets, realization of decarbonization projects, alternative fuel targets and reduction of clinker use included in the company scorecard. Targets are determined according to the annual reduction targets in the transition plan. The minimum and maximum ranges of these targets are defined, and the bonus amount is determined according to the realization range of the target.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

CEO sets climate-related targets for direct reports together with company targets, thus paving the way for achieving climate targets.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Operating Officer (COO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Achievement of climate transition plan

☑ Increased investment in environmental R&D and innovation

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

The COO receives a bonus when the scope 1 and 2 emission reduction targets, alternative fuel targets, process and energy efficiency and other climate-related targets, which are within the scope of the company targets, are met. In addition, each production facility has targets such as emission reduction, process optimization, increasing the use of alternative fuels instead of fossil fuels, production of low clinker products, and the progress and success in these targets also affect the bonus. Targets are determined according to the annual reduction targets in the transition plan. The minimum and maximum ranges of these targets are defined, and the bonus amount is determined according to the realization range of the target.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

In this context, the COO integrates the relevant climate targets into the targets of plant managers and other direct reports and enables them to develop low carbon production practices by making decisions accordingly.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Procurement Officer (CPO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Achievement of climate transition plan

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Reduction in absolute emissions

Engagement

☑ Increased engagement with suppliers on environmental issues

☑ Increased value chain visibility (traceability, mapping)

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

CPO receives a bonus when the scope 1 and 2 emission reduction targets, alternative fuel targets, and other climate-related targets, which are within the scope of the company targets, are met. Additionally alternative fuel and raw material rates which has direct influence on decarbonization of the process is included in CPO's targets that have direct influence on the bonus. Targets are determined according to the annual reduction targets in the transition plan. The minimum and maximum ranges of these targets are defined, and the bonus amount is determined according to the realization range of the target. Moreover, with supplier sustainability due diligence and audits, compliance and engagement of supply chain is also included in CPO's performance.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

This enables the acquisition to lead the focus on alternative fuel and renewable energy supply rather than lower carbon raw materials and fossil fuels. Also enables more transparent and aligned supply chain during the transition process.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

☑ Facilities manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Achievement of environmental targets

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Reduction in total energy consumption

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Beyond company scorecard that includes emission reduction, alternative fuel and low-CO2 product targets, each plant manager has their own reduction targets and implementation targets. By achieving and progressing on those targets, they get bonus. Targets are determined according to the annual reduction targets in the transition plan. The minimum and maximum ranges of these targets are defined, and the bonus amount is determined according to the realization range of the target.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The fact that each plant manager has separate climate targets for their own facilities is a driving force in the realization of initiatives that can be implemented in factories. In this way, all factory employees make an effort to reach the targets set for the climate

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Other senior-mid manager, please specify :Head of Sustainability

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Achievement of climate transition plan

Emission reduction

☑ Reduction in emissions intensity

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Reduction in total energy consumption

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Head of Sustainability is directly responsible for the implementation of sustainability roadmap and actions which includes climate related targets. Also, personal targets of the sustainability manager include emission reduction performance, implementation of climate transition plan together with operational sustainability targets. Each target has minimum and maximum achievement levels and as the fiscal year ends, according to the performance range, the final bonus amount is calculated for the individual.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

With the Head of Sustainability having separate goals, both her team and the work groups she is responsible for coordinating use the initiative to achieve the goal, thus accelerating the progress of the targets.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Risk manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Emission reduction

☑ Implementation of an emissions reduction initiative

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Risk Manager is directly responsible from climate risk management together with Sustainability Manager. The Risk Manager, who receives performance evaluations based on risk mitigation metrics, receives a performance-based bonus at the end of the year as part of the implementation of the actions.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Having risk reduction metrics in their targets ensures that the relevant teams are guided by the Risk Manager on the implementation of the actions regarding these metrics. In this way, the management of climate risks is spread across the company's base.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Procurement manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Achievement of climate transition plan

Emission reduction

☑ Increased share of renewable energy in total energy consumption

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Procurement Manager plays an important role to increase the ratio of alternative fuels, which is the initiative that has one of the largest impacts on emission reduction. In this way, the supply of the relevant alternative fuel is directly related to its performance and if this target is achieved, it receives a performance-based bonus. Also renewable energy procurement is directly included in Procurement Manager's own targets

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Procurement Manager, who aims to obtain these alternative fuels from relevant and sustainable suppliers in the usage of the targeted amount of alternative fuel, takes initiatives to achieve this goal. This serves directly on emission reductions. Also, Procurement Managers puts into effort to supply renewable electricity which is directly has an impact on scope 2 emission reductions.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Environment/Sustainability manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Achievement of climate transition plan

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Reduction in absolute emissions

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Environmental Manager has climate related targets in his own performance targets as well as the Environmental Management Department Unit together with other employees. Each target has minimum and maximum achievement levels and as the fiscal year ends, according to the performance range, the final bonus amount is calculated for the individual.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The Environmental Manager directs his team in order to achieve the performance in the target card and closely monitors the practices in the field, thus contributing to the continuity of progress in climate-related issues.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Other C-Suite Officer, please specify :Sales Assistant General Manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Strategy and financial planning

☑ Increased proportion of revenue from low environmental impact products or services

Engagement

☑ Increased engagement with customers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Sales Assistant General Manager and direct reports have individual performance targets on the sale of low carbon products. With the achievement of these targets, they are entitled to a performance bonus.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Accelerates the efforts to accept low-carbon products by customers. In this way, as the sales and demand rates of lower carbon products increase, more of these products can be produced in the production areas, thus reducing emissions directly.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Resource use and efficiency

☑ Improvements in water efficiency – direct operations

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

With having water efficiency KPI in the scorecard all C-Level executives and other executives are motivated to implement initiatives and efforts since the company scorecard directly impacting salary bonuses.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

With the water efficiency improvement KPI's, each C-Level executive is motivated to take action regarding water. Therefore, operational water efficiency tends to be increased overall

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Operating Officer (COO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Resource use and efficiency

☑ Improvements in water efficiency – direct operations

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

With having water efficiency KPI in the scorecard all C-Level executives and other executives are motivated to implement initiatives and efforts since the company scorecard directly impacting salary bonuses.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

With the water efficiency improvement KPI's, each C-Level executive is motivated to take action regarding water. Therefore, operational water efficiency tends to be increased overall

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Procurement Officer (CPO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Resource use and efficiency

☑ Improvements in water efficiency – direct operations

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

With having water efficiency KPI in the scorecard all C-Level executives and other executives are motivated to implement initiatives and efforts since the company scorecard directly impacting salary bonuses.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

With the water efficiency improvement KPI's, each C-Level executive is motivated to take action regarding water. Therefore, operational water efficiency tends to be increased overall

Water

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Environment/Sustainability manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Achievement of climate transition plan

Resource use and efficiency

☑ Reduction of water withdrawals – direct operations

☑ Reduction in water consumption volumes – direct operations

☑ Improvements in water efficiency – direct operations

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Head of Sustainability is directly responsible for the implementation of sustainability roadmap and actions which includes water related targets. Also, personal targets of the sustainability manager include water efficiency with operational sustainability targets. Each target has minimum and maximum achievement levels and as the fiscal year ends, according to the performance range, the final bonus amount is calculated for the individual.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

With the Head of Sustainability having separate goals, both her team and the work groups she is responsible for coordinating use the initiative to achieve the goal, thus accelerating the progress of the targets.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply
☑ Climate change
☑ Water
☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:
☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply
☑ Direct operations
☑ Upstream value chain
☑ Downstream value chain

(4.6.1.4) Explain the coverage

The Sustainable Supply Chain Policy of Akçansa Çimento San. ve Tic. A.Ş. covers the company's commitment to integrating sustainability into its procurement and supply chain processes. The policy focuses on ensuring that suppliers and subcontractors align with Akçansa's sustainability standards, including compliance with environmental regulations, ethical labor practices, and responsible sourcing. The company evaluates suppliers' sustainability performance, sets specific targets, and prioritizes partnerships with those who demonstrate strong sustainability credentials. Akçansa also emphasizes local sourcing and the inclusion of women, youth, and disadvantaged groups in its supply chain. To ensure continuous improvement, the policy includes regular audits, training sessions, and constant communication with suppliers to raise awareness and enhance performance. Suppliers are expected to comply with international conventions, such as those of the International Labor

Organization and United Nations, and adhere to strict environmental, social, and ethical standards. In cases of non-compliance, suppliers are given a specific timeframe to address the issues; failure to comply may result in termination of the business relationship. Through this policy, Akçansa aims to mitigate environmental and social risks while maximizing positive impacts throughout its value chain.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Water-specific commitments

☑ Commitment to control/reduce/eliminate water pollution

☑ Commitment to reduce water consumption volumes

Social commitments

☑ Adoption of the UN International Labour Organization principles

☑ Commitment to promote gender equality and women's empowerment

☑ Commitment to respect internationally recognized human rights

Additional references/Descriptions

☑ Description of environmental requirements for procurement

☑ Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

☑ Reference to timebound environmental milestones and targets

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

Sustainable Supply Chain Policy.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

☑ Water

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(4.6.1.4) Explain the coverage

The Environmental and Energy Policy of Akçansa Çimento San. ve Tic. A.Ş. focuses on continuously improving environmental performance and energy efficiency across all areas of operation. The policy commits to adhering to national regulations, implementing ISO 14001 and ISO 50001 management systems, and maintaining operational excellence. This includes strategies such as reducing carbon emissions through the use of energy-efficient technologies, promoting low-clinker cement production, and encouraging the use of alternative fuels and renewable energy. Additionally, it emphasizes sustainable use of natural resources, responsible water management practices, waste recycling, and recovery. The company sets long-term targets to enhance environmental and energy performance and organizes awareness and training programs for employees, suppliers, and business partners to achieve these goals. The policy also covers transparent monitoring and reporting of environmental impacts, rehabilitation of mining areas, life cycle assessments, and climate adaptation measures. By adopting this policy, Akçansa aims to contribute to sustainable development goals and maintain an environmentally responsible approach in all its operations.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems

☑ Commitment to Net Positive Gain

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

☑ Commitment to 100% renewable energy

☑ Commitment to net-zero emissions

☑ Commitment to not invest in fossil-fuel expansion

Water-specific commitments

☑ Commitment to reduce water consumption volumes

☑ Commitment to reduce water withdrawal volumes

☑ Commitment to the conservation of freshwater ecosystems

Social commitments

☑ Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities

Additional references/Descriptions

☑ Description of environmental requirements for procurement

☑ Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

Environment and Energy Policy.doc
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ Task Force on Climate-related Financial Disclosures (TCFD)

☑ UN Global Compact

☑ World Business Council for Sustainable Development (WBCSD)

(4.10.3) Describe your organization's role within each framework or initiative

SKD Türkiye, the Business Partner of WBCSD in Turkey, is an association dedicated to promoting sustainability in the private sector. Akçansa actively supports the initiatives of WBCSD Türkiye by providing both desktop support and sponsorship for specific studies and projects. The company is committed to actively participating in various activities, meetings, roundtables, reports, and other studies. Through WBCSD Türkiye, Akçansa shares best practices from both the sector and within the company with other private sector representatives. Since 2021, we have been a supporter of the TCFD. That same year, we began disclosing our climate-related risks in alignment with the TCFD recommendations, and in 2022, we included a dedicated TCFD section in our Integrated Annual Report. We have been a signatory of the UN Global Compact since 2014, and each year, we actively participate in experience-sharing sessions.

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged directly with policy makers

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

(4.11.4) Attach commitment or position statement

1136654.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

We actively participate in various activities, both directly and indirectly, through our membership in associations and unions such as the Turkish Industry and Business Association (TUSIAD), the Turkish Cement Manufacturers Association (TÜRKÇİMENTO), and others. Through these memberships, we closely monitor and engage with both existing and emerging regulations. We also contribute to research and policy development efforts by sponsoring studies and analyses conducted by global and sectoral NGOs representing both the cement industry and the broader business community, which we believe are essential to combating climate change. We also play an active role in various working groups and undertake specific tasks to support the creation of climate-related policies and legislation. We represent our company and these NGOs in roundtable meetings organized by various organizations and public institutions, participate in consultation meetings, and support projects initiated by official authorities. We have also been involved in consultations with both sectoral and cross-sectoral organizations from the start to the end of the climate law and sub-regulation preparation process. Our active engagement includes

participating in the working groups and projects of several NGOs focused on climate change and sustainability, such as: - WBCSD Türkiye (Circular Economy, Water, and Sustainability Reporting Working Groups) - TUSIAD (Environmental and Sustainability Working Group) - TKYD (Turkish Corporate Governance Association - ESG Working Group) - TÜRKÇİMENTO (Environment and Climate Change Committee; Sustainability Working Group) - IMSAD (Association of Construction Material Producers - Sustainability Working Group) - ERTA (Association of Integrated Reporting Türkiye) - UN Global Compact Signatories Association - ÇEDBİK (Green Building Association) We actively contribute to regulatory changes, advocacy activities, and the development of new and existing projects. Our efforts aim to enhance awareness and knowledge about climate change and sustainability. Through our involvement in working groups, communication efforts, and reports, we support the public and relevant authorities.

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Draft Climate Law and sub-regulations: Draft climate law is basic code law that includes the responsibilities and obligations of institutions, organizations, natural and legal entities. Draft law designed to include reduction and compliance goals within the scope of the Ministries, but without limitation, for the realization of the Net zero emission target of Türkiye. Draft law also includes regulations regarding emission trading schemes and defines the authorities of the Ministries.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

☑ Carbon offsets

☑ Carbon taxes

☑ Emissions trading schemes

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Turkey

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation

While our organization supports the Draft Climate Law and its associated regulations, there are specific exceptions we believe should be considered, particularly regarding the implementation timelines for emission reduction targets and the flexibility within the emissions trading schemes (ETS). The current timeline for compliance with the emission reduction goals may pose challenges for certain sectors, especially in terms of achieving the necessary technological adaptation and infrastructure improvements. The draft law imposes a strict schedule that may not take into account the diverse operational capacities of different sectors. As Akçansa, we propose that the law include sector-specific timelines for achieving emission reduction targets, particularly for sectors with high carbon intensity or limited access to clean technology. In addition, we recommend adopting a phased approach to the ETS, allowing sectors that are less prepared for immediate full compliance to gradually integrate. This could involve an initial trial period or a grace period to align technological and infrastructural investments with legal requirements. Such flexibility would ensure that while we remain committed to the Net Zero targets, organizations can meet these goals without placing excessive strain on their operational capacities.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Regular meetings

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

While taking mitigation measures within the scope of climate-related regulations, multidimensional evaluations and impact analyzes gain importance. In this context, contribution is made to better analyze the regulatory barriers in front of the initiatives in both our transition plan and cement industries' decarbonization pathway. For example, the use of revenues from carbon pricing schemes included in the draft climate law for the green transformation of the private sector is a very important incentive for the effectiveness of transition plans. The opinion necessary for this issue to be included in the law has been conveyed directly to the relevant authorities. Within the scope of the law, it is expected that an effective regulation will be made for the use of these revenues. On the other hand, the Ministry of Industry has a roadmap project for the decarbonization of the cement sector. We have been providing data since the beginning of the project in the expert working group of the cement sector low carbon roadmap study prepared by the Ministry of Science, Industry and Technology and we have been actively contributing to the relevant stakeholder meetings. We are actively involved in the expert working group of this project, and we regularly express the priority issues in our transition plan to be included in the roadmap study.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 2

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Regulations on waste management, regulations on deriving alternative fuels from municipal wastes, circular economy action plans, public procurement policies, sustainable construction regulations, green procurement regulations

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Low-impact production and innovation

☑ Circular economy

☑ Technology requirements

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Turkey

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization’s proposed alternative approach to the policy, law, or regulation

Elimination of policy barriers to the import of qualified waste in order to increase the use of alternative fuels. To make possible the long-term contracts with municipalities to use high biomass content Solid Recovered Fuel derived from municipal wastes. More access to waste with an effective waste collection, separation and

management plan. Elimination of constraints on the establishment of waste preparation facilities. Inclusion of low carbon sustainable cement products in public procurement policies.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Regular meetings

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Better waste management planning and tighter controls in waste treatment facilities can pave the way for the use of waste as fuel in cement plants. This can happen in two ways. First is providing access to more waste through an effective waste management plan. In order to process wastes in a qualified manner, technological barriers and restrictions in regulations should be developed. In this way, we can access the wastes more easily. On the other hand, the content of the wastes reached is very important. When the necessary incentives and control mechanisms are provided for the preparation of wastes with high biomass content, low humidity and appropriate sizes, the efficiency of alternative fuel use will increase, and climate targets will be achieved faster. On the other hand, market demand for our low carbon blended cement products is expected to increase with the adoption of green procurement principles in the sector. In this way, the volume of these products included in our low carbon transition plan will increase and our transition plan will be successful.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 3

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

National Long Term Climate Strategy, National Climate Mitigation and Adaptation Action Plans preparations of the Ministry of Environment, Urbanization and Climate Change that includes policy recommendations to the policymakers.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

☑ Emissions – CO2

☑ Emissions – methane

☑ Emissions – other GHGs

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Turkey

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☑ Neutral

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Regular meetings

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Actions and policy recommendations determined within the scope of action plans are very important for critical decisions to be taken in the short-medium-long term. Including the actions related with the decarbonization

roadmaps of the sector in these reputable studies as policy recommendations will also support our own transition plan. For example, actions for the use of renewable energy in the industrial sector will support the reduction of our emissions by increasing the share of renewable energy and decarbonization of energy mix, and suggestions such as incentivizing new technologies for decarbonization will contribute to our transition plan by paving the way for technological transformation.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

☑ Non-Governmental Organization (NGO) or charitable organization

(4.11.2.3) State the organization or position of individual

Founded in 1971 to represent the Turkish business world, TÜSİAD is a voluntary, independent, non-governmental organization dedicated to promote welfare through private enterprise. TÜSİAD's activities are aimed at creating a social cohesion based on the competitive market economy, sustainable development and participatory democracy. TÜSİAD is a member of BusinessEurope which is the leading advocate for growth and competitiveness at European level.

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Akçansa participates to different Roundtables, Working Groups and Task Forces established under TÜSİAD. The climate related studies are coordinated within Environment and Climate Change Working Group which was established under Environment and Energy Round Table. Akçansa is an active member within Environment and Climate Change Working Group. Sustainability Manager of Akçansa who is also representative of the membership in TÜSİAD, leads the Climate Change and Paris Agreement Sub-Working Group. The working group was established to support the development of environmental and climate policies in Turkey, and the development of regulations for ensuring economic sustainability by blending the sustainability of natural resources with the expectations of the business world. The Working Group evaluates whether the regulations related to sustainability are implemented effectively, conducts research, supports its work with impact analyzes, represents the climate-related expectations of the business world in public works, and offers suggestions to relevant institutions and organizations within this framework. In particular, within the scope of the Climate Change and the Paris Agreement, Sustainable Finance and Circular Economy Sub Working Groups, studies on regulatory regulations regarding climate are carried out, opinions are compiled, global developments are followed, and the business world is informed within this scope. In the reporting year, a payment of 290,000 TRY was made to the relevant organization.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

290000

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

☑ Non-Governmental Organization (NGO) or charitable organization

(4.11.2.3) State the organization or position of individual

Turkish Cement Manufacturers' Association (TürkÇimento) established in 1957. It represents a total of 68 enterprises, as 51 integrated facilities and 17 grinding facilities, with the aim of better quality products and more efficient services and looking for solutions to potential problems.

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

TÜRKÇIMENTO is a strong and active association that carries out the sectoral representation of cement manufacturers. Akçansa General Manager is a member of TÜRKÇIMENTO Board of Directors and Supervisory. TÜRKÇIMENTO is emphasizing the sectoral position in sustainable growth among entire public, with the awareness of protecting the reputation of the sector both in Türkiye and abroad and expanding the use of cement in a sustainable direction, taking into account the benefits of its members and the society. In line with this goal, TÜRKÇIMENTO carries out its studies by internalizing the values of creativity, transparency, honesty and reliability. The permanent Environment and Climate Change committee within the association carries out activities to strengthen the sectoral position and communicate expectations, especially in climate change and environmental regulations. Analysis studies, research studies and follow-up of current developments and regulations in this context are carried out within the scope of the committee. In addition, studies are carried out to increase the awareness and knowledge level of the Turkish Cement industry on climate change and sustainability. Akçansa Sustainability Manager and Environmental Manager are members of this committee. Within the scope of the committee, Akçansa shares its experiences on the use of alternative raw materials and alternative fuels, the

use of new technologies in the field of climate change, and emission and energy inventories, and contributes to the works carried out by the public sector. A Sustainability Sub-working group was established under this committee. Akçansa Sustainability Manager also takes an active role in this working group and contributes to the sustainability reporting of the sector. Different representatives from Akçansa also take part in various other committees of the union. In the reporting year, a payment of 2,005,000 TRY was made to the relevant organization..

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

2005000

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 3

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

☑ Non-Governmental Organization (NGO) or charitable organization

(4.11.2.3) State the organization or position of individual

The Business and Sustainable Development Council (BCSD Türkiye) was established in 2004 under the leadership of 13 private sector representatives and is a business association that only accepts corporate memberships. As the regional network and business partner of the World Business Council for Sustainable Development (WBCSD), BCSD Türkiye shares the sustainability issues that come with this collaboration with its members, which include working groups, and through its various platforms.

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

SKD Türkiye, the regional network and business partner of the World Business Council for Sustainable Development (WBCSD) in Türkiye, shares the sustainability issues brought about by this cooperation with its members and departments on various platforms. SKD Türkiye works with the objectives of increasing the experience of the concept of sustainable development in the business world, encouraging the increase of the exemplary organization in order to achieve good results, providing promotion, contributing to policy compilations in this field, executing to develop appropriate tools and channels. Akçansa is an active member of the association. It contributes to the circular economy platforms carried out by SKD Turkey, participates in roundtable meetings on climate change, supports and funds efforts to share good practices, and participates in research and policy proposal development studies carried out by SKD Turkey. In the reporting year, a payment of 50,000 TRY was made to the relevant organization..

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

50000

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 4

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

☑ Non-Governmental Organization (NGO) or charitable organization

(4.11.2.3) State the organization or position of individual

Marmara Island Gündoğdu Village Development and Beautification Association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

We are pleased to complete the "Marmara Islands Artificial Reef Project", which we prepared in cooperation with the Marmara Islands Gündoğdu Village Development and Beautification Association and in consultation with Balıkesir University and Çanakkale Onsekiz Mart University. The project, which aims to create a net gain in biodiversity and is the first major work with threedimensional reefs in the Marmara Sea, saw 160 out of a total of 280 reefs produced with three-dimensional printers and released into the sea to provide a home for marine life. With this project, which we have carried out with the approval of the General Directorate of Fisheries and Aquaculture of the Ministry of Agriculture and Forestry of the Republic of Turkey, we are protecting the fragile ecosystem in the region and saying "There is a world" for a sustainable future. The investment amount of the project is 189,000 USD.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

189000

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply
☑ Sustainable Development Goal 6 on Clean Water and Sanitation
[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:
☑ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:
☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply
☑ GRI
☑ TCFD
☑ Other, please specify :Integrated Reporting Framework - IR

(4.12.1.3) Environmental issues covered in publication

Select all that apply
☑ Climate change
☑ Water
☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:
☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Other, please specify

:Sustainability Principles Compliance Metrics

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

(4.12.1.6) Page/section reference

Governance: pg. 18-37 (Sustainability Governance: pg. 28) Strategy: pg. 37-44, 44-54, 63-68 Risks & opportunities: pg.29-34 Emissions figures: 166 Emission targets: 41-42 Sustainability Principles Compliance Metrics: 109-115

(4.12.1.7) Attach the relevant publication

Akçans_ E.F.R._2023_ENG-09-05.pdf

(4.12.1.8) Comment

The integrated annual report 2023 of Akçansa, whose shares are traded on Borsa Istanbul, meets the minimum requirements of the Capital Markets Board (CMB) for annual reports. Our report has been prepared in accordance with the Integrated Reporting Framework (IR) organised by the Value Reporting Foundation (VFR) and the GRI Standards 2021 developed by the Global Reporting Initiative (GRI). We have also included the United Nations Sustainable Development Goals to which we have contributed and the work we have carried out under the United Nations Women Empowerment Principles (WEPs). The information contained in the report covers all activities carried out in Türkiye under the Akçansa, Akçansa Cement, Agregas and Betonsa brands in the cement, ready-mixed concrete, port and aggregates businesses between 1 January 2023 and 31 December 2023. The export activities of Heidelberg Materials Trading, a subsidiary of Heidelberg Materials, one of our major shareholders, are not included in this report. The financial and non-financial data in our report were verified by third parties. You can find the statements regarding the audits received in the "Annexes" section of our report.
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Not defined

Water

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Not defined

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios
☑ IEA 2DS

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Chronic physical

☑ Market

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2060

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Other finance and insurance driving forces, please specify **:**Carbon pricing

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The Cement Low-carbon Technology Roadmap conducts scenario analyses against the reference technology scenario (RTS), nationally determined contributions (NDCs), and the 2DS for the entire industry globally. The 2DS acknowledges that transforming the energy sector is vital, but it is not the sole solution: the goal can only be achieved if CO2 and GHG emissions in non-energy sectors are also reduced. Global GDP is assumed to more than triple between 2017 and 2060. Growth until 2030 in emerging markets is assumed. In line with the lower oil and gas prices in the 2DS, coal prices are also considered to be significantly lower due to the large shift away from coal. The global power sector can reach net-zero CO2 emissions by 2060 under the 2DS scenario with the use of renewables and carbon capture and storage technologies. Technologies that are not yet commercial play an important role in industrial process decarbonization, contributing to an 18% reduction in cumulative direct CO2 emissions in 2DS. In the 2DS, electricity is expected to be the largest final energy carrier, slightly ahead of oil. It is assumed that carbon pricing systems are applied. Different carbon price scenarios were assumed: EU ETS carbon price, 50% lower than the EU ETS price, and 20% lower than the EU ETS price. All assumptions were used in the scenario analysis are in line with IEA's Energy Technology Perspectives 2017 report..

(5.1.1.11) Rationale for choice of scenario

The 2DS (2-Degree Scenario) is aligned with the goal of limiting global warming to 2C above pre-industrial levels, which is a critical reference point for global climate policies. This scenario adopts a multi-faceted approach to reducing CO2 and GHG emissions in both the energy sector and non-energy sectors, acknowledging that

transformation in energy is necessary but not sufficient on its own. The 2DS scenario highlights the importance of renewable energy sources and advanced technologies such as carbon capture and storage (CCS), underscoring the need for innovative solutions in addition to existing technologies. It provides realistic and actionable roadmaps for policymakers and industry stakeholders, offering a framework to achieve long-term sustainability goals.

Water

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA 2DS

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2040

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

For transition scenario analysis, we used the IEA 2DS scenario. All assumptions used in the scenario analysis are in line with IEA's Energy Technology Perspectives 2017 report. For water stress assessment, we used the WRI Aqueduct tool with a time horizon of 2030 and 2040. For physical assessments, we used IPCC's Representative Concentration Pathways.

(5.1.1.11) Rationale for choice of scenario

The IEA 2DS (2 Degrees Scenario) scenario is designed to provide a pathway to limit global temperature rise to below 2C by the end of the century. This scenario is based on the International Energy Agency's Energy Technology Perspectives 2017 report, which outlines assumptions regarding energy efficiency improvements, renewable energy adoption, carbon capture and storage (CCS) technologies, and policy changes needed to achieve significant reductions in greenhouse gas emissions. It assumes a global transition towards a low-carbon economy, driven by stringent policy measures, market changes, and technological advancements. This scenario helps the organization understand potential transition risks, including policy, market, and technology risks, and guides strategic planning to align with global climate goals.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2005

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global targets

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Representative Concentration Pathways (RCPs) are not new, fully integrated scenarios (i.e., they are not a complete package of socioeconomic, emissions, and climate projections). They are consistent sets of projections of only the components of radiative forcing that are meant to serve as input for climate modeling, pattern scaling, and atmospheric chemistry modeling," according to the RCP Database. Global climate models represent the planet as millions of grid boxes and then solve mathematical equations to calculate how energy is transferred between those boxes using the laws of thermodynamics. If done correctly, these models of how energy is cycled through all parts of the planet can be used to estimate dozens of environmental variables (winds, temperature, moisture, etc.). The models are tested by simulating historical conditions and then matching the results to our historical observational records. If the models can adequately recreate the past, they are then run forward in time to predict what may happen in the future. RCP 2.6 Scenario was used as the Optimistic scenario – substantial reduction of GHG during the century with a wide range of new technologies and strategies successfully introduced. It is the moderate scenario leading to a warming at the end of the 21st century of probably less than 2C relative to the pre-industrial period (1850–1900). For physical climate risk assessments, all facilities were assessed by their locations. Time horizon/projection years are 2030, 2050, and 2100. The projections are a hybrid composite of local high-resolution CORDEX models and global CMIP5 models. Data for the reference period is based on the well-established current Munich Re model data (for tropical cyclones, river floods) and on ERA5 ECMWF atmospheric reanalysis data (for heat stress, precipitation stress, fire weather stress). The reference period for the climatological parameters is 1986-2005, and 20-year periods are used for the projections for more robust trend estimates.According to RCP 2.6, as CO2 increases, Earth gets warmer, but not uniformly; oceans warm slower than the continents and the Arctic. Projections are based on a high emissions scenario. Projections for temperature according to RCP 2.6 W/m2 show the level of radiative forcing by GHG emissions peaking by mid-century, then returning to 2.6 W/m2 by 2100. A large-scale, global, and differentiated greenhouse gas mitigation strategy and new technologies would need to be widely employed soon

(5.1.1.11) Rationale for choice of scenario

"Representative Concentration Pathways (RCPs) are not new, fully integrated scenarios (i.e., they are not a complete package of socioeconomic, emissions and climate projections). They are consistent sets of projections of only the components of radiative forcing that are meant to serve as input for climate modeling, pattern scaling

and atmospheric chemistry modeling," according to the RCP Database. Global climate models represent the planet as millions of grid boxes and then solve mathematical equations to calculate how energy is transferred between those boxes using the laws of thermodynamics. If done correctly, these models of how energy is cycled through all parts of the planet can be used to estimate dozens of environmental variables (winds, temperature, moisture, etc.). The models are tested by simulating historical conditions and then matching the results to our historical observational records. If the models can adequately recreate the past, they are then run forward in time to predict what may happen in the future. RCP 2.6 Scenario was used as the "Optimistic" scenario – substantial reduction of GHG during the century with wide range of new technologies and strategies successfully introduced. It is the moderate scenario leading to a warming at the end of the 21st century of probably less than 2C relative to the preindustrial period (1850–1900). For physical climate risks assessment, all facilities were assessed by their locations. Time horizon/projection years are 2030, 2050 and 2100. The projections are a hybrid composite of local high-resolution CORDEX models and global CMIP5 models. Data for the reference period is based on the well-established current Munich Re model data (for tropical cyclone, river flood) and on ERA5 ECMWF atmospheric reanalysis data (for heat stress, precipitation stress, fire weather stress). The reference period for the climatological parameters is 1986-2005, and 20-year periods are used for the projections for more robust trend estimates. According to RCP 2.6; as CO2 increases Earth gets warmer, but not uniformly, oceans warm slower than the continents and arctic. Projections are based on a high emissions scenario. Projections for temperature according to RCP 2.6 W/m2 show the level of radiative forcing by GHG emissions peaking by mid-century then returning to 2.6 W/m2 by 2100. A large-scale, global and differentiated greenhouse gas mitigation strategy and new technologies would need to be widely employed very soon.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0ºC - 2.4ºC

(5.1.1.7) Reference year

2005

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global targets

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Representative Concentration Pathways (RCPs) are not new, fully integrated scenarios (i.e., they are not a complete package of socioeconomic, emissions, and climate projections). They are consistent sets of projections of only the components of radiative forcing that are meant to serve as input for climate modeling, pattern scaling, and atmospheric chemistry modeling," according to the RCP Database. Global climate models represent the planet as millions of grid boxes and then solve mathematical equations to calculate how energy is transferred between those boxes using the laws of thermodynamics. If done correctly, these models of how energy is cycled through all parts of the planet can be used to estimate dozens of environmental variables (winds, temperature, moisture, etc.). The models are tested by simulating historical conditions and then matching the results to our historical observational records. If the models can adequately recreate the past, they are then run forward in time to predict what may happen in the future. RCP 4.5 Scenario was used as the "Stabilization" scenario – radiative forcing is stabilized before 2100 by the employment of a range of technologies and strategies for GHG reduction. It is an intermediate scenario leading to a warming at the end of the 21st century of more than 2C relative to the pre-industrial period (1850–1900). For physical climate risk assessment, all facilities were assessed by their locations. The time horizon/projection years are 2030, 2050, and 2100. The projections are a hybrid composite of local high-resolution CORDEX models and global CMIP5 models. Data for the reference period is based on the well-established current Munich Re model data (for tropical cyclones, river floods) and on ERA5 ECMWF atmospheric reanalysis data (for heat stress, precipitation stress, and fire weather stress). The reference period for the climatological parameters is 1986-2005, and 20-year periods are used for the projections to provide more robust trend estimates. According to RCP 4.5, Earth gets warmer but doesn't warm uniformly; the oceans warm slower than the continents and the Arctic. Projections are based on a high emissions scenario. Projections for temperature according to RCP 4.5 show the level of radiative forcing by greenhouse gas emissions stabilizing at 4.5 W/m2 by 2100. The employment of a range of technologies and strategies for reducing greenhouse gas emissions is assumed in this scenario.

(5.1.1.11) Rationale for choice of scenario

"Representative Concentration Pathways (RCPs) are not new, fully integrated scenarios (i.e., they are not a complete package of socioeconomic, emissions and climate projections). They are consistent sets of projections of only the components of radiative forcing that are meant to serve as input for climate modeling, pattern scaling and atmospheric chemistry modeling," according to the RCP Database. Global climate models represent the planet as millions of grid boxes and then solve mathematical equations to calculate how energy is transferred between those boxes using the laws of thermodynamics. If done correctly, these models of how energy is cycled through all parts of the planet can be used to estimate dozens of environmental variables (winds, temperature, moisture, etc.). The models are tested by simulating historical conditions and then matching the results to our historical observational records. If the models can adequately recreate the past, they are then run forward in time to predict what may happen in the future. RCP 4.5 Scenario was used as the "Stabilization" scenario – radiative forcing is stabilized before 2100 by employment of a range of technologies and strategies for GHG reduction. It is intermediate scenario leading to a warming at the end of the 21st century of more than 2C relative to the pre-industrial period (1850–1900). For physical climate risks assessment, all facilities were assessed location wise. Time horizon/projection years are 2030, 2050 and 2100. The projections are a hybrid composite of local high-resolution CORDEX models and global CMIP5 models. Data for the reference period is based on the well-established current Munich Re model data (for tropical cyclone, river flood) and on ERA5 ECMWF atmospheric reanalysis data (for heat stress, precipitation stress, fire weather stress). The reference period for the climatological parameters is 1986-2005, and 20-year periods are used for the projections for more robust trend estimates. According to RCP 4.5, Earth gets warmer but doesn't warm uniformly, the oceans warm slower than the continents and arctic. Projections are based on a high emissions scenario. Projections for temperature according to RCP 4.5 show the level of radiative forcing by greenhouse gas emissions stabilizing at 4.5 W/m2 by 2100. Employment of a range of technologies and strategies for reducing greenhouse gas emissions are assumed in this scenario.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0ºC and above

(5.1.1.7) Reference year

2005

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Representative Concentration Pathways (RCPs) are not new, fully integrated scenarios (i.e., they are not a complete package of socioeconomic, emissions, and climate projections). They are consistent sets of projections of only the components of radiative forcing that are meant to serve as input for climate modeling, pattern scaling, and atmospheric chemistry modeling," according to the RCP Database. Global climate models represent the planet as millions of grid boxes and then solve mathematical equations to calculate how energy is transferred between those boxes using the laws of thermodynamics. If done correctly, these models of how energy is cycled through all parts of the planet can be used to estimate dozens of environmental variables (winds, temperature, moisture, etc.). The models are tested by simulating historical conditions and then matching the results to our historical observational records. If the models can adequately recreate the past, they are then run forward in time to predict what may happen in the future. RCP 8.5 Scenario was used as the "Pessimistic" scenario – radiative forcing is growing beyond 2100 due to the lack of adaptation of technologies and strategies for GHG reduction. It is the most severe scenario, leading to a warming at the end of the 21st century of probably more than 4C relative to the pre-industrial period (1850–1900). For physical climate risk assessments, all facilities were assessed by their locations. The time horizon/projection years are 2030, 2050, and 2100. The projections are a hybrid composite of local high-resolution CORDEX (Coordinated Regional Climate Downscaling Experiment, 25–55 km horizontal resolution) models and global CMIP5 (Coupled Model Intercomparison Project Phase 5) models. Data for the reference period is based on the well-established current Munich Re model data (for tropical cyclones, river floods) and on ERA5 ECMWF atmospheric reanalysis data (for heat stress, precipitation stress, and fire weather stress). The reference period for the climatological parameters is 1986-2005, and 20-year periods are used for the projections to provide more robust trend estimates. According to the RCP 8.5 Scenario, Earth gets warmer but doesn't warm uniformly; the oceans warm slower than the continents and the Arctic. Projections are based on a high emissions scenario. Projections for temperature according to RCP 8.5 W/m2 show extreme change. CO2 levels rise to 936 ppm by 2100, making the global temperature

(5.1.1.11) Rationale for choice of scenario

"Representative Concentration Pathways (RCPs) are not new, fully integrated scenarios (i.e., they are not a complete package of socioeconomic, emissions and climate projections). They are consistent sets of projections of only the components of radiative forcing that are meant to serve as input for climate modeling, pattern scaling and atmospheric chemistry modeling," according to the RCP Database. Global climate models represent the planet as millions of grid boxes and then solve mathematical equations to calculate how energy is transferred between those boxes using the laws of thermodynamics. If done correctly, these models of how energy is cycled through all parts of the planet can be used to estimate dozens of environmental variables (winds, temperature, moisture, etc.). The models are tested by simulating historical conditions and then matching the results to our historical observational records. If the models can adequately recreate the past, they are then run forward in time to predict what may happen in the future. RCP 8.5 Scenario was used as the "Pessimistic" scenario – radiative forcing is growing beyond 2100 due to missing adaptation of technologies and strategies for GHG reduction. It is the most severe scenario leading to a warming at the end of the 21st century of probably more than 4C relative to the pre-industrial period (1850–1900). For physical climate risks assessment, all facilities were assessed location wise. Time horizon/projection years are 2030, 2050 and 2100. The projections are a hybrid composite of local high-resolution CORDEX (Coordinated Regional Climate Downscaling Experiment, 25–55 km horizontal resolution) models and global CMIP5 (Coupled Model Intercomparison Project Phase 5) models. Data for the reference period is based on the well-established current Munich Re model data (for tropical cyclone, river flood) and on ERA5 ECMWF atmospheric reanalysis data (for heat stress, precipitation stress, fire weather stress). The reference period for the climatological parameters is 1986-2005, and 20-year periods are used for the projections for more robust trend estimates. According to RCP 8.5 Scenario, Earth gets warmer, but doesn't warm uniformly, the oceans warm slower than the continents and arctic. Projections are based on a high emissions scenario. Projections for temperature according to RCP 8.5 W/m2 show extreme change. CO2 levels rise to 936ppm by 2100 making the global temperature rise by about 5-6C by 2100.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.5°C or lower

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 2.6 Scenario was used as the "Optimistic" scenario – substantial reduction of GHG during the century with a wide range of new technologies and strategies successfully introduced. According to RCP 2.6, the Earth gets warmer as CO2 increases in the atmosphere. Earth doesn't warm uniformly; the oceans warm slower than the continents and the Arctic. Projections are based on a high emissions scenario. Projections for temperature according to RCP 2.6 W/m2 show the level of radiative forcing by greenhouse gas emissions peaking by mid-century, then returning to 2.6 W/m2 by 2100. A large-scale, global, and differentiated greenhouse gas mitigation strategy and new technologies would need to be widely employed very soon.

(5.1.1.11) Rationale for choice of scenario

We have assessed our plants and sites according to the exposure to physical risks, covering several acute and chronic water related risks, (flooding, drought, heavy precipitation etc.). Our assessment makes use of three scenarios (RCP 2.6 as an optimistic scenario, RCP 4.5 as a stabilization scenario and RCP 8.5 as a pessimistic scenario) and covers the time horizon until 2050. Risks affecting us across are climatic developments that can lead to floods as a result of high precipitation, sea-level rise and water scarcity due to drought stress and water stress. Our plants are under medium to high risk of water stress and drought stress by 2050 and under medium-high risk of extreme precipitation and flooding. This may cause damage to our own assets or lead to production disruptions in our own operations due to water shortages. We mitigate these risks by effective water management practices during production and investing in water recycling and reuse projects. We use WRI Aqueduct tool to assess water stress as well as the RCP scenarios. As part of our sustainability strategy and Sustainability Commitments 2030, we have started developing water management plans in each of our plants. Additionally, we are integrating a comprehensive Water Master Plan to ensure a more strategic approach to water stewardship across all our sites. This master plan aligns with our broader sustainability goals and aims to promoting efficient water usage, recycling, and local water source protection.

Water

(5.1.1.1) Scenario used

Physical climate scenarios
☑ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0°C - 2.4°C

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 4.5 Scenario was used as the "Stabilization" scenario – radiative forcing is stabilized before 2100 by the employment of a range of technologies and strategies for GHG reduction. According to RCP 4.5, Earth gets warmer as CO2 increases in the atmosphere, and Earth doesn't warm uniformly; the oceans warm slower than the continents and the Arctic. Projections are based on a high emissions scenario. Projections for temperature according to RCP 4.5 show the level of radiative forcing by greenhouse gas emissions stabilizing at 4.5 W/m2 by 2100. The employment of a range of technologies and strategies for reducing greenhouse gas emissions is assumed in this stabilization scenario.

(5.1.1.11) Rationale for choice of scenario

We have assessed our plants and sites according to the exposure to physical risks, covering several acute and chronic water related risks, (flooding, drought, heavy precipitation etc.). Our assessment makes use of three scenarios (RCP 2.6 as an optimistic scenario, RCP 4.5 as a stabilization scenario and RCP 8.5 as a pessimistic scenario) and covers the time horizon until 2050. Risks affecting us across are climatic developments that can lead to floods as a result of high precipitation, sea-level rise and water scarcity due to drought stress and water stress. Our plants are under medium to high risk of water stress and drought stress by 2050 and under medium-high risk of extreme precipitation and flooding. This may cause damage to our own assets or lead to production disruptions in our own operations due to water shortages. We mitigate these risks by effective water management practices during production and investing in water recycling and reuse projects. We use WRI Aqueduct tool to assess water stress as well as the RCP scenarios. As part of our sustainability strategy and Sustainability Commitments 2030, we have started developing water management plans in each of our plants. Additionally, we are integrating a comprehensive Water Master Plan to ensure a more strategic approach to water stewardship across all our sites. This master plan aligns with our broader sustainability goals and aims to promoting efficient water usage, recycling, and local water source protection.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0°C and above

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 8.5 Scenario was used as the "Pessimistic" scenario – radiative forcing is growing beyond 2100 due to the lack of adaptation of technologies and strategies for GHG reduction. According to the RCP 8.5 Scenario, Earth gets warmer as CO2 increases in the atmosphere, and Earth doesn't warm uniformly; the oceans warm slower than the continents and the Arctic. Projections are based on a high emissions scenario. Projections for temperature according to RCP 8.5 W/m2 show extreme change. CO2 levels rise to 936 ppm by 2100, making the global temperature rise by about 5-6C by 2100. For physical climate risk assessment, all facilities were assessed by their locations. The time horizon for the scenario is until 2030, 2050, and 2100.

(5.1.1.11) Rationale for choice of scenario

We have assessed our plants and sites according to the exposure to physical risks, covering several acute and chronic waterrelated risks, (flooding, drought, heavy precipitation etc.). Our assessment makes use of three scenarios (RCP 2.6 as an optimistic scenario, RCP 4.5 as a stabilization scenario and RCP 8.5 as a pessimistic scenario) and covers the time horizon until 2050. Risks affecting us across are climatic developments that can lead to floods as a result of high precipitation, sea-level rise and water scarcity due to drought stress and water stress. Our plants are under medium to high risk of water stress and drought stress by 2050 and under medium-high risk of extreme precipitation and flooding. This may cause damage to our own assets or lead to production disruptions in our own operations due to water shortages. We mitigate these risks by effective water management practices during production and investing in water recycling and reuse projects. We use WRI Aqueduct tool to assess water stress as well as the RCP scenarios. We have started developing water management plans in each of our plants as a part of our sustainability strategy and Sustainability Commitments 2030.
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

We expect increased regulations and agreements to put more pressure on the cement industry to reduce CO2 emissions. We consider it essential to carry out scenario and impact analyzes in order to be prepared for new regulations, and to take emission reduction measures in this direction. In line with the emerging regulations on climate, the possible effects on the value chain have been analyzed. While performing impact analysis, we determined plant-based emission reduction levers, as switching to alternative fuels, improving energy efficiency, reduction of clinker to cement ratio, using decarbonization technologies. New market conditions will support a growing demand for low-carbon products and solutions. We see there an opportunity to increase our market share in the range of sustainable products. In our business strategy, we recognize that additional investments are required under the 2DS scenario. We have developed our strategy aligned with lower CO2 emissions. We conducted financial impact analyzes for different regulatory scenarios to prepare for emerging regulations. In line with these analyzes, which are reviewed and approved by Board of Directors the emission reduction rate until 2030 has been determined and the investments to be made to reach this rate have been decided. In the focus of investments, there are items such as projects to increase alternative fuels, emission reduction projects, process optimization studies, product switching plan and sales plan for new and low-carbon products, R&D activities on both cement and concrete products, energy efficiency projects and determining the potential for developing CCUS technologies. The business strategy has been shaped for considering these investments and market. In terms of business objectives and strategy, this result has impact on our decision to set a CO2 reduction target. Akçansa, with all the initiatives determined, set a target to reduce net CO2 emissions (kg) per metric tons of cementitious product by 12.75% until 2030 from 2021 levels. With the SBTi commitment on April 7, 2023, intensity target will be more ambitious. Physical scenario analyses: Tropical cyclone, river flooding, precipitation and fire weather, heat stress, drought stress are key risks to focus on. According to the analyses, tropical cyclone is not considered a relevant risk for Türkiye. River flooding is considered medium risk for plants. Precipitation stress considered a medium risk and fire weather stress considered a medium to high risk for majority of operations risk in all scenarios. Heat stress considered a medium to high risk. Turkey is under water stress and our cement plants are in high water stress areas. Drought stress considered medium to high risk for majority of operations. Sea level rise not considered major risk for more than a quarter of all assets. Extreme precipitation and flooding impacting sites and supply chains in affected areas require further protective measures and mitigation plans.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

In 2020, we set a target of reducing our water withdrawals per unit production by 13% by 2030, with these data in hand. We aim to develop projects that will reduce water withdrawals and recycle water in each plant and site. At the company level, we will be implementing Water Management Plans in sites located on water scarce areas. We ensure the effective use of water with monitoring systems at all our sites. One of our goals is to use new technologies in this regard. On the other hand, we are evaluating CAPEX plans to reduce water withdrawal by recycling and reusing water in our operations. We have started a project for online monitoring of water consumption data online via an online platform. The system will have enabled plant operators and engineers to closely monitor the consumption data and take immediate action when necessary as well as generating accurate reports. In the upcoming period, more accurate and focused decisions can be taken within the scope of the capex budget already allocated for water. In the management of the main water risks, priority is given to capex projects such as effective water management investments, investments for water reuse, infrastructure investments for rainwater use, and other instruments that transfer risk (such as insurance). In addition to investment plans, the insurance process of factory assets is operated against risks such as drought induced water stress and scarcity, floods and sea level rise, which are among the prominent risks.

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

☑ No

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☑ Yes

(5.2.5) Description of activities included in commitment and implementation of commitment

We focus on emission reduction and mitigation through investments in renewable energy, alternative fuels, and efficiency improvements rather than committing to a complete cessation of spending or revenue generation associated with fossil fuels. The strategy includes significant efforts towards achieving the 1.5C scenario, but does not currently include an explicit commitment to cease all activities related to fossil fuels.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

We prepared our climate transition plan in line with the 1.5 C scenario and shared it with our Board of Directors. We made a commitment to the Science Based Targets initiative to move forward our 2030 climate targets more ambitious and align with the 1.5C scenario, and accordingly, we analyzed all our operations and revealed our mitigation plan. In our transition plan, emission reduction investments to be realized in plants are determined. Our plan includes activities aimed at maximizing alternative fuel substitution instead of fossil fuels, retirement of inefficient equipment, increasing new product development studies and planning processes investments for the production of new products, use of renewable energy in all facilities, evaluation of CCUS technologies and partnerships with related institutions. In this direction, annual emission reduction targets have been determined, and each production facility has taken initiatives to achieve these targets. Within the scope of our transition plan, in addition to the longterm contracts of the purchasing departments, the sales departments work within the scope of spreading the applications for low carbon products in the market. Our transition plan includes absolute reduction and emission intensity reduction goals in line with 1.5C. Although the SBTi validation process has not yet been completed, we have the ambition to reduce our absolute emissions by more than 20% by 2030 under this plan. Our Board of Directors, which also includes representatives of Heidelberg Materials and Sabancı Holding, closely monitors the development and progress of our transition plan. Progress is presented in the reports, which are carried out at least every 3 months and more frequently when necessary. We shared our commitment to SBTi with our shareholders, investors and all stakeholders through the public disclosure platform of Türkiye. We aim to publicly share our transition plan after SBTi validation and BoD approvals.

(5.2.9) Frequency of feedback collection

Select from:

☑ More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

Future technological advancements in renewable energy and CCUS. Continued commitment to SBTi targets. Support from stakeholders and availability of investment for emission reduction projects.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

AKC_Commitment_Letter_Signed.pdf

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Products and services

☑ Upstream/downstream value chain

☑ Investment in R&D

☑ Operations

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

We expect the demand for low-carbon goods and services to increase in the future. We consider the time horizon covered for low-carbon product demand in the market to be medium-term, meaning up to 2030. An opportunity for cement companies is to switch to low-clinker products, or in other words, there is a risk of not doing so, since 70% of carbon emissions come from clinker production (60% from decarbonization of limestone and 40% from fuels). Carbon emissions are directly reduced when cement is produced using less clinker and more mineral additives. In addition, the product portfolio will include more blended cement with less clinker and more mineral and secondary material additives such as slag and fly ash from other industries. In our 2030 Sustainability Goals, we have defined clear targets in the "Innovation" focus area and to do this, our strategy is to focus on the R&D of low-carbon products. In this direction, we have created our Product Change Plan for cement and concrete products containing less clinker and more additives and planned our investments such as the necessary production line within this scope. With this plan, we have determined our medium-long term exit strategy from unsustainable products. We have defined our sustainable and low-carbon product definitions for all new and existing cement products in our product change plan by evaluating the EU Taxonomy and other valid reference Taxonomies to define our sustainable product portfolio, including low-carbon and sustainable products. We have defined and announced our sustainable product categories with the 2023 Integrated Annual Report. We have also voluntarily updated our EPD certificate for all ready-mixed concrete products in 2023. In 2022, We started producing EcoCrete, Heidelberg Materials' sustainable concrete brand, which offers up to 30% CO2 reduction per cubic meter of concrete compared to the industry reference. In 2023, 16% of our ready-mixed concrete products were produced under the Ecocrete brand, one of our sustainable concrete products. In this brand, we use formulas that contain at least 15% less clinker compared to standard reference products. In addition, the sales volume of sustainable products was 27% in 2023. We develop concrete products with lower water consumption with methods that will provide less water use in the concrete production phase. High-performance concrete products reduce the amount of water consumed per unit of concrete in concrete production by 40-50 liters. This corresponds to approximately 15% lower water use. On the other hand, we also have special products that enable our customers to minimize their impact on the environment. Our special products that minimize the depth of water penetration in concrete, use special water insulation technologies to provide structural insulation especially in construction projects where water insulation is required, and have concrete designs specially prepared for the needs.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

In line with our 2030 roadmap and the ambition to maximize our alternative fuel as well as alternative raw materials with the primary focus to reduce our CO2 emissions, we are dependent on the suppliers who provide these alternative sources, like end-of-life tires or dried sewage sludge. Anticipating that the demand for alternative fuels will increase in the medium-term time horizon, we take our strategic decisions in this area in the direction of securing our supply processes. Therefore, our strategy is to diversify our suppliers and procure these alternative sources in full (and in the future increased) capacity. We take a number of measures to do so. We have implemented and planned related investments to increase our alternative fuel usage in Çanakkale Plant. Our strategy is to make long-term agreements with key suppliers. It is also among our goals to carry out activities to increase the resilience of our suppliers against climate change. We have published our Sustainable Supply Chain Policy which outlines our due diligence and supplier sustainability evaluation process. With this policy, we aim to increase sustainability efforts throughout the value chain and eventually reaching reduced emissions. We have started supplier sustainability audits which also includes climate related assessments. Each supplier is obtaining an action plan to align their sustainability practices with our climate ambitions. Environmental risks on supple chain are dust from land and sea transport, pollution (coal, tires, bilge waste), CO2 emissions from intensive transport, spills from waste transport. To minimize supply risks, we have continued to develop business arrangements with alternative suppliers in all possible areas to ensure uninterrupted continuity of raw materials and services by creating alternatives to risky resources. Water is used in various areas during the cement production process. Processes such as raw material preparation, mixing, cooling and dust suppression are the areas where water is used most intensively. Especially during the clinker cooling process, water is used to keep high temperatures under control. One of the water sources to be used in this context is a process that allows domestic wastewater to be pre-treated and reused. In this way, the use of natural water resources is reduced and energy is gained by reducing treatment activities to meet the discharge criteria of polluted water.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Within the scope of our low carbon roadmap and 2030 sustainability goals, in addition to our cement products, we aim to continuously reduce the clinker ratio in our products through value-added products with lower carbon footprints or higher lifespan or improved performance parameters, thus reducing emissions generated during the usage phase. In order to achieve this, our short and medium-term strategic focus is to continuously carry out R&D projects with special annual budgets to achieve our goals. Our special low-carbon products include cement and concrete products with high mineral additives and durability. In addition, our new product development studies continue, and our project studies continue for cement and concrete products with lower clinker ratios using construction demolition waste or different mineral or chemical additives. In addition to the R&D projects we carry out to increase product diversity and develop low-carbon products, we have created an R&D roadmap for the development of new technologies and determined the projects we plan to implement by 2030. All projects in the R&D Roadmap are projects for the transition to a low-carbon economy. Furthermore, project groups were formed to research and implement technologies such as CCUS, which have been highlighted and developed for decarbonization with the support of Sabancı Holding, because in the long term, sectoral approaches have indicated that CCUS technologies will be essential for the decarbonization of the industry. As an output of these studies, feasibility studies of a proposed CCUS model were completed within the scope of the CIRCULATE project. On the other hand, production trials were conducted with calcined clay and performance studies were completed. A "Technology Assessment" study was completed in 2023 within the scope of a decarbonization project, considering organizational boundaries, technology readiness levels of the proposed technologies and material availability. Ongoing R&D projects in 2023 are utilization of alternative mineral additives (pozzolans) in cement and concrete production and low carbon/low clinker production research of technologies, Investigation of the use of construction demolition waste as carbon sequestration material in cement and concrete production by upcycling and within the scope of the Hydrogen Valley Platform of the South Marmara Development Agency; investigating the use of hydrogen and oxygen in the fuel mixture and the use of hydrogen in ethanol/methanol production (Green Methanol) by combining hy drogen with CO2 in factory flue gas.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

One of the main climate-related risks arising from our operations is the CO2 emissions generated. In line with our medium-term low carbon strategy covering the period 2020-2030, we aim to use alternative fuels and biomass in our fuel mix to fossil fuels. We also aim to increase our energy efficiency and reduce specific heat consumption in

rotary kilns. All these measures have been taken to reduce carbon emissions in operations. Our strategy is to allocate a budget to increase the use of alternative fuels and to invest in energy efficiency measures. Our strategic approach influenced the business decision taken in the reporting period to increase the capacity of alternative fuel use at the Büyükçekmece and Çanakkale facilities. Excluding renovation and maintenance investments, investments made in operations consist of emission reduction projects in line with the low carbon strategy. These projects aim to decarbonize production. In this context, emission reduction effects have been calculated for all investments to be made until 2030. An investment budget of approximately 25 million euros is planned until 2030 to reduce Scope 1 emissions alone. We are renewing inefficient and old equipment and spreading our best practices to all our facilities. We have started to work on increasing the energy recovered from waste heat by focusing on energy efficiency in our Çanakkale facility and have developed projects and investment plans in this regard. We aim to increase the amount of electrical energy produced from waste heat with an investment that we will implement at the beginning of 2024. By switching to efficient machinery and equipment in the production processes in our facilities, we have saved a total of 18,249 MWh of electrical energy during the year with process optimization projects and modernization investments that reduce energy consumption. We have prevented approximately 8,200 tons of CO2 emissions with our energy efficiency projects.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Assets
☑ Revenues
☑ Direct costs
☑ Indirect costs
☑ Access to capital
☑ Capital allocation
☑ Capital expenditures

(5.3.2.2) Effect type

Select all that apply

☑ Risks
☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change
☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Capital Expenditure (CAPEX): We are proactively preparing for a low-carbon future by investing in alternative fuels like dried sewage sludge (DSS), waste oil, Tire-derived fuel (TDF), and refused derived fuels (RDF). This also involves modifying processes to reduce clinker and developing low-carbon products, with a short- to medium-

term CAPEX horizon up to 2030. These investments include R&D and production line upgrades to support alternative raw materials and product development, aligning with our product-switching plans. Revenue: Utilizing more alternative fuels and raw materials lowers direct costs, increasing profitability. We anticipate growing market demand for low-carbon products in the medium term, which will further boost revenues. Direct Costs: By replacing conventional fossil fuels such as coal and petcoke with alternative fuels, we have seen a reduction in direct costs, contributing to improved financial performance. Capital Allocation: The shift to alternative fuels has enhanced cash flow, enabling better capital allocation and more efficient financial management. Indirect Costs: Using lower-cost alternative fuels helps reduce indirect operating costs. Additionally, upcoming carbon pricing mechanisms like ETS could increase these costs. By preparing for these regulatory changes, we aim to mitigate their impact on indirect costs. Access to Capital: Climate-related risks and opportunities have improved our ability to secure low-interest capital, as well as financial support from governments and climate-related funds. Scenario modeling for evolving regulations, such as cap-and-trade systems, informs our financial planning, allowing us to anticipate additional costs up to 2030. Assets: We have assessed all assets for climate-related risks and implemented insurance processes. Decision processes for reinforcement and improvement investments have also been activated to ensure asset resilience against these risks.
[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
	Select from: ☑ Yes	*Select all that apply* ☑ A sustainable finance taxonomy	*Select from:* ☑ At both the organization and activity level

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:
☑ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:
☑ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:
☑ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☑ Yes

(5.4.1.5) Financial metric

Select from:

☑ CAPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

11113119.72

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

1.31

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

53

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

80

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

100

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

0

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

Climate mitigation: switching to the use of sustainably sourced renewable materials, reducing of clinker to cement ratio, increasing the use of alternative clinkers and binder, increasing fuel / process efficiency, renewable energy, energy efficiency, restoration of forests, producing clean and efficient fuels from renewable or carbon-neutral sources, reducing the CO2 emissions from transport. The CAPEX budget for the investments within the scope of the climate change mitigation has been determined. This budget estimate has been calculated over its ratio in the total CAPEX budget. In 2023, a total of 11,113,119.72 TRY is the budget allocated to investments within the scope of the climate change mitigation.

Row 2

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☑ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☑ Climate change adaptation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☑ Yes

(5.4.1.5) Financial metric

Select from:

☑ CAPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

29780111.03

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

3.52

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

25

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

40

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

100

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

0

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

Climate adaptation: Installation / Upgrade of rainwater / drainage infrastructure, protective measures against flooding, protective measures against heat / cold such as shading, measures to increase water efficiency, measures to protect against impacts of storms / cyclones, measures to protect against adverse effects of wastewater discharge, such as collection, treatment, and discharge, measures to improve water management and efficiency, such as water recycling / reuse.The CAPEX budget for the investments within the scope of the climate change adaptation has been determined. This budget estimate has been calculated over its ratio in the total CAPEX budget. In 2023, a total of 29,780,111.03 TRY is the budget allocated to investments within the scope of the climate change adaptation.

Row 3

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☑ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☑ Climate change adaptation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☑ Yes

(5.4.1.5) Financial metric

Select from:

☑ Revenue/Turnover

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

180806418.5

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

1.26

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

5

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

10

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

100

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

0

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

It is calculated as the ratio of the revenue obtained from the cement products sold within the scope of our EU Sustainable Taxonomy aligned product definitions to the total revenue of cement sales. In 2023, the sales revenue of sustainable cement products which their CO2 emissions rate (0,408 t CO2/ t cementitious) is lower than EU taxonomy value (0,469 t CO2/ton cementitious) included in our transition plan was 180,806,418.5 TRY. This figure corresponds to 1,4% of the revenues from total cement sales. Within the scope of the transition plan, it is aimed that sustainable cement products will be increased.It is calculated as the ratio of the revenue obtained from the cement products sold within the scope of our EU Sustainable Taxonomy aligned product definitions to the total revenue of cement sales. In 2023, the sales revenue of sustainable cement products which their CO2 emissions rate (0,408 t CO2/ t cement) is lower than Substantial Contribution Criteria defined by the EU Taxonomy (0,469 t CO2/ t cement) included in our transition plan was 180,806,418.5 TRY. This figure corresponds to 1,26% of the revenues from total cement sales. Within the scope of the transition plan, it is aimed that sustainable cement products will be increased.
[Add row]

(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

Row 1

(5.4.2.1) Economic activity

Select from:
☑ Manufacture of cement

(5.4.2.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.2.3) Taxonomy alignment

Select from:

☑ Taxonomy-aligned

(5.4.2.4) Financial metrics

Select all that apply

☑ Turnover

(5.4.2.5) Types of substantial contribution

Select all that apply

☑ Own performance

(5.4.2.6) Taxonomy-aligned turnover from this activity in the reporting year (currency)

180806418.5

(5.4.2.7) Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

1.4

(5.4.2.8) Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

1.4

(5.4.2.9) Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

1.4

(5.4.2.27) Calculation methodology and supporting information

Manufacture of cement is taxonomy eligible and is aligned with EU Taxonomy Substantial Contribution (TSC) Criteria. Eu Taxonomy Aligned turnover from cement business line was proportioned to total company turnover including all cement production line. In 2023, the sales revenue of sustainable cement products which their CO2 emissions rate (0,408 t CO2/ t cementitious) is lower than EU taxonomy value (0,469 t CO2/ton cementitious) included in our transition plan was 180,806,418.5 TRY. This figure corresponds to 1,26% of the revenues from total cement sales.

(5.4.2.28) Substantial contribution criteria met

Select from:

☑ Yes

(5.4.2.29) Details of substantial contribution criteria analysis

Currently, for most of our cement products, climate change mitigation and/or climate adaptation Substantial Contribution Criteria defined by the EU Taxonomy i.e. 0.469 tCO2e per ton of cement, is not met. However, our CEM IV product emission rate is met with the EU Taxonomy Criteria.

(5.4.2.30) Do no significant harm requirements met

Select from:

☑ Yes

(5.4.2.31) Details of do no significant harm analysis

All environmental impact assessments have been made within the scope of cement production and specific measures are taken to prevent pollution. In addition, emissions are reduced by taking important initiatives to mitigate the effects of climate change. According to EU Taxonomy Substantial Contribution (TSC) Criteria our products are do not harm for contribution to climate mitigation.

(5.4.2.32) Minimum safeguards compliance requirements met

Select from:

☑ Yes

(5.4.2.33) Attach any supporting evidence

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[Add row]

(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

(5.4.3.1) Details of minimum safeguards analysis

Under the responsibility of the Legal and Compliance Directorate, we carry out our compliance processes within the framework of the 'Compliance Procedure', which was developed in line with the global standards and values of the United Nations Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labor Organization (ILO) Declaration of Fundamental Principles and Rights at Work, defining the general framework of our legal compliance obligations and covering our expectations from our employees regarding compliance. In 2023, we organized 492.5 hours of training for 223 participants on competition law, personal data protection law, contract law and sanctions law. In addition to our regular trainings, we continued our efforts to raise awareness on competition law by organizing one-on-one training sessions with a business unit every month. We will continue these trainings in next years.

(5.4.3.2) Additional contextual information relevant to your taxonomy accounting

Although EU taxonomy criteria are not yet fully met for climate mitigation, we aim to harmonize our products with taxonomy within the transition plan. We anticipate that our turnover rate, which is compatible with taxonomy, will reach 10% by 2030, especially by meeting the taxonomy requirements for our new type of cement products within the scope of our product transition plan. On the other hand, for our CAPEX items, we started our studies to

implement a classification system compatible with taxonomy. After each CAPEX item is approved, its taxonomy class is determined and recorded.

(5.4.3.3) Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Select from:

☑ No

(5.4.3.4) Please explain why you will not be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Guidance and information documents have been prepared for employees reporting this classification. Currently, for each CAPEX item, the taxonomy class is selected for internal reporting purposes with these guidelines. The public reporting phase has not yet started, but we plan to be able to provide taxonomy reporting for CAPEX next year (2024 Integrated Annual Report).

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

(5.5.1) Investment in low-carbon R&D

Select from:

☑ Yes

(5.5.2) Comment

Our main R&D scope is low-carbon production and low-carbon products. During the reporting year total R&D budget was 22,404,279 TRY directly focused on decarbonizing the production and development of low-carbon products. Laboratory and pilot-scale studies were carried out for the production of new types of low-carbon and blended composite cements and low-carbon concrete products. Industrial-scale trials for the new type of cement products developed were first carried out in our own ready-mixed concrete facilities (Betonsa) and delivered to customers, and then industrial studies were carried out at other external customers. In addition, Ecocrete product has started to be produced in our ready mixed concrete facilities. Additionally, theoretical and applied R&D studies continue on both blended cement and other alternative cement products. On the other hand, studies on CCUS technologies have gained momentum in the last two years. R&D projects for circular economy continue in both cement and readymixed concrete business lines on both lab-scale and industrial scale. In this context, a project for the use of construction demolition wastes in ready mixed concrete was carried out within the framework of Public-Academy Company cooperation, and laboratory and pilot trials were successfully completed in the reporting year. Additionally, feasibility studies of a proposed CCU model as an output of these studies have been completed.

(5.5.1) Provide details of your organization's investments in low-carbon R&D for cement production activities over the last three years.

Row 1

(5.5.1.1) Technology area

Select from:

☑ Low clinker cement

(5.5.1.2) Stage of development in the reporting year

Select from:

☑ Large scale commercial deployment

(5.5.1.3) Average % of total R&D investment over the last 3 years

0

(5.5.1.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

0

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

0

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Studies after pilot production trials are transferred to "Operations". Investments after this stage are not covered from the R&D budget.

Row 2

(5.5.1.1) Technology area

Select from:

☑ Low clinker cement

(5.5.1.2) Stage of development in the reporting year

Select from:

☑ Applied research and development

(5.5.1.3) Average % of total R&D investment over the last 3 years

5

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

5

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

We have many years of efforts, knowledge and experience for the production of low carbon cement. We have an academic working culture that has been going on for years, especially in blended cement research. Therefore, some of the R&D and Product Development studies consist of academic and theoretical research studies. On the other hand, we are working together with Heidelberg Materials research and development center regarding low clinker cement research and development. Furthermore, in this context, we cooperate with universities and other institutions. In 2022, two graduate students from Istanbul Technical University, that have very high academic achievement, joined us as interns to conduct their direct research on the development of products with low clinker content, and they are conducting their thesis studies. This is generally the first phase of our product development strategy. After a desktop review, alternative sources to decrease clinker content are analyzed and lab-trials are conducted. Successful resources are then selected for pilot scale production trials. In our transition plan, our low clinker product switching plan is the backbone of the low carbon transition, so it is essential that basic research and development studies are completed for all products listed here. We have completed these studies, but we aim to reach the lowest possible clinker portfolio by continuing new product trials. The budget allocated to theoretical and applied R&D studies each year corresponds to approximately 5% of the total R&D budget. The amount for Sustainability Focused R&D and Innovation Investments in 2023 is 22,404,279 TRY. It is aimed to continue by allocating a budget at this rate in the next 5 years

Row 3

(5.5.1.1) Technology area

Select from:

☑ Low clinker cement

(5.5.1.2) Stage of development in the reporting year

Select from:

☑ Pilot demonstration

(5.5.1.3) Average % of total R&D investment over the last 3 years

10

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

10

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

After successful laboratory trials, the pilot scale production stages of the new product complying with the standards are started with the determined additives. Quality performance tests are carried out by performing the relevant cement production trials with different recipes at the most suitable and closest production facility to the source. Recipes whose quality parameters are equivalent to reference products are determined for industrial scale trials. In 2022, pilot trials of 2 types of new cement products were carried out in the Çanakkale and Büyükçekmece factories, and the quality performance parameters were determined. In line with our 2030 product transformation plan, it is demonstrated that which products will be piloted and produced at industrial scale for the first time in each next year. It is essential that the products included in the product switching plan, which form the backbone of our transition plan, are equivalent to standard products in terms of quality parameters, for these products to be accepted by customers and for safety. In this context, necessary raw material quality specifications and process parameters are determined by conducting pilot studies. In this way, it is aimed to achieve success in industrial scale production, which is the next stage. Pilot production trials are mainly carried out and planned under the budget of the "Operations", but the details of the studies of these productions, quality tests, conformity assessments, are carried out under R&D budgets. The budget allocated for these studies corresponds to approximately 10% of the total R&D budget. The amount for Sustainability Focused R&D and Innovation

Investments in 2023 is 22,404,279 TRY. It is aimed to continue by allocating a budget at this rate in the next 5 years

Row 4

(5.5.1.1) Technology area

Select from:

☑ Alternative low-CO2 cements/binders

(5.5.1.2) Stage of development in the reporting year

Select from:

☑ Basic academic/theoretical research

(5.5.1.3) Average % of total R&D investment over the last 3 years

5

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

5

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Alternative product trials (such as calcined clay) are firstly carried out with large-scale academic research studies and then applied laboratory trials. In this context, the figure allocated within the R&D budget corresponds to approximately 5% of the total R&D budget. In this context, we anticipate that the budget to be allocated for the production trials planned in the future will also be within this scope with an increased portion since the alternative products are gaining importance day by day for decarbonization of the cement industry. In the R&D pipeline we have research and development projects as well as pilot trials for this specific area. 20% of total R&D investments of 5 years will be expected to be allocated for this line.

Row 5

(5.5.1.1) Technology area

Select from:

☑ Carbon capture, utilization, and storage (CCUS)

(5.5.1.2) Stage of development in the reporting year

Select from:

☑ Basic academic/theoretical research

(5.5.1.3) Average % of total R&D investment over the last 3 years

10

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

10

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

R&D studies within the scope of carbon utilization projects are ongoing. Within the scope of investments that have not been approved yet but may be planned in the future, the investment amount to be allocated for these projects will constitute a significant part of the total R&D budget, but in the current situation it corresponds to approximately 10%. We have a selected project group working in this context. We anticipate that R&D studies will mainly focus on CCUS and Green Methanol technologies in the coming period and 50% of the budget will be allocated to these studies.

Row 6

(5.5.1.1) Technology area

Select from:

☑ Control systems

(5.5.1.2) Stage of development in the reporting year

Select from:

☑ Full/commercial-scale demonstration

(5.5.1.3) Average % of total R&D investment over the last 3 years

50

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

50

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Investments in control systems implemented within the scope of digitalization have made up 80% of R&D investments in the last 3 years. With these investments, significant process efficiency, energy efficiency and CO2 savings were achieved. These investments are expected to have a lifetime of at least 10 years and will have maintenance needs in the future. These investments have been completed in a large portion of the facilities, and the dissemination and implementation are expected to be completed in the missing facilities. In a 5-year period, it is aimed to disseminate and complete these practices in all facilities. Therefore, the share of these investments in total R&D investments will decrease in the upcoming period, but about 5% of the total 5- year budget will continue to be allocated to these investments.

Row 7

(5.5.1.1) Technology area

Select from:

☑ Fuel switching

(5.5.1.2) Stage of development in the reporting year

Select from:

☑ Basic academic/theoretical research

(5.5.1.3) Average % of total R&D investment over the last 3 years

5

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

5

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

There is research on the use of hydrogen as an alternative fuel in cement production. As Akçansa, we also followed these theoretical research processes in our R&D processes in 2023. We plan to continue exploring this research and its applicability. in the R&D pipeline, about 5% of our research will be related with hydrogen.

Row 8

(5.5.1.1) Technology area

Select from:

☑ Low clinker cement

(5.5.1.2) Stage of development in the reporting year

Select from:

☑ Small scale commercial deployment

(5.5.1.3) Average % of total R&D investment over the last 3 years

5

(5.5.1.5) Average % of total R&D investment planned over the next 5 years

5

(5.5.1.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Industrial-scale trials are carried out on a small scale at first, and the actual performance is determined by using our own internal customer ready-mixed concrete business. In 2022, the first productions of our blended cement products, which have an important place in our product transformation plan, were carried out for the planned year's production, and they were used in industrial scale productions at the production facilities of our ready-mixed concrete brand Betonsa. Pilot production trials are mainly carried out and planned under the investment plan and budget of the "Operations", but the details of the studies of these productions, quality tests, conformity assessments, are carried out under R&D. The budget allocated for these studies corresponds to approximately 5% of the total R&D budget. The amount for Sustainability Focused R&D and Innovation Investments in 2023 is 22,404,279 TRY. It is aimed to continue by allocating an investment budget at this rate in the next 5 years
[Add row]

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

458

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

-50

(5.9.3) Water-related OPEX (+/- % change)

87.4

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

51.9

(5.9.5) Please explain

The total CAPEX change was indicated as 458% change in terms of increase. Regarding OPEX changes %87.4 increase is noted due to increased cost of maintenance and measurements. For 2022, anticipated water related OPEX may further increase dramatically because of inflation rate. The inflation rate for August 2024 has been declared as 51.97% by the Central Bank of the Republic of Turkey.

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	*Select all that apply* ☑ Carbon ☑ Water

(5.10.1) Provide details of your organization's internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:
☑ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

☑ Conduct cost-benefit analysis

☑ Drive low-carbon investment

☑ Influence strategy and/or financial planning

☑ Navigate regulations

(5.10.1.3) Factors considered when determining the price

Select all that apply

☑ Alignment to scientific guidance

☑ Alignment with the price of allowances under an Emissions Trading Scheme

☑ Scenario analysis

(5.10.1.4) Calculation methodology and assumptions made in determining the price

In the scope of the comprehensive decarbonization consultancy we received in 2023, we developed a projection with the consultant, incorporating their insights regarding the potential prices that may arise with the activation of the emission trading system in Türkiye. As part of this, we started applying shadow prices across different scenarios. In estimating the prices, we considered the price trends observed in global ETSs following their initial implementation, the current price levels and allowances in the EU ETS, and the expected free allowance distribution methods for Türkiye. In this context, the price range we are currently applying is between 10-20. The pilot phase of the Turkish ETS is expected to begin in 2025. When preparing our transition plan and evaluating investment decisions, we integrated the impact of carbon pricing into our analyses. During the financial analysis of these investments, particularly after the transition period of the national ETS and the initiation of the CBAM, we incorporate the carbon price into our calculations. In this way, we assess our exposure to carbon pricing and its potential impacts. The financial comparisons of each investment, considering the CO2 price impact, are presented to management for decision-making purposes. Additionally, we have developed a simulation model to assess how EBITDA will be affected by various carbon price scenarios, including the influence of free allowances along with all investments.

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 1

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

50% increase for price per ton of CO2 each year.

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

257.3

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

514.6

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☑ Operations

☑ Product and R&D

☑ Risk management

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

☑ Yes, for some decision-making processes, please specify :Investment decisions

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

75.54

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☑ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

We minimize environmental and social risks by operating safely and efficiently across our supply chain, in line with responsible purchasing principles. Environmental risks include pollution, CO2 emissions, and spills. To mitigate supply risks, we have developed relationships with alternative suppliers to ensure continuity. Suppliers are selected based on environmental management, quality, and safety and regularly assessed. In 2023, 31 supplier audits were conducted with no negative results. Additionally, as part of our Sustainable Supply Chain Policy, we are committed to evaluating our suppliers' compliance with environmental and social standards. We prioritize suppliers who demonstrate high sustainability performance and work towards reducing risks and increasing positive impacts across the value chain. Our policy outlines our dedication to training, local supplier preference, and inclusion of disadvantaged groups.
[Add row]

(5.10.2) Provide details of your organization's internal price on water.

Row 1

(5.10.2.1) Type of pricing scheme

Select from:

☑ Shadow price

(5.10.2.2) Objectives for implementing internal price

Select all that apply

☑ Drive water-related investment

☑ Drive water efficiency

☑ Other, please specify :To see the possible amount for water valuation across all our operations

(5.10.2.3) Factors beyond current market price are considered in the price

Select from:

☑ Yes

(5.10.2.4) Factors considered when determining the price

Select all that apply

☑ Anticipated water tariffs

☑ Existing water tariffs

☑ Scenario analysis

(5.10.2.5) Calculation methodology and assumptions made in determining the price

Current internal water pricing was determined based on the current water tariff and future water tariff projections. Starting from the second quarter of 2022, water prices for İSKİ in Istanbul have gone up by 50%, and it's likely that they will continue to rise in the coming years. There is also scope for price increases in other regions. Based on the water stress impact, a forecast analysis of internal water pricing in 2030 and 2050

(5.10.2.6) Stages of the value chain covered

Select all that apply

☑ Direct operations

(5.10.2.7) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.2.9) Pricing approach used – temporal variance

Select from:

☑ Evolutionary

(5.10.2.10) Indicate how you expect the price to change over time

To account for uncertainty of such estimation, upper and lower bounds for each time horizon and scenario are assumed: Lower bound: no increase in water price, thus no increase in costs compared to current. Upper bound: in a worse case, water stress calls for stronger governmental action, thus it is assumed that all regions are subject to Istanbul -and other cities which we have facilities- prices, for all time horizons and scenario (i.e. 50% assumption falls) Based on the water stress impact, a forecast analysis of internal water pricing in 2030 and 2050

(5.10.2.11) Minimum actual price used (currency per cubic meter)

(5.10.2.12) Maximum actual price used (currency per cubic meter)

41

(5.10.2.13) Business decision-making processes the internal water price is applied to

Select all that apply

☑ Capital expenditure

(5.10.2.14) Internal price is mandatory within business decision-making processes

Select from:

☑ Yes, for all decision-making processes

(5.10.2.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☑ Yes

(5.10.2.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

We implement an internal price on water to reflect its true value and encourage efficient usage across all operations. This pricing approach factors in the environmental cost of water extraction and treatment, along with the potential risks posed by water scarcity. To ensure the approach aligns with our sustainability objectives, we monitor water usage through regular audits and assess the financial and environmental impact of our consumption patterns. We are monitoring our water meters more precisely alongside our digitization investments and structuring our consumption optimizations based on this data. Our digitization investments and collaboration steps in this area continued in 2023, and strengthening our measurement system remains a priority for 2024.
[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Customers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Investors and shareholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change

	Engaging with this stakeholder on environmental issues	Environmental issues covered
		☑ Water
Other value chain stakeholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:
☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply
☑ Contribution to supplier-related Scope 3 emissions
☑ Impact on water availability
☑ Impact on plastic waste and pollution
☑ Impact on pollution levels

(5.11.1.3) % Tier 1 suppliers assessed

Select from:
☑ 1-25%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

We minimize environmental and social risks by operating safely and efficiently across our supply chain, in line with responsible purchasing principles. Environmental risks include pollution, CO2 emissions, and spills. To mitigate supply risks, we have developed relationships with alternative suppliers to ensure continuity. Suppliers are selected based on environmental management, quality, and safety and regularly assessed. In 2023, 31 supplier audits were conducted with no negative results.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ 100%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

31

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

☑ Impact on water availability

☑ Impact on plastic waste and pollution

☑ Impact on pollution levels

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 1-25%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

We minimize environmental and social risks by operating safely and efficiently across our supply chain, in line with responsible purchasing principles. Environmental risks include pollution, CO2 emissions, and spills. To mitigate supply risks, we have developed relationships with alternative suppliers to ensure continuity. Suppliers are selected based on environmental management, quality, and safety and regularly assessed. In 2023, 31 supplier audits were conducted with no negative results.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ 100%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

31

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

☑ Regulatory compliance

(5.11.2.4) Please explain

The Sustainable Supply Chain Policy has been published in order to make operations throughout the supply chain safe and efficient. All our suppliers are selected by considering environmental management, quality, occupational health and safety and human resources practices, and suppliers and subcontractors working in the facilities are regularly evaluated every year in accordance with our comprehensive supplier scoring procedure. We are sharing ratio of suppliers having ISO certifications and in 2023 8% of our suppliers have ISO certification.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water

☑ Regulatory compliance

(5.11.2.4) Please explain

The Sustainable Supply Chain Policy has been published in order to make operations throughout the supply chain safe and efficient. All our suppliers are selected by considering environmental management, quality, occupational health and safety and human resources practices, and suppliers and subcontractors working in the facilities are regularly evaluated every year in accordance with our comprehensive supplier scoring procedure. We are sharing ratio of suppliers having ISO certifications and in 2023 8% of our suppliers have ISO certification.

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

According to our supplier codes of conduct, while carrying out its activities, the supplier must show the necessary care and attention to the environment and will act in compliance with all applicable laws and regulations. All products and services to be provided must meet the environmental, quality and safety criteria specified in the relevant contract provisions and must be safe for their intended use. Akçansa does not work under any circumstances with suppliers that do not comply with supplier business ethics. All of our suppliers have committed to fulfill all applicable legal environmental legislation compliance obligations in their activities included in our Sustainable Supply Chain Policy, and to monitor and manage their environmental impacts, including but not limited to natural resource consumption, carbon emissions and other pollutant emissions, biodiversity, energy, water and waste. In cases where non-compliance is detected with our policies and laws & regulations, suppliers are contacted, and 12 months are given to take action, if technically feasible. When deemed necessary, the right to terminate the contract is considered based on a reassessment of the nature and magnitude of the risk and the business relationship with the supplier and subcontractors

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

According to our supplier codes of conduct, while carrying out its activities, the supplier must show the necessary care and attention to the environment and will act in compliance with all applicable laws and regulations. All products and services to be provided must meet the environmental, quality and safety criteria specified in the relevant contract provisions. All of our suppliers have committed to fulfill all applicable legal environmental legislation compliance obligations in their activities included in our Sustainable Supply Chain Policy, and to monitor and manage their environmental impacts, including but not limited to water. In cases where non-

compliance is detected suppliers are contacted, and 12 months are given to take action, if technically feasible. When deemed necessary, the right to terminate the contract is considered based on a reassessment of the nature and magnitude of the risk and the business relationship with the supplier and subcontractors.

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Other, please specify :Complying with regulatory requirements

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Grievance mechanism/ Whistleblowing hotline

☑ Supplier scorecard or rating

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Suspend and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

(5.11.6.12) Comment

According to our supplier codes of conduct, while carrying out its activities, the supplier must show the necessary care and attention to the environment and will act in compliance with all applicable laws and regulations. All products and services to be provided must meet the environmental, quality and safety criteria specified in the relevant contract provisions and must be safe for their intended use. Akçansa does not work under any circumstances with suppliers that do not comply with supplier business ethics. All of our suppliers have committed to fulfill all applicable legal environmental legislation compliance obligations in their activities included in our Sustainable Supply Chain Policy, and to monitor and manage their environmental impacts, including but not limited to natural resource consumption, carbon emissions and other pollutant emissions, biodiversity, energy, water and waste. In cases where non-compliance is detected with our policies and laws & regulations, suppliers are contacted, and 12 months are given to take action, if technically feasible. When deemed necessary, the right to terminate the contract is considered based on a reassessment of the nature and magnitude of the risk and the business relationship with the supplier and subcontractors.

Water

(5.11.6.1) Environmental requirement

Select from:

☑ Other, please specify **:**Complying with going beyond water-related regulatory requirements

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Supplier scorecard or rating

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:
☑ 100%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:
☑ 100%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:
☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:
☑ Suspend and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:
☑ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply
☑ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

(5.11.6.12) Comment

According to our supplier codes of conduct, while carrying out its activities, the supplier must show the necessary care and attention to the environment and will act in compliance with all applicable laws and regulations. All products and services to be provided must meet the environmental, quality and safety criteria specified in the relevant contract provisions. All of our suppliers have committed to fulfill all applicable legal environmental legislation compliance obligations in their activities included in our Sustainable Supply Chain Policy, and to monitor and manage their environmental impacts, including but not limited to water. In cases where non-compliance is detected suppliers are contacted, and 12 months are given to take action, if technically feasible. When deemed necessary, the right to terminate the contract is considered based on a reassessment of the nature and magnitude of the risk and the business relationship with the supplier and subcontractors.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Environmental disclosure through a non-public platform

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Supplier scorecard or rating

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

(5.11.6.12) Comment

All of our suppliers have committed to act transparently and collaboratively within the scope of planned or unplanned audits and information requests to be carried out by Akçansa according to our Sustainable Supply Chain Policy. In supplier evaluation audits, detailed information is requested from the suppliers through the evaluation form. These forms are first filled in as a self-assessment of the suppliers. Each question asked to the supplier has a specific score and weight according to the answers given. Scoring is done out of a total of 100 points. After self-assessment of suppliers, the information is confirmed by Sustainability and Procurement Departments with the evidence documents provided and the final scoring is made. According to their scores, suppliers are classified as A, B, C and D in terms of sustainability performance. Only, suppliers that provide emissions data and have climate-related initiatives can qualify for category A. Action plans are developed for suppliers with a score of less than 50 (Category C and D suppliers) and they are expected to take action within a defined period. Success is measured through re-assessments and follow-up audits. Suppliers that cannot directly provide emissions data, provide information such as activity data or mileage so that calculations can be made. If the information cannot be provided, action suggestions are presented to the suppliers in order to provide the relevant information and a period of 12 months is given.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Implementation of emissions reduction initiatives

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Supplier scorecard or rating

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 26-50%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:
☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:
☑ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:
☑ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply
☑ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

(5.11.6.12) Comment

We have climate related assessment criteria in our supplier evaluation questionnaires. Within the scope of our Sustainable Supply Chain Policy, we expect all our suppliers to fulfill all applicable legal environmental legislation compliance obligations in their activities, to monitor and manage environmental impacts including climate change.

Climate change

(5.11.6.1) Environmental requirement

Select from:
☑ Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply
☑ Grievance mechanism/ Whistleblowing hotline
☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:
☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Exclude

(5.11.6.12) Comment

We monitor the compliance of our suppliers and subcontractors with the Akçansa Supplier Code of Business Conduct and the Heidelberg Materials Supplier Code of Business Conduct, which were prepared in accordance with the International Labor Organization (ILO) and United Nations (UN) Conventions and all other applicable national laws and regulations and include the working conditions requirements, environmental standards and business ethics approach expected from our suppliers.

Water

(5.11.6.1) Environmental requirement

Select from:

☑ Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Grievance mechanism/ Whistleblowing hotline

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:
☑ 100%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:
☑ 100%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:
☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:
☑ Exclude

(5.11.6.12) Comment

We monitor the compliance of our suppliers and subcontractors with the Akçansa Supplier Code of Business Conduct and the Heidelberg Materials Supplier Code of Business Conduct, which were prepared in accordance with the International Labor Organization (ILO) and United Nations (UN) Conventions and all other applicable national laws and regulations and include the working conditions requirements, environmental standards and business ethics approach expected from our suppliers.

Climate change

(5.11.6.1) Environmental requirement

Select from:
☑ Compliance with an environmental certification, please specify :ISO 14001

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply
☑ Grievance mechanism/ Whistleblowing hotline
☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Suspend and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

(5.11.6.12) Comment

We monitor the compliance of our suppliers and subcontractors with the Akçansa Supplier Code of Business Conduct and the Heidelberg Materials Supplier Code of Business Conduct, which were prepared in accordance with ISO standards and all other applicable national laws and regulations. These codes include the requirements for working conditions, environmental standards, and business ethics that are expected from our suppliers. Additionally, we require our subcontractors to comply with the ISO 14001 Environmental Management System procedures.

Water

(5.11.6.1) Environmental requirement

Select from:

☑ Compliance with an environmental certification, please specify :ISO 14001

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Grievance mechanism/ Whistleblowing hotline

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Suspend and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:
☑ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply
☑ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

(5.11.6.12) Comment

We monitor the compliance of our suppliers and subcontractors with the Akçansa Supplier Code of Business Conduct and the Heidelberg Materials Supplier Code of Business Conduct, which were prepared in accordance with ISO standards and all other applicable national laws and regulations. These codes include the requirements for working conditions, environmental standards, and business ethics that are expected from our suppliers. Additionally, we require our subcontractors to comply with the ISO 14001 Environmental Management System procedures.
[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:
☑ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Information collection
☑ Collect GHG emissions data at least annually from suppliers
☑ Other information collection activity, please specify :Collect climate-related risk and opportunity information at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply
☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:
☑ 26-50%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 51-75%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Permanent contractors, sub-contractors in cement, concrete and aggregate business lines, sub-contractors in Akçansa quarries i.e. raw material suppliers, global raw material suppliers, companies from which large equipment is purchased, global suppliers that constitute a significant part of the expenditures, suppliers within the scope of energy and fuel supply and which can have significant impact on our core business are defined as critical suppliers. In 2023, Akçansa had approximately 5,300 approved suppliers. However, the critical suppliers mentioned here are 1950 in total, accounting for 40% of the total spend. Scope 3 calculated from these critical suppliers corresponds to 66,96% of our reported Scope 3 emissions. With our Sustainable Supply Chain Policy, from these critical suppliers, we request information and data within the scope of environmental and social sustainability performance. This information includes but not limited to information on environmental management, emissions, energy, resource use and climate efforts. We work together in areas open to improvement by creating action plans with our suppliers who score below the threshold value in this evaluation. If direct GHG data is not available, they are expected to transmit the activity data required for calculation. For example, distance data or fuel consumption per transportation, vessel type etc. If a supplier does not provide the relevant data, the supplier is again requested to provide the data. At this stage, while the emission calculations are made, based on the records kept by Akçansa, progress is made over the activity data or secondary data. Relevant activity data is collected by the purchasing department. Critical suppliers represent 40% of total procurement spend and 66,96% total Scope-3 emissions.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**We monitor the percentage of Suppliers and Contractors with ISO standards. Goal is to increase the percentage of suppliers with certification (ISO 14001, ISO 14064, ISO 50001, etc.) from 3% to 80%.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Information collection

☑ Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

☑ Other information collection activity, please specify **:**Collect water management information at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

☑ 76-99%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Permanent contractors, sub-contractors in cement, concrete and aggregate business lines, sub-contractors in Akçansa quarries i.e. raw material suppliers, global raw material suppliers, companies from which large equipment is purchased, global suppliers that constitute a significant part of the expenditures, suppliers within the scope of energy and fuel supply and which can have significant impact on our core business are defined as critical suppliers. In 2023, Akçansa had approximately 5,300 approved suppliers. However, the critical suppliers mentioned here are 1950 in total, accounting for 40% of the total spend. Scope 3 calculated from these critical suppliers corresponds to 66,96% of our reported Scope 3 emissions. With our Sustainable Supply Chain Initiative, from these critical suppliers, we request information and data within the scope of environmental and social sustainability performance. This information includes but not limited to information on environmental management, emissions, energy, resource use and climate efforts.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**We monitor the percentage of Suppliers and Contractors with ISO standards. Goal is to increase the percentage of suppliers with certification (ISO 14001, ISO 14064, ISO 50001, etc.) from 3% to 80%.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to mitigate environmental impact

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 26-50%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

We do care about our suppliers awareness on climate-related issues that can impact their businesses. We aim to increase their awareness and interest in climate-related issues and help them adopt low-carbon transition by regularly providing subcontractors with sustainability trainings regarding their consistent presence in Akçansa plants, facilities, and quarries. We aim to help increase our suppliers' awareness levels via numerous measures. All sub-contractors and select critical suppliers receive environmental trainings including climate change issues. In this context, trainings were provided to all subcontractors in 2023 including our sustainability approach and commitments. We are also partnering with our transportation suppliers regarding safe and efficient driving training as emissions from transportation and logistics make up a significant part of our Scope 3 emissions. In addition, in line with the Sustainable Supply Chain Policy, all critical suppliers were informed within the scope of the Sustainable Supply Chain Policy, but these figures were discussed above. The figures disclosed here only represents the subcontractors and logistics suppliers. The representation rate of scope-3 emissions of subcontractors and logistics suppliers engaged in 2023 is 9,56%.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**We have defined the obligations of our suppliers to operate in accordance with ethical principles and legal obligations and set their limits in environmental, social and economic contexts within the scope of the Supplier Code of Conduct.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:
☑ Other, please specify :Compliance

(5.11.7.3) Type and details of engagement

Information collection
☑ Other information collection activity, please specify :Commitment to comply with Sustainable Supply Chain Policy

(5.11.7.4) Upstream value chain coverage

Select all that apply
☑ Tier 4+ suppliers
[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:
☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing
☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

(5.11.9.3) % of stakeholder type engaged

Select from:
☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:
☑ 26-50%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Akçansa continuously conducts information sharing and development studies with all its customers and approaches its customers as a solution partner. Akçansa, plans to convert its product portfolio to low-carbon products by 2030 without compromising the quality and performance of conventional cement products. Akçansa

acts in cooperation with its customers at every stage of this work. As well, we work with all our customers to increase the market demand for sustainable and low-carbon products, as all our cement customers will be more effective in green construction projects that are becoming increasingly widespread with sustainable cement products, and our ready-mixed concrete customers will expect to be compatible with the climate targets of their projects by using sustainable concrete products. During the new low-carbon product development phases, the customers are informed, and trial studies are carried out in collaboration. We have set goals to expand our sustainable product portfolio across our entire value chain in order to provide climate-friendly solutions to our customers. During the trial studies, studies are carried out to increase the awareness of customers within the scope of combating climate change. In summary, we are engaging with all our customers in order to educate them regarding the climate impacts of our products and services. Our customer related Scope-3 emissions (downstream) represent about 40% of our total Scope-3 emissions.

(5.11.9.6) Effect of engagement and measures of success

Akçansa shares all its climate studies with all its stakeholders through sustainability reports and actively involved in various NGOs such as Association of Construction Material Producers and Green Buildings Association to reach customers who use our products during the design and construction phases. We build relationships with these partners, and it creates market opportunities for us. Our communication channels with our customers include various meetings, workshops, seminars, integrated reports, social media and one-to-one meetings. With all these tools, we share our climate change targets with our customers. Additionally, we explain the product performances and application practices as well as the carbon footprint. In addition, we have renewed our environmental product self-declaration documents for 22 special products and verified EPDs for 2 cement types in 2022 in order to share life cycle impacts to our customers and end users transparently. We receive more and more information requests about Akçansa's climate-related activities. In this context, we enable our customers to calculate their own carbon footprints and have a clear idea about the impacts of the products they use. Our measure of success is the increase in sales of low carbon/sustainable products The percentage of revenue generated by sustainable products was around 27.6% in 2023.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information about your products and relevant certification schemes

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ 26-50%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

We are engaging with all our customers in order to share information about our products and certifications regarding the climate change. Our customer related Scope-3 emissions (downstream) represent about 40% of our total Scope-3 emissions. In this context, we see that customer awareness is increasing day by day and expectations are expanding. Recently, we have seen that especially large and corporate customers are investigating certificates such as EPD documents or CSC Responsible Sourcing Certificates. EPD documents are documents that describe the climate impacts throughout the life cycle of products. CSC certificates, on the other hand, is a global responsible sourcing certification system developed for construction industry business lines such as cement, ready mixed concrete and aggregates. In line with all these developments, we inform all our customers about our own certification systems and the effects of our products.

(5.11.9.6) Effect of engagement and measures of success

Currently our 2 major cement plants (Büyükçekmece and Çanakkale) has Gold-Level CSC Responsible Sourcing Certificates. Additionally, Gebze and Kemerburgaz Ready Mixed Concrete Plants also have Gold Level Responsible Sourcing Certificates. We are aiming to disseminate those certifications within our main and dominant markets. As the first company in Turkey to receive the EPD certificate for cement products, we attach importance to providing such information with transparency. In 2022 we have obtained verified EPDs for our ASTM type cements which we are mainly exporting. In 2023, we continued our EPD efforts for other cement products. Sales volume of products with EPD and sales volume from certified facilities are success measures. [Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

We monitor our environmental performance using the operational control approach because it allows us to fully manage and take responsibility for our greenhouse gas (GHG) emissions in the fight against climate change. This approach enables us to take 100% responsibility for all emissions within our operational boundaries. With full authority to implement emission reduction policies, we can effectively manage our carbon footprint. As we have the authority to implement operational policies in our facilities, we are directly able to manage sustainable energy use and energy efficiency projects.

Water

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

We monitor our environmental performance using the operational control approach because it provides us with full control over water consumption and management. Since we are responsible for implementing water usage policies and executing water-saving projects in the facilities we manage or hold licenses for, we can effectively manage the sustainable use of water resources in our operations. This allows us to optimize water management processes, reduce water consumption, and improve wastewater management efficiency.

Plastics

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

We monitor our environmental performance using the operational control approach. With this approach, we take full responsibility for reducing plastic use, improving recycling processes, and implementing zero-waste policies in our operations. We have the authority to directly implement policies aimed at limiting plastic use and reducing its environmental impact in the facilities we manage.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

We selected the "Operational Control" approach to manage our impacts on biodiversity. This approach gives us full authority to implement biodiversity protection and restoration projects within all the lands and facilities under our operational control. We can directly implement habitat conservation, land restoration, and ecosystem health improvement practices, ensuring that we manage biodiversity in a sustainable way in the areas surrounding our operations.

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:
☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☑ No

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply ☑ No

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply
☑ ISO 14064-1
☑ IEA CO2 Emissions from Fuel Combustion
☑ WBCSD: The Cement CO2 and Energy Protocol
☑ The Greenhouse Gas Protocol: Scope 2 Guidance
☑ IPCC Guidelines for National Greenhouse Gas Inventories, 2006
☑ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
☑ Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

☑ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

☑ We are reporting a Scope 2, market-based figure

(7.3.3) Comment

We report our Scope 2 emissions based on both location-based and market-based approaches. We calculate our greenhouse gas emissions in accordance with the "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard. During the reporting year, we neutralized all our location-based Scope 2 emissions with IREC and YEK-G (Renewable Energy Resource Guarantee) certificates.

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☑ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/30/2010

(7.5.2) Base year emissions (metric tons CO2e)

5872720.0

(7.5.3) Methodological details

Emissions from our clinker and cement production. Major sources are calcination of limestone and combustion of fuels for energy generation in the rotary kilns. In 2021, scope 1 emissions from all locations, business lines and facilities were included in the boundary but when the calculation made with the new boundary the difference corresponds to a figure of 0.2%, which deemed to be non-material. Thus, base year emissions were not recalculated. Yet the data for base year is not present.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

338163.0

(7.5.3) Methodological details

We consume electricity from the interconnected grid. Scope-2 emissions were calculated from our clinker and cement production. In 2021, scope 2 emissions from all locations, business lines and facilities were included in the boundary but when the calculation made with the new boundary the difference corresponds to a figure of 0.2%, which deemed to be non-material. For calculation of location-based scope 2 emissions, grid emission factor published by International Energy Agency was used for the relevant year.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2010

(7.5.2) Base year emissions (metric tons CO2e)

338163.0

(7.5.3) Methodological details

Akçansa consumes electricity from interconnected grid. In 2010, there was no available market instruments in Türkiye. Thus location-based and market-based Scope 2 emission figures were the same.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

261919.0

(7.5.3) Methodological details

Cradle to gate emissions from purchased goods used in cement, aggregates and ready mix concrete production. Emissions includes raw materials (limestone, gypsum etc.), additives, purchased cement and purchased aggregates. Equipment and machinery were excluded since they are not material for this category. Quantities were extracted from online reporting systems. Emission factors used are from Ecoinvent LCA Database (IPCC 2013: Climate Change GWP 100a).

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Capital goods is not one of the material categories for cement industry as mentioned in Cement Sector Scope 3 GHG Accounting and Reporting Guidance issued by the WBCSD Cement Sustainability Initiative (GCCA). Thus, Akçansa does not report on "capital goods" category.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

195310.0

(7.5.3) Methodological details

Includes well to tank emissions of fuels used at cement plants (kiln and non kiln fuels) and for aggregates and ready-mix concrete production and fuels purchased for transportation purposes.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

49569.0

(7.5.3) Methodological details

Includes road and sea transportation of raw materials, additives admixtures for cement, aggregates and ready-mixed concrete business lines.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Waste generated in operations is insignificant, as confirmed in the Cement Sector Scope 3 GHG Accounting and Reporting Guidance issued by the WBCSD Cement Sustainability Initiative (GCCA). Thus, Akçansa does not report on "waste generated in operations" category.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

931.8

(7.5.3) Methodological details

Domestic & International Flights & Car Rentals during business travels are included in business travel category.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

1887.5

(7.5.3) Methodological details

Emissions caused by employee shuttle service and leased company cars are included in this category of Scope 3 emissions.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Akçansa doesn't have upstream leased assets thus does not report for this category of Scope 3 emissions.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

18483

(7.5.3) Methodological details

Refers to downstream transportation and distribution. Data includes road transportation of aggregates sales, road transportation of cement sales, water (sea) transportation of cement sales, road transportation of concrete sales.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

41196.0

(7.5.3) Methodological details

Emissions of processing clinker sold.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

According to the Cement Sector Scope 3 GHG Accounting and Reporting Guidance issued by the WBCSD Cement Sustainability Initiative (now GCCA), this category is not relevant to the cement sector thus Akçansa does not report on this category.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

According to the Cement Sector Scope 3 GHG Accounting and Reporting Guidance issued by the WBCSD Cement Sustainability Initiative (now GCCA), this category is not relevant to the cement sector thus Akçansa does not report on this category.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Akçansa does have downstream leased assets thus does not report on this category.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Akçansa does not have any franchises thus does not report on this category.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Akçansa does not report on this category.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Akçansa does not report on this category.

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Akçansa does not report on this category.

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

5309000

(7.6.3) Methodological details

Scope 1 emissions for the year 2023 include the greenhouse gas emissions resulting from the use of natural gas, coal, fuel oil, petcoke, alternative fuels, R22 and refrigerant gases, as well as fire extinguishing devices at the company’s locations. Akçansa calculates its greenhouse gas emissions in accordance with the "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

5533084

(7.6.2) End date

12/30/2022

(7.6.3) Methodological details

Scope 1 emissions for the year 2022 include the greenhouse gas emissions resulting from the use of natural gas, coal, fuel oil, diesel, petcoke, alternative fuels, R22 and refrigerant gases, as well as fire extinguishing devices at the company’s locations. Akçansa calculates its greenhouse gas emissions in accordance with the "TS EN ISO

14064-1:2018 Greenhouse Gases - Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard.

Past year 2

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

5764763

(7.6.2) End date

12/30/2021

(7.6.3) Methodological details

Akçansa calculates its greenhouse gas emissions in accordance with the "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard.

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

300057

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.4) Methodological details

We report our Scope 2 emissions based on both location-based and market-based approaches. We calculate our greenhouse gas emissions in accordance with the "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard. During the reporting year, we neutralized all our location-based Scope 2 emissions with IREC and YEK-G certificates.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

301672

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

138070

(7.7.3) End date

12/30/2022

(7.7.4) Methodological details

Scope 2 emissions for the year 2022 represent the amount of indirect greenhouse gas emissions resulting from the Company's electricity consumption. Akçansa calculates its greenhouse gas emissions in accordance with the "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard.

Past year 2

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

282151

(7.7.3) End date

12/30/2021

(7.7.4) Methodological details

Akçansa calculates its greenhouse gas emissions in accordance with the "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard.

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

894386

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Akçansa calculates its greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases Section ": Guidelines and Specifications for Establishment-Level Calculation and Reporting of Greenhouse Gas Emissions and Removals" standard. Scope 3 emissions from purchased goods and services in Akçansa's cement business 693,783 tCO2e; Scope 3 emissions from purchased goods and services in all business lines 894,386 tCO2e

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Capital goods is not one of the material categories for cement industry as mentioned in Cement Sector Scope 3 GHG Accounting and Reporting Guidance issued by the WBCSD Cement Sustainability Initiative (now GCCA). Thus "capital goods" category is not calculated

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

256645

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Akçansa calculates its greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases Section ": Guidelines and Specifications for Establishment-Level Calculation and Reporting of Greenhouse Gas Emissions and Removals" standard.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

48193

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

☑ Hybrid method

☑ Spend-based method

☑ Fuel-based method

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Akçansa calculates its greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases Section ": Guidelines and Specifications for Establishment-Level Calculation and Reporting of Greenhouse Gas Emissions and Removals" standard. Scope 3 emissions from upstream transportation and distribution in Akçansa's cement business 32,114 tCO2e; Scope 3 emissions from upstream transportation and distribution in all business lines 48,193 tCO2e

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Waste generated in operations is insignificant, as confirmed in the Cement Sector Scope 3 GHG Accounting and Reporting Guidance issued by the WBCSD Cement Sustainability Initiative (GCCA). In our cement kilns, we recover the waste from all the operations and furthermore use waste from other industries as an alternative resource such as fuel or raw material.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

102.27

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Akçansa calculates its greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases Section ": Guidelines and Specifications for Establishment-Level Calculation and Reporting of Greenhouse Gas Emissions and Removals" standard. In 2023, it refers to Akçansa's indirect greenhouse gas emissions resulting from business travel, specifically from flights booked through agents and tracked by kilometers, as categorized under Category 6 of the Greenhouse Gas Protocol (GHG Protocol). External Assurance has been provided

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3139.41

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Fuel-based method

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Akçansa calculates its greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases Section ": Guidelines and Specifications for Establishment-Level Calculation and Reporting of Greenhouse Gas Emissions and Removals" standard. In 2023, it refers to Akçansa's indirect greenhouse gas emissions resulting from business travel, specifically from flights booked through agents and tracked by kilometers, as categorized under Category 6 of the Greenhouse Gas Protocol (GHG Protocol). External Assurance has been provided

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

We don't have upstream leased assets.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1166258.44

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Spend-based method

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Akçansa calculates its greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases Section ": Guidelines and Specifications for Establishment-Level Calculation and Reporting of Greenhouse Gas Emissions and Removals" standard. In 2023, it refers to Akçansa's indirect greenhouse gas emissions resulting from business travel, specifically from flights booked through agents and tracked by kilometers, as categorized under Category 6 of the Greenhouse Gas Protocol (GHG Protocol). External Assurance has been provided

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

400162.28

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Average data method

☑ Average product method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Akçansa calculates its greenhouse gas emissions according to the standard "TS EN ISO 14064-1:2018 Greenhouse Gases Section ": Guidelines and Specifications for Establishment-Level Calculation and Reporting of Greenhouse Gas Emissions and Removals" standard. In 2023, it refers to Akçansa's indirect greenhouse gas emissions resulting from business travel, specifically from flights booked through agents and tracked by kilometers, as categorized under Category 6 of the Greenhouse Gas Protocol (GHG Protocol). External Assurance has been provided

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

According to the Cement Sector Scope 3 GHG Accounting and Reporting Guidance issued by the WBCSD Cement Sustainability Initiative (now GCCA), this category is not relevant to the cement sector.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

According to the Cement Sector Scope 3 GHG Accounting and Reporting Guidance issued by the WBCSD Cement Sustainability Initiative (now GCCA), this category is not relevant to the cement sector.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Akçansa has no downstream leased assets.

Franchises

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

Akçansa does not have any franchises.

Investments

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

No additional significant investments made during the reporting period to be evaluated under Scope 3.

Other (upstream)

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

No other upstream Scope 3 emissions sources identified within the boundary.

Other (downstream)

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

No other downstream Scope 3 emissions sources identified within the boundary.

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/30/2022

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

525883

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

276203

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

73802

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

115.43

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

2174.23

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

150320

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

428549

(7.8.1.19) Comment

Akçansa calculates its greenhouse gas emissions in accordance with the "TS EN ISO 14064-1:2018 Greenhouse Gases - Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard. Since the type of fuel used for employee shuttles is diesel fuel, the mobile combustion - diesel fuel carbon factor is applied.

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.1.4) Attach the statement

Akçans_ E.F.R._2023_ENG-09-05.pdf

(7.9.1.5) Page/section reference

The CO2 emission indicators that are the subject of the limited assurance study, marked on page 167 of the 2023 Integrated Annual Report, are documented in the attached limited assurance report for the year 2023. The integrated annual report can be accessed from the link below. https://www.akcansa.com.tr/docs/Akcansa-EFR-2023-TR.pdf

(7.9.1.6) Relevant standard

Select from:

☑ ISAE 3410

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.2.5) Attach the statement

Akçans_ E.F.R._2023_ENG-09-05.pdf

(7.9.2.6) Page/ section reference

The CO2 emission indicators that are the subject of the limited assurance study, marked on page 167 of the 2023 Integrated Annual Report, are documented in the attached limited assurance report for the year 2023. The integrated annual report can be accessed from the link below. https://www.akcansa.com.tr/docs/Akcansa-EFR-2023-TR.pdf

(7.9.2.7) Relevant standard

Select from:
☑ ISAE 3410

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Business travel

☑ Scope 3: Employee commuting

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

Akçans_ E.F.R._2023_ENG-09-05.pdf

(7.9.3.6) Page/section reference

Emissions under assurance constitute approximately 0.2% of the total Scope 3 emissions. The CO2 emission indicators that are the subject of the limited assurance study, marked on page 167 of the 2023 Integrated Annual Report, are documented in the attached limited assurance report for the year 2023. The integrated annual report can be accessed from the link below. https://www.akcansa.com.tr/docs/Akcansa-EFR-2023-TR.pdf

(7.9.3.7) Relevant standard

Select from:

☑ ISAE 3410

(7.9.3.8) Proportion of reported emissions verified (%)

0

[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☑ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

300000

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

5.65

(7.10.1.4) Please explain calculation

In 2023, by offsetting our Scope 2 emissions through renewable energy sourcing, we prevented the release of approximately 300,000 tons of CO2. This value corresponds to 5.65% of our total Scope 1 2 emissions for the year 2023.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

362154

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

6.55

(7.10.1.4) Please explain calculation

Scope 1 absolute reduction is 224,084, Scope 2 renewable purchase 138,070. Total reductions is 362,154. This reduction amount divided by previous year's emission 5,533,084. %6,55

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Market-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:
☑ Yes

(7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

(7.12.1.1) CO2 emissions from biogenic carbon (metric tons CO2)

201861

(7.12.1.2) Comment

In 2023, due to the combustion of biogenic materials such as domestic sewage sludge and straw as alternative fuels, we achieved a total biogenic carbon dioxide emission of 201,861 metric tons CO2.

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:
☑ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:
☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

5309000
[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Turkey	*5309000*	*300057*	*0*

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☑ By facility

☑ By activity

(7.17.2) Break down your total gross global Scope 1 emissions by business facility.

Row 1

(7.17.2.1) Facility

Büyükçekmece Plant

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1632604.249

(7.17.2.3) Latitude

41.0118

(7.17.2.4) Longitude

28.3327

Row 2

(7.17.2.1) Facility

Ready Mixed Concrete Plants (Including 26 Ready-Mix Concrete Plants - management office coordinates were given as reference)

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

11114.893

(7.17.2.3) Latitude

40.9842

(7.17.2.4) Longitude

29.0995

Row 3

(7.17.2.1) Facility

Çanakkale Plant

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

3196153.855

(7.17.2.3) Latitude

39.5156

(7.17.2.4) Longitude

26.1439

Row 4

(7.17.2.1) Facility

Ladik Plant

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

469126.747

(7.17.2.3) Latitude

40.5607

(7.17.2.4) Longitude

35.5306
[Add row]

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	*Cement Production (Including 3 cement production plants located in İstanbul-Büyükçekmece, Çanakkale and Samsun-Ladik)*	*5297885*
Row 2	*Ready-Mixed Concrete Production*	*11115*

[Add row]

(7.19) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

Cement production activities

(7.19.1) Gross Scope 1 emissions, metric tons CO2e

5297885

(7.19.2) Net Scope 1 emissions, metric tons CO2e

5000112

(7.19.3) Comment

In the reporting year, our gross emissions from Cement production activities were 5,297,885 metric tons, and our net emissions were 5,000,112 metric tons.

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☑ By facility

(7.20.2) Break down your total gross global Scope 2 emissions by business facility.

Row 1

(7.20.2.1) Facility

Ladik Plant

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

33640

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 2

(7.20.2.1) Facility

Çanakkale Plant

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

153324

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 3

(7.20.2.1) Facility

Terminals/Ports

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1696

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 4

(7.20.2.1) Facility

Aggregates

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

3245

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 5

(7.20.2.1) Facility

Ready-mixed concrete plants

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

3065

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 6

(7.20.2.1) Facility

Büyükçekmece Plant

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

105046

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 7

(7.20.2.1) Facility

Head-office

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

42

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0
[Add row]

(7.21) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	*300057*	*0*	*Scope 2 emissions were neutralized by obtaining I-REC and YEK-G certificates for all electrical energy use.*

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

5309000

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

300057

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

Scope 2 emissions were neutralized by obtaining I-REC and YEK-G certificates for all electrical energy use.

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ Not relevant as we do not have any subsidiaries

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:
☑ More than 40% but less than or equal to 45%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ No
Consumption of purchased or acquired steam	*Select from:* ☑ No
Consumption of purchased or acquired cooling	*Select from:* ☑ No
Generation of electricity, heat, steam, or cooling	*Select from:*

	Indicate whether your organization undertook this energy-related activity in the reporting year
	☑ Yes

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

1466300

(7.30.1.3) MWh from non-renewable sources

4826740

(7.30.1.4) Total (renewable and non-renewable) MWh

6293040

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

732876

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

732876

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

66170

(7.30.1.4) Total (renewable and non-renewable) MWh

66170

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

2199176

(7.30.1.3) MWh from non-renewable sources

4826740

(7.30.1.4) Total (renewable and non-renewable) MWh

7025916

(7.30.2) Report your organization's energy consumption totals (excluding feedstocks) for cement production activities in MWh.

	Heating value	Total MWh
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ LHV (lower heating value)	*6293041*
Consumption of purchased or acquired electricity	*Select from:* ☑ Unable to confirm heating value	*732875.84*
Total energy consumption	*Select from:*	*7025916*

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	*Select from:* ☑ Yes
Consumption of fuel for the generation of heat	*Select from:* ☑ No
Consumption of fuel for the generation of steam	*Select from:* ☑ No
Consumption of fuel for the generation of cooling	*Select from:* ☑ No
Consumption of fuel for co-generation or tri-generation	*Select from:* ☑ No

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Other biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

545034

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

545034

(7.30.7.8) Comment

Includes domestic dried sewage sludge (100% biomass), wood derived fuels (100% biomass), agricultural waste (100% biomass), waste tires (TDF) (27% biomass), other refused derived fuel species (RDF etc.) that includes variable biomass content.

Coal

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

1610382

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

1610382

(7.30.7.8) Comment

Includes imported steam-coal, local anthracite coal, lignite consumption.

Oil

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

17395

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

17395

(7.30.7.8) Comment

Includes heavy fuel oil consumption.

Gas

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

3890

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

3890

(7.30.7.8) Comment

Includes natural gas consumption.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

4116339

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

4116339

(7.30.7.8) Comment

Includes petroleum coke consumption, waste oil, waste tires (excluding biomass content), refused derived fuel species (RDF) (excluding biomass content), mixed industrial waste (excluding biomass content) as alternative fuel sources.

Total fuel

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

6293040

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

6293040

(7.30.7.8) Comment

Total fuel consumption including biomass, alternative fuels, fuel oil, natural gas, coal and petro-coke.

(7.30.8) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel for cement production activities.

Other biomass

(7.30.8.1) Heating value

Select from:
☑ LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

545034

(7.30.8.3) MWh fuel consumed at the kiln

545034

(7.30.8.4) MWh fuel consumed for the generation of heat that is not used in the kiln

0

(7.30.8.5) MWh fuel consumed for the self-generation of electricity

0

(7.30.8.7) Comment

Includes domestic dried sewage sludge (100% biomass), wood derived fuels (100% biomass), agricultural waste (100% biomass), waste tires (TDF) (27% biomass), other refused derived fuel species (RDF etc.) that includes variable biomass content.

Coal

(7.30.8.1) Heating value

Select from:
☑ LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

1610382

(7.30.8.3) MWh fuel consumed at the kiln

1610382

(7.30.8.7) Comment

Includes imported steam-coal, local anthracite coal, lignite consumption. Coal was used only in the kiln.

Oil

(7.30.8.1) Heating value

Select from:
☑ LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

17395

(7.30.8.3) MWh fuel consumed at the kiln

17395

(7.30.8.7) Comment

Includes heavy fuel oil consumption used in the kiln firing.

Gas

(7.30.8.1) Heating value

Select from:
☑ LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

3890

(7.30.8.3) MWh fuel consumed at the kiln

3890

(7.30.8.7) Comment

Includes natural gas consumption. Natural gas was only used in kiln for firing purposes.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.8.1) Heating value

Select from:
☑ LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

4116339

(7.30.8.3) MWh fuel consumed at the kiln

4116339

(7.30.8.7) Comment

Includes petroleum coke consumption, waste oil, waste tires (excluding biomass content), refused derived fuel (RDF) (excluding biomass content), mixed industrial waste (excluding biomass content) as alternative fuel sources. These fuels were only consumed at the kiln.

Total fuel

(7.30.8.1) Heating value

Select from:

☑ LHV

(7.30.8.2) Total MWh fuel consumed for cement production activities

6293040

(7.30.8.3) MWh fuel consumed at the kiln

6293040

(7.30.8.7) Comment

Fuels were only used in cement production activities and only for the kiln processes. Other fuel-related activities were not present. For heating purposes, only hot gases from the kiln system were used.

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

66170

(7.30.9.2) Generation that is consumed by the organization (MWh)

66170

(7.30.9.3) Gross generation from renewable sources (MWh)

66170

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

66170

Heat

(7.30.9.1) Total Gross generation (MWh)

6293040

(7.30.9.2) Generation that is consumed by the organization (MWh)

6293040

(7.30.9.3) Gross generation from renewable sources (MWh)

1466300

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

1466300

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

(7.30.10) Provide details on the electricity and heat your organization has generated and consumed for cement production activities.

	Total gross generation (MWh) inside the cement sector boundary	Generation that is consumed (MWh) inside the cement sector boundary
Electricity	*66170*	*66170*
Heat	*6293041*	*6293041*
Steam	*0*	*0*

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:
☑ Turkey

(7.30.14.2) Sourcing method

Select from:
☑ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:
☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Hydropower (capacity unknown)

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

660007

(7.30.14.6) Tracking instrument used

Select from:
☑ Other, please specify :YEK-G (Green certificate)

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:
☑ Turkey

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:
☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2019

(7.30.14.10) Comment

As of 2023, our company has purchased YEK-G (Renewable Energy Guarantee of Origin) certificates corresponding to the production of 660,007 MWh of energy, in order to neutralize the carbon emissions from our electricity consumption. Of these certificates, 655,205 MWh were used to fully offset our electricity consumption during the reporting period. The remaining 4,802 MWh of certificates are retained for use against our future electricity consumption.

Row 2

(7.30.14.1) Country/area

Select from:
☑ Turkey

(7.30.14.2) Sourcing method

Select from:
☑ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:
☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:
☑ Hydropower (capacity unknown)

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

11500

(7.30.14.6) Tracking instrument used

Select from:
☑ I-REC

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:
☑ Turkey

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:
☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2019

(7.30.14.10) Comment

In 2023, 11,500 MWh of electricity was neutralized through I-REC certificates.
[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

732876

(7.30.16.2) Consumption of self-generated electricity (MWh)

66170

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

799046.00

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.0002835

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

5309000

(7.45.3) Metric denominator

Select from:
☑ unit total revenue

(7.45.4) Metric denominator: Unit total

18724427906

(7.45.5) Scope 2 figure used

Select from:
☑ Market-based

(7.45.6) % change from previous year

55.51

(7.45.7) Direction of change

Select from:
☑ Decreased

(7.45.8) Reasons for change

Select all that apply
☑ Change in renewable energy consumption

(7.45.9) Please explain

In 2023, by offsetting our Scope 2 emissions through renewable energy sourcing, we prevented the release of approximately 300,000 tons of CO2.
[Add row]

(7.47) State your organization's Scope 1 and Scope 2 emissions intensities related to cement production activities.

	Gross Scope 1 emissions intensity, metric tons CO2e per metric ton	Net Scope 1 emissions intensity, metric tons CO2e per metric ton	Scope 2, location-based emissions intensity, metric tons CO2e per metric ton
Clinker	*0.842*	*0.795*	*0.048*
Cement equivalent	*0.736*	*0.695*	*0.044*
Cementitious products	*0.742*	*0.701*	*0.042*
Low-CO2 materials	*0.565*	*0.533*	*0.044*

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:
☑ Waste

(7.52.2) Metric value

438

(7.52.3) Metric numerator

tons of hazardous waste

(7.52.4) Metric denominator (intensity metric only)

No intensity metric

(7.52.5) % change from previous year

23

(7.52.6) Direction of change

Select from:
☑ Decreased

(7.52.7) Please explain

Depending on maintenance programs, sourced waste amount varies every year.

Row 2

(7.52.1) Description

Select from:
☑ Waste

(7.52.2) Metric value

4055

(7.52.3) Metric numerator

tons of non-hazardous waste

(7.52.4) Metric denominator (intensity metric only)

No intensity metric

(7.52.5) % change from previous year

29

(7.52.6) Direction of change

Select from:
☑ Increased

(7.52.7) Please explain

Depending on maintenance programs, sourced waste amount varies every year.
[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply
☑ Absolute target
☑ Intensity target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:
☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2022

(7.53.1.6) Target coverage

Select from:
☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply
☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply
☑ Scope 1
☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:
☑ Market-based

(7.53.1.11) End date of base year

12/30/2021

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

5764763

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

282151

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

6046914.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

99

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

99

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

21.9

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

4722639.834

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

5309000

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

5309000.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

55.72

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

Like most cement companies, Akçansa focuses predominantly on Scope 1 emission reductions and its limited Scope 2 emissions profile when compared to Scope 1. SBTi allows companies to exclude up to %5 of total Scope 1 Scope 2 emissions. The target which will be submitted to SBTi for validation covers all operations of Akçansa for Scope 2. Target for Scope 1 emissions exclude aggregates, ports & terminals and HQ for Scope 1 which accounts for 99% of total Scope 1 emissions. Note that the remainder either can be included in the SBTi validation process or keep excluded. The targets are consistent with reductions required to keep global warming to 1.5C in line with the latest science. In 2023, we are confidently taking steps towards our goal of zeroing our Scope 2 emissions with I-REC and YEK-G certificates.

(7.53.1.83) Target objective

The strategic objective of this target is to align our emissions reduction efforts with global climate goals, specifically aiming to meet the Paris Agreement targets. By setting this target, we aim to proactively manage our carbon footprint, mitigate regulatory risks, and enhance our reputation among stakeholders by demonstrating our commitment to sustainability.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Akçansa has adopted collectively constructed roadmaps that include all of the initiatives and measures for the transition to a low carbon economy. As outlined in our Annual Integrated Report and Investor Presentations, our strategy to combat climate change focuses on providing our customers products and solutions that are lower in carbon intensity, more reliable and durable, and more sustainable, while reducing our direct emissions. For this purpose, a product transition plan including the production and dissemination of products with reduced clinker content has been prepared and planned with intermediate yearly targets until 2030. In addition to this plan, it is planned to increase the ratio of alternative fuels in order to mitigate carbon emissions from operations. For this purpose, investments have been determined by analyzing impacts of each project and planned year on year. On the other hand, applications such as process and energy efficiency initiatives, modernization of assets, improvement projects, use of renewable energy and CCUS have been extensively analyzed and related investments have been also planned. There are also climate related R&D projects in the pipeline until 2030 and beyond. In 2023, significant investments were made to meet our carbon emission reduction targets. These efforts

focused on increasing the use of alternative fuels, expanding biomass utilization, and implementing energy efficiency projects. Through the recovery of energy from waste and its integration into production processes, a total of 297,000 tons of CO2 equivalent savings were achieved. Additionally, the share of alternative fuels increased from 21.7% in 2022 to 23.3% in 2023, resulting in a substantial reduction in fossil fuel consumption and associated carbon emissions. As a result of these initiatives, the net specific CO2 emissions per ton cementitious product decreased from 724 kg CO2/ton in 2022 to 701 kg CO2/ton in 2023. These improvements represent significant steps towards achieving our 2030 sustainability goals.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ Yes

[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:

☑ Int 1

(7.53.2.2) Is this a science-based target?

Select from:

☑ No, but we anticipate setting one in the next two years

(7.53.2.5) Date target was set

12/30/2020

(7.53.2.6) Target coverage

Select from:

☑ Business activity

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.53.2.8) Scopes

Select all that apply

☑ Scope 1

(7.53.2.11) Intensity metric

Select from:

☑ Other, please specify :kilograms of net CO2 emissions per metric ton of cementitious product

(7.53.2.12) End date of base year

12/30/2019

(7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

770

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

770.0000000000

(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

100

(7.53.2.55) End date of target

12/30/2030

(7.53.2.56) Targeted reduction from base year (%)

15.71

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

649.0330000000

(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions

4

(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

724

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

724.0000000000

(7.53.2.81) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.2.82) % of target achieved relative to base year

38.03

(7.53.2.83) Target status in reporting year

Select from:

☑ Underway

(7.53.2.85) Explain target coverage and identify any exclusions

This intensity target is covering only scope 1 net CO2 emissions during the clinker production process and calculations are done in accordance with Global Cement and Concrete Association guidelines. Other business activities, business lines and facilities are excluded. In 2020, 2030 targets were publicly announced as net kg of CO2 per metric tons of cementitious product. 2030 Ambition was to reduce net kg CO2 emitted per ton of cementitious product by approx. 15.7% and to reach 649 kg CO2/cementitious. These net emissions are excluding all emissions coming from alternative fuels. This year we have committed to SBTi to set a 1.5 degree aligned target. In the emission reporting of the cement sector, net emissions are reported per cementitious product according to the GCCA guidelines and monitored as a performance indicator. However, initiatives such as SBTi do not endorse targets based on net emissions. In this context, we will continue to follow our net emission target per cementitious product, but we also give our gross absolute emissions and gross intensity targets. After completing our SBTi validation process within the scope of the target described above, it may be possible that the target for the coming years will be more ambitious.

(7.53.2.86) Target objective

The strategic objective of this target is to align our emissions reduction efforts with global climate goals, specifically aiming to meet the Paris Agreement targets. By setting this target, we aim to proactively manage our carbon footprint, mitigate regulatory risks, and enhance our reputation among stakeholders by demonstrating our commitment to sustainability.

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

In 2023, we reduced our Scope 1 and 2 emission intensity (kg CO2 per TL) by approximately 17.64% and Scope 1, 2 and 3 emission intensity (kg CO2 per TL) by approximately 11.63% thanks to our efforts to achieve our 2030 Sustainability Goals. We are progressing confidently towards reaching our target.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

☑ Yes

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☑ Targets to increase or maintain low-carbon energy consumption or production

☑ Net-zero targets

☑ Other climate-related targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

☑ Low 1

(7.54.1.2) Date target was set

12/30/2020

(7.54.1.3) Target coverage

Select from:

☑ Business activity

(7.54.1.4) Target type: energy carrier

Select from:

☑ Heat

(7.54.1.5) Target type: activity

Select from:

☑ Consumption

(7.54.1.6) Target type: energy source

Select from:

☑ Low-carbon energy source(s)

(7.54.1.7) End date of base year

12/30/2019

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

962642

(7.54.1.9) % share of low-carbon or renewable energy in base year

13

(7.54.1.10) End date of target

12/30/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

35

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

23.3

(7.54.1.13) % of target achieved relative to base year

46.82

(7.54.1.14) Target status in reporting year

Select from:

☑ Underway

(7.54.1.16) Is this target part of an emissions target?

Yes, Abs 1 and Int 1. In the cement industry, thermal energy is obtained by burning of the fuels and clinker production is carried out with this energy. In this process, the use of alternative fuels instead of fossil fuels is one of the most important initiatives for emission reduction. Energy (heat) generation from alternative fuel substitution plays a critical role in decarbonization pathways and is one of the main levers in process related CO2 emission reductions. Akçansa's transition plans and CO2 Roadmaps include alternative fuel substitution targets to achieve CO2 emission reduction targets.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

This target is set for all cement plants. Each kiln at the plants has individual alternative fuel substitution rate target. Alternative fuel targets of each kiln are consolidated and cumulative targets are determined for Akçansa.

(7.54.1.20) Target objective

The objective of this target is to increase the use of low-carbon energy sources in the form of heat consumption across all cement plants. The goal is to raise the share of low-carbon energy from 13% in the base year (2019) to 35% by the end of the target year (2030).

(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

The Alternative Fuel Road Map had been previously prepared. According to the plan, all types of waste sources will be utilized annually in line with physical and market conditions.

Row 2

(7.54.1.1) Target reference number

Select from:

☑ Low 2

(7.54.1.2) Date target was set

12/30/2019

(7.54.1.3) Target coverage

Select from:

☑ Site/facility

(7.54.1.4) Target type: energy carrier

Select from:

☑ Electricity

(7.54.1.5) Target type: activity

Select from:

☑ Consumption

(7.54.1.6) Target type: energy source

Select from:

☑ Low-carbon energy source(s)

(7.54.1.7) End date of base year

12/30/2019

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

93429

(7.54.1.9) % share of low-carbon or renewable energy in base year

13

(7.54.1.10) End date of target

12/30/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

22

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

100

(7.54.1.13) % of target achieved relative to base year

966.67

(7.54.1.14) Target status in reporting year

Select from:
☑ Underway

(7.54.1.16) Is this target part of an emissions target?

Yes, Abs 1. This target is for reduction in Scope 2 emissions. We are planning to set a new renewable energy purchasing target within SBTi and Scope 2 reduction target as well. Our renewable energy target will also be aligned with 1.5-degree scenario and will be at least 80% renewable energy purchasing.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply
☑ No, it's not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

Target covers all production facilities as well as other sites such as headquarters and offices.

(7.54.1.20) Target objective

The objective of this target is to transition to 100% low-carbon electricity consumption by 2030. The target is designed to reduce Scope 2 emissions through increased procurement of renewable electricity.

(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

The plan to achieve the target of 100% low-carbon electricity consumption involves transitioning all production facilities and other sites, such as offices and headquarters, to renewable energy sources. By the end of the reporting year, the target of 100% renewable electricity consumption has been successfully achieved. Looking ahead, the company plans to maintain this achievement and set a new target under the Science Based Targets initiative (SBTi), aiming for at least 80% renewable energy purchasing aligned with the 1.5-degree Celsius climate goal.
[Add row]

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:
☑ Oth 1

(7.54.2.2) Date target was set

12/30/2019

(7.54.2.3) Target coverage

Select from:
☑ Business activity

(7.54.2.4) Target type: absolute or intensity

Select from:
☑ Intensity

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Renewable fuel consumption
☑ Other renewable fuel consumption, please specify :Biomass in fuel mix (calorific) (%)

(7.54.2.6) Target denominator (intensity targets only)

Select from:
☑ Other, please specify :kcal

(7.54.2.7) End date of base year

12/30/2019

(7.54.2.8) Figure or percentage in base year

5.6

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

12

(7.54.2.11) Figure or percentage in reporting year

7.9

(7.54.2.12) % of target achieved relative to base year

35.9375000000

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, Abs 1 and Int 1. To decrease emissions further biomass content of alternative fuels, get important. Thus, targeting high biomass content alternative fuel usage is important for further reduction of emissions.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

This target is set for all cement plants. Each kiln at the plants has individual alternative fuel substitution rate target. To decrease emissions further biomass content of alternative fuels, get important. Thus, targeting high biomass content alternative fuel usage is important for further reduction of emissions.

(7.54.2.19) Target objective

The objective of this target is to increase the use of biomass as a renewable fuel in the fuel mix used for cement production, aiming to reduce the carbon intensity of thermal energy consumption. Biomass is an important component in reducing emissions because it is considered carbon-neutral, unlike fossil fuels. By increasing the share of biomass in the fuel mix from 5.6% in 2019 to 12% by 2030, we aim to contribute to its decarbonization strategy, reduce reliance on fossil fuels, and lower Scope 1 emissions from the cement production process

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

Collaborations have been developed by the procurement department and waste-derived fuel suppliers. Alternative sources have been provided to the facilities. A biomass target has been set to increase the use of biogenic content. However, the maturity of the biofuel market is not sufficient and stable enough.

Row 2

(7.54.2.1) Target reference number

Select from:

☑ Oth 2

(7.54.2.2) Date target was set

12/30/2019

(7.54.2.3) Target coverage

Select from:

☑ Business activity

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Intensity

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Renewable fuel consumption

☑ Other renewable fuel consumption, please specify **:**Alternative fuel in fuel mix (calorific) (%)

(7.54.2.6) Target denominator (intensity targets only)

Select from:

☑ Other, please specify **:**%

(7.54.2.7) End date of base year

12/30/2022

(7.54.2.8) Figure or percentage in base year

21.7

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

35

(7.54.2.11) Figure or percentage in reporting year

23.3

(7.54.2.12) % of target achieved relative to base year

12.0300751880

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, Abs 1 and Int 1. To decrease emissions further biomass content of alternative fuels, get important. Thus, targeting high biomass content alternative fuel usage is important for further reduction of emissions.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

Target covers all production plants.

(7.54.2.19) Target objective

In cement production, the intensive thermal energy required is predominantly derived from fossil fuels. However, many waste materials that are difficult to dispose of can be used as an alternative fuel source in our sector. The use of alternative fuels is significant in terms of both waste reduction and the reintegration of waste into the economy, as well as in the fight against climate change. Therefore, as Akçansa, we aim to increase our rate of alternative fuel substitution.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

In 2023, we increased the substitution rate of fossil fuels with alternative fuels in our factories to 23.3%, a 7.4% increase in our alternative fuel substitution rate compared to last year. At our Çanakkale plant, we increased the use of alternative fuels even more than last year, reaching 24%, the highest rate in our history. At our Samsun Ladik plant, we increased the use of alternative fuels to 34% per month. In 2023, we recycled a total of 267 ktonnes of waste, including industrial waste, treatment sludge, liquid waste collected from ships and used tyres, back into the economy by using them as alternative fuel.

Row 3

(7.54.2.1) Target reference number

Select from:

☑ Oth 3

(7.54.2.2) Date target was set

12/30/2019

(7.54.2.3) Target coverage

Select from:

☑ Business division

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Intensity

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon products

☑ Percentage of revenue from low-carbon products

(7.54.2.6) Target denominator (intensity targets only)

Select from:

☑ Other, please specify **:**Percentage of total revenue

(7.54.2.7) End date of base year

12/30/2020

(7.54.2.8) Figure or percentage in base year

26.1

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

100

(7.54.2.11) Figure or percentage in reporting year

27

(7.54.2.12) % of target achieved relative to base year

1.2178619756

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, Int 1. Increasing low-CO2, low clinker cement sales portion in total sales decreases scope 1 emissions intensity.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

This target covers the entire business division responsible for the production and sales of low-carbon cement and concrete products. The goal is to increase the share of revenue from sustainable, low-carbon products, such as those in the "Green for Cement" and "Green for Concrete" categories. The coverage includes all relevant products sold in domestic and international markets.

(7.54.2.19) Target objective

We have grouped our sustainable cement products, which combine climate and environmental protection with strength, under the title "Green For Cement", and our low-carbon sustainable concrete products under the title "Green For Concrete". "The "Green for Cement" group includes 'Actioncem' with low carbon, 'Solidcem' resistant to environmental impacts and 'Duocem' with high strength and durability as sustainable cement product categories. Under the "Green For Concrete" heading, the ready-mixed concrete speciality products 'Performix', 'Solidmix', 'Hidromix', 'AConcrete', '100Concrete' and 'Yolbeton', which are developed in line with the needs of customers and create added value with their sustainable and long-lasting features, are in the speciality product category, while the new generation ready-mixed concrete product 'Ecocrete', which targets the lowest possible carbon footprint by using sustainable technologies, is in the standard product category. We aim to reduce the carbon emissions of our cement products sold domestically by 20% by transforming our products into fully sustainable products, in line with our sustainability targets by 2022, and to increase the sales volume of new products to be introduced and existing low clinker products by at least 100%. With the continuous production of new cement varieties in our Product Transformation Plan, we aim to reduce our carbon emissions by 120 kg per tonne of cement.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

In 2023, the sales volume of sustainable products was 27%. We have achieved this by listening to our customers, by offering a sustainable alternative to every existing product and by not compromising on the essential performance requirements of production and quality. In 2023, 16% of our ready-mixed concrete products were produced with the Ecocrete brand, one of our sustainable concrete products. In this brand, we use formulas with at least 15% less clinker compared to standard reference products. We are committed to sharing the environmental impact of our products transparently with our stakeholders. In 2020, we initiated a life cycle analysis project for readymixed concrete products and prepared the first and only Environmental Product Declaration documents in the Turkish ready-mixed concrete sector with special and standard product recipes for 2021. We updated our EPD certificate for all our ready-mixed concrete products in 2023 voluntarily. With the EPD certificate, our readymix customers can see the environmental impact of the concrete they use. Customers who have this certificate can earn extra points in green building certification processes such as LEED, BREAM, Green Star. We have published the Environmental Product Declaration (EPD) documents issued by The International EPD System for our ASTM C150 Type I/II Portland cement and ASTM C595 Type IL Portland-calcareous cement in 2022.

Row 4

(7.54.2.1) Target reference number

Select from:

☑ Oth 4

(7.54.2.2) Date target was set

12/30/2019

(7.54.2.3) Target coverage

Select from:

☑ Business division

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency

☑ Other resource consumption or efficiency, please specify :Clinker in domestic cement sales, %

(7.54.2.7) End date of base year

12/30/2019

(7.54.2.8) Figure or percentage in base year

87.3

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

72

(7.54.2.11) Figure or percentage in reporting year

84.8

(7.54.2.12) % of target achieved relative to base year

16.3398692810

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, Abs 1 and Int 1. Main emission source in cement production is clinker production. Decreasing clinker ratio directly has an impact on emission reductions since clinker amount will be decreased and total emissions will also be decreased. By decreasing the amount of clinker used in cement products, total emissions caused by clinker production decreases.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

Target covers all cement plants and domestic cement sales.

(7.54.2.19) Target objective

The objective of this target is to reduce the clinker-to-cement ratio in domestic cement sales. Clinker production is the most carbon-intensive part of cement manufacturing, and reducing its share in the cement mix directly lowers CO2 emissions. The target is to reduce the clinker content from 87.3% in 2019 to 72% by 2030.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

Within our transition plan, we have a product switching plan that includes targets for increasing the sales volume of low-CO2 products with lower clinker ratio. Yearly sales volumes are determined in line with the transition plan. Also, yearly clinker incorporation ratios were determined in a decreasing trend. According to that plan, each plant has their own clinker incorporation ratio targets. This target is closely followed up by top management by separate committees and also included in company scorecard.
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:
☑ NZ1

(7.54.3.2) Date target was set

12/30/2020

(7.54.3.3) Target Coverage

Select from:
☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply
☑ Int1

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The two companies we are affiliated with; Heidelberg Material and Sabancı Holding have a net zero emission target by 2050. Heidelberg Materials aims to achieve net zero emission at Group level by 2050 at the latest by ensuring that all emissions are reduced according to the standard. Also, Sabancı Group has set a Net Zero Emission target for all operations by 2050 and this target covers all operations of the companies Sabancı Holding invests in. Therefore; As Akçansa, we have a Net Zero Emission target by 2050.

(7.54.3.11) Target objective

As Scope 1 accounts for approximately 79% of total CO2 emissions, most of the short- and long-term efforts are to ensure that direct emissions are reduced to Net Zero standards. To achieve this, we also completed our preparations for the transition to a lower-emission product portfolio in cement production.Also, maximising the use of alternative fuels, optimising the product mix, and improving the efficiency of our plants will be extended by the large-scale use and application of new technologies such as the carbon capture, utilisation, and storage (CCUS). On the other hand, we offset our scope 2 emissions via buying renewable energy certificate in 2023.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ Yes, and we have already acted on this in the reporting year

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ Yes, we plan to purchase and cancel carbon credits for beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Natural carbonation of concrete which in its life cycle could absorb CO2 from the atmosphere provides Neutralization of remaining emissions. Akçansa works on carbon neutralization projects such as the use of hydrogen and oxygen in the fuel mixture and the use of hydrogen in ethanol/methanol production by combining with CO2 in factory flue gas and use of construction demolition waste as carbon sequestering material in cement and concrete production by up-cycling.

(7.54.3.16) Describe the actions to mitigate emissions beyond your value chain

As required by our Sustainable Supply Chain policy, we monitor the compliance of our suppliers with all our environmental and social policies. As Akçansa, we calculate our scope 3 emissions originating from our suppliers.In addition, we are sharing environmental impacts of our products during their life cycle via EDP certifications.

(7.54.3.17) Target status in reporting year

Select from:

☑ Underway

(7.54.3.19) Process for reviewing target

There has been no review of the net zero target during the reporting year.
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
To be implemented	*1*	*180000*
Implemented	*14*	*25186.3*

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

97.2

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

27150

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

357500

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

In addition to energy management practices in our production operations, we prioritize the environmental friendliness of the buildings we operate in, and we prefer products and technologies with high energy efficiency in lighting and climate control. During the reporting year, we achieved a reduction of approximately 100 tCO2e thanks to the lighting projects we realized.

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Automation

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

2706.1

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

2273685

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

6157984

(7.55.2.7) Payback period

Select from:
☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 11-15 years

(7.55.2.9) Comment

We carry out energy audits and process improvement studies to identify energy and heat losses in our production processes. We replace inefficient and old equipment and disseminate our best practices to all our plants. At the Çanakkale plant, we have started to work on increasing the energy recovered from waste heat by focusing on energy efficiency, and we have developed projects and investment plans in this regard. We aim to increase the amount of electrical energy generated from waste heat with an investment to be implemented in early 2024. During the year, we saved a total of 6,248 MWh of electrical energy by switching to efficient machinery and equipment in the production processes at our plants, through process optimisation projects that reduce energy consumption, and through modernisation investments. Our energy efficiency projects have prevented approximately 2,706 tonnes of CO2 emissions.

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes
☑ Other, please specify **:**DSS Feeding System Installation Dry Sewage Sludge Burning Project Refurbishment Works of DSS Silo

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

17000

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

14515311

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

19450000

(7.55.2.7) Payback period

Select from:
☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 6-10 years

(7.55.2.9) Comment

During the reporting year, we implemented three projects: the DSS Feeding System Installation, the Dry Sewage Sludge Burning Project, and the Refurbishment Works of the DSS Silo. The total investment cost for these projects is 19,450,000 TL, with annual monetary savings of 14,515,311 TL (the annual monetary savings for the Refurbishment Works of DSS Silo project have not been calculated). The total annual CO2e savings from these projects amount to 17,000 tCO2e.

Row 4

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes
☑ Waste heat recovery

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

5383

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply
☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

1612206

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

933330

(7.55.2.7) Payback period

Select from:
☑ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 16-20 years

(7.55.2.9) Comment

The modification of four Suspension Preheater (SP) boilers and two Air Quenching Cooler (AQC) boilers aims to increase energy production from waste heat recovery (WHR) systems by optimizing heat utilization from exhaust gases.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:
☑ Internal price on carbon

(7.55.3.2) Comment

Starting from 2022, internal carbon pricing is used for investment feasibility studies. We use internal carbon price during financial feasibility studies of investment decisions to drive investments in low carbon technologies and low carbon products. For this, different scenarios over the average carbon price in the EU ETS and prices determined by the guidance of external consultants are used.

Row 2

(7.55.3.1) Method

Select from:
☑ Employee engagement

(7.55.3.2) Comment

Operational excellence is very much critical in reaching operational targets of a company. To mitigate CO2 emissions, increasing alternative fuel and biomass rate and increase energy efficiency are two critical issues. These targets are achieved with the engagement of employee since it is very critical to monitor the process conditions closely, to implement maintenance plan on-time and to access to the necessary alternative fuel types. Alternative fuels and biomass input to the rotary kiln change the process parameters which needs special care and actions in case of feeding and/or quality fluctuations. Therefore, it is a key issue to train employee and increase their awareness to mitigate CO2, assign them technical KPIs and give award when targets are achieved. Technical trainings on decarbonization were started during the reporting year. Additionally, a decarbonization project has been completed company-wide where several awareness raising sessions were completed.

Row 3

(7.55.3.1) Method

Select from:

☑ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

Implementing ISO standards is another method we use. Akçansa plants takes benefit of having both ISO 14001 Environmental Management Standard and ISO 50001 Energy Management Standard. The former includes monitoring, controlling and calculating CO2 emissions taking measures to mitigate it through alternative fuels and biomass. The letter, on the other hand, includes monitoring, controlling energy consumptions, energy base lines, critical energy consuming units etc. It requires regular check, taking required measures etc. So implementing and effective management of standards are very much supportive to mitigate CO2 emissions. Additionally energy audits are carried out and the necessary improvement and efficiency projects are determined as the final output and implemented.

Row 4

(7.55.3.1) Method

Select from:

☑ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

As a solution to reduce CO2 emissions, it is critical to develop low-carbon products that contain more minerals or secondary additives (such as blast furnace slag or fly ash) that create less clinker in cement. Therefore, our R&D studies continue for both sustainable products and alternative cementitious products. We continue to work in synergy and coordination with Sabancı University to develop alternative low-carbon cementitious products. We produce alternative sources and raw materials on a pilot scale in our production lines and carry out benchmarking studies. On the other hand, we develop ideas and projects on specific issues by forming interdisciplinary working groups for the implementation of new technologies. We conducted trial studies such as the use of calcined clay in 2022. Our R&D budget is directly dedicated to low carbon product & production technologies.
[Add row]

(7.64) Disclose your organization's best available techniques as a percentage of Portland cement clinker production capacity.

	Total production capacity coverage (%)
4+ cyclone preheating	*100*
Pre-calciner	*65*

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:
☑ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:
☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:
☑ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Cement and concrete
☑ Other, please specify**:** Cement and Concrete

(7.74.1.4) Description of product(s) or service(s)

As part of our Sustainable Product Movement, launched in 2022, we have brought together our sustainable cement and concrete speciality products with outstanding environmental performance under the umbrella of 'Green Formulation'. We have grouped our sustainable cement products, which combine climate and environmental protection with strength, under the title "Green For Cement", and our low-carbon sustainable concrete products under the title "Green For Concrete". "The "Green for Cement" group includes 'Actioncem' with low carbon, 'Solidcem' resistant to environmental impacts and 'Duocem' with high strength and durability as sustainable cement product categories. Under the "Green For Concrete" heading, the ready-mixed concrete speciality products 'Performix', 'Solidmix', 'Hidromix', 'AConcrete', '100Concrete' and 'Yolbeton', which are developed in line with the needs of customers and create added value with their sustainable and long-lasting features, are in the speciality product category, while the new generation ready-mixed concrete product 'Ecocrete', which targets the lowest possible carbon footprint by using sustainable technologies, is in the standard product category Our Sustainable Products for Concrete AConcrete, Hidromix, Solidmix, 100Beton, Yolbeton, Performix

Our Sustainable Products for Cement ActionCem, Solidcem, Duocem, 1803BETON, 100CEMENT, PRATİK ÇİMENTO

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify **:**GHG Protocol, WBCSD (GCCA) Cement Sustainability Initiative, Cement CO2 and Energy Protocol, Version 3.1

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Cradle-to-gate

(7.74.1.8) Functional unit used

per ton of cement

(7.74.1.9) Reference product/service or baseline scenario used

Ordinary Portland Cement (CEM I)

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Cradle-to-gate

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

0.156

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Global Cement and Concrete Association (GCCA) industry average emissions are considered for the baseline year of 2019/2020. A standard Portland cement as a reference product has a clinker content of 95%. Our sustainable & blended cement products' clinker content varies between 50%-80%. Considering sales volumes of the sustainable products, average clinker content of these product group is 75%. Taking 780 kg CO2/ton of clinker as reference, a typical Portland cement contains 741 kg CO2/ton of cement. The blended cement group thus has 585 kg CO2/ton of cement. Total avoided emissions per ton of sustainable products sold is calculated as 741 - 585 156 kg CO2/ton of cement.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

27
[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:
☑ No

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:
☑ No

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Monthly

(9.2.3) Method of measurement

Flowmeters counters invoices calculations

(9.2.4) Please explain

In all plants, we regularly measure, monitor, and report water withdrawals by total volumes. To implement effective water management measures and meet stakeholders' expectations, water data must be credible, relevant, and easy to understand. This requires the consistent use of metrics, terminology, and definitions. Therefore, we regularly measure and monitor total water withdrawals, track our water footprint on a monthly basis, and evaluate water consumption in relation to production volumes. As of the previous reporting year, the Headquarters has also been included in these volumes. This data is subject to external audit and assurance, as well as internal controls conducted by Heidelberg Materials for group consolidation purposes. Furthermore, we hold Concrete Sustainability Council (CSC) certificates, which include water consumption assessments. Our water management practices have undergone rigorous auditing during the CSC certification process, and we successfully completed it.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Monthly

(9.2.3) Method of measurement

Flowmeters counters invoices

(9.2.4) Please explain

For all locations, we regularly measure, monitor and report water withdrawals by total volumes. We regularly measure and monitor total water withdrawals, track water footprint on a monthly basis, evaluate water consumptions with respect to production volumes. There are 3 kinds of water supply; one is public line which is directly taken from city lines and used for domestic purposes; local water providers and wells which are used for direct operations. This data is subject to external audit and assurance as well as internal controls done by Heidelberg Materials for consolidation purposes of the group

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Laboratory analyzes for determination of chlorine, sulphate, alkalinity, aluminum, ferrous, silica, oil, suspended sludge, Ca, Mn, COD, TDS and pH, conductivity

(9.2.4) Please explain

Since it is an important criterion for the closed circuit cooling systems, monitoring the quality of water withdrawal is important. We conduct periodic monitoring of this water aspect both for domestic and operation use, annually. This, on the other hand; depends on the source changes considering 3rd party withdrawals. When the source changes quality measurements are repeated regardless of period. On the other hand, we use conditioned water in WHR system located in Çanakkale plant. We perform daily analysis for the water used in WHR system. Laboratory analyzes were done by accredited 3rd parties.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Discharge capacity volumes in permit documents

(9.2.4) Please explain

We regularly measure, monitor and report water discharges by total volumes. In plants physical and biological wastewater treatment units that are discharging to receiving environment are all permitted. The discharge volumes are accepted as defined in the permits (capacity). Total volumes are calculated by adding up all discharges. Since the ports' & aggregates plants' domestic usages are negligible; water withdrawals are accepted as domestic discharge. These volumes are accepted as fully consumed. Additionally, according to the Turkish regulation, discharges from domestic usage is not required to be treated and monitored when the line is discharging to public infrastructure. According to Cement Sustainability Initiative water reporting guideline, domestic wastewater discharges are not considered to be able to make an industrial benchmark.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Discharge capacity volumes in permit documents

(9.2.4) Please explain

We regularly measure, monitor and report water discharges by total volumes. At our plants, physical and biological wastewater treatment units that are discharging to receiving environment are all permitted. The discharge volumes are accepted as defined in the permits. Total volumes are calculated by adding up all discharges. Since the ports' and aggregates plants' domestic usages are negligible; water withdrawals are accepted as domestic discharge. These volumes are accepted as fully consumed. Additionally, according to the Turkish regulation, discharges from domestic usage is not required to be treated and monitored when the line is discharging to public infrastructure. According to Cement Sustainability Initiative (CSI) water reporting guideline, domestic wastewater discharges are not considered to be able to make an industrial benchmark

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Discharge capacity volumes in permit documents

(9.2.4) Please explain

We regularly measure, monitor, and report water discharges by treatment method at all three of our plants. In our cement plants and ports, the discharge volumes from industrial and domestic wastewater treatment units are managed as defined in the permits. Domestic wastewater is treated through biological treatment systems, while industrial wastewater, mainly originating from washing activities, is processed through physical treatment systems. Our Ready-mix plants have wastewater re-use systems, where industrial wastewater is reintroduced into the production process. Domestic water withdrawals at our Ready-mix and Aggregates plants are significant, accounting for over 20% of our total water consumption. While drinking water is sourced from packaged supplies, process water is withdrawn from wells. In line with Turkish regulations, discharges from domestic usage do not require treatment or monitoring if a municipal infrastructure is in place.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Quarterly

(9.2.3) Method of measurement

Laboratory analyses

(9.2.4) Please explain

Quality by standard effluent parameters is measured regularly according to regulation. This is also mandatory according to Turkish regulations. At all wastewater discharge locations measurements are conducted periodically every 2-4 months regarding the capacity by accredited laboratories. Chemical Oxygen Demand (COD), pH, Biological Oxygen Demand (BOD), Suspended Solids (SS) are the main parameters shall be measured.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☑ Not relevant

(9.2.4) Please explain

It is not relevant and required for small-scale wastewater plants.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☑ 51-75

(9.2.2) Frequency of measurement

Select from:

☑ Quarterly

(9.2.3) Method of measurement

On-site analytical measurements by third party laboratories accredited by the Ministry of Environment, Urbanization and Climate Change

(9.2.4) Please explain

Temperature is one of the parameters in Water Pollution Control regulation under frame for industrial discharge for the plants that has coal usage and cooling systems. Quality by standard effluent parameters is measured regularly according to regulation. In Çanakkale plant physical wastewater systems discharge locations measurements are conducted periodically according to regulation every 2- 4 months regarding the capacity by accredited laboratories.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Flowmeters, counters, invoices and capacity volumes defined in permit documents for withdrawals and discharges. Consumption is calculated according to measurements.

(9.2.4) Please explain

According to Cement Sustainability Initiative (CSI) Water protocol and guideline, the water consumption is the difference between withdrawal and discharge. Buyukcekmece, Canakkale, Ladik plants which are the main consumers of the withdrawn water and re-use the water for cooling purposes. There is no discharge except domestic wastewater. Thus, consumption for the cement plants come from the evaporation. For Ready-Mix consumption of water defined by the water used in the product and dedusting activities

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Monthly

(9.2.3) Method of measurement

Calculation, flowmeters

(9.2.4) Please explain

The water harvested and collected in the collection pools is used partly for cooling and for dedusting and is fully monitored.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Monthly

(9.2.3) Method of measurement

WBCSD WASH Self-Assessment tool.

(9.2.4) Please explain

In all facilities we maintain the provision of fully functioning, safely managed (complying with all regulatory parameters) WASH services to all our employees for sanitation and hygiene purposes. We monitor the water use & continuous access to WASH services covering all our operations (100%).

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

2467

(9.2.2.2) Comparison with previous reporting year

Select from:
☑ About the same

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in efficiency

(9.2.2.6) Please explain

Using the World Resource Institute's (WRI) WRI Aqueduct tool, we assessed the potential water scarcity risks of our three cement plants. In 2023, we also assessed potential water and flood risks across all our businesses. We developed water management master plans that address issues such as improving our operations to ensure effective water management, recycling wastewater as a resource, and harvesting rainwater and surface water. During the year, we recovered 292 thousand tonnes of water through recycling units in our ready-mixed concrete plants and reused it in production. We consider changes between 5% and 40% as higher/lower. In 2022, total water withdrawal was 2544 megaliters. Thus, the total water withdrawal decreased by 3%, which is considered an insignificant change according to our evaluations. We anticipate a reduction in total discharge in the coming years, driven by the water management plans we have implemented at our facilities, the new initiatives we plan to develop in this area, and potential investments in water monitoring technologies.

Total discharges

(9.2.2.1) Volume (megaliters/year)

189.4

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in efficiency

(9.2.2.6) Please explain

We consider changes between 5% and 40% as higher/lower. In 2022, the total discharge was 214.4 megaliters. Total water withdrawal showed a decrease of 11.7%. We anticipate a reduction in total discharge in the coming years, driven by the water management plans we have implemented at our facilities, the new initiatives we plan to develop in this area, and potential investments in water monitoring technologies.

Total consumption

(9.2.2.1) Volume (megaliters/year)

2277

(9.2.2.2) Comparison with previous reporting year

Select from:
☑ Lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:
☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:
☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:
☑ Increase/decrease in efficiency

(9.2.2.6) Please explain

We consider changes between 5% and 40% as higher/lower. In 2022, total water consumption was 2329.7 megaliters. Total water withdrawal shows a decrease of 2.2%. We anticipate a reduction in total discharge in the coming years, driven by the water management plans we have implemented at our facilities, the new initiatives we plan to develop in this area, and potential investments in water monitoring technologies.

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

☑ Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

2386

(9.2.4.3) Comparison with previous reporting year

Select from:
☑ About the same

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:
☑ Increase/decrease in business activity

(9.2.4.5) Five-year forecast

Select from:
☑ Lower

(9.2.4.6) Primary reason for forecast

Select from:
☑ Increase/decrease in business activity

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

96.72

(9.2.4.8) Identification tool

Select all that apply
☑ WRI Aqueduct
☑ WWF Water Risk Filter

(9.2.4.9) Please explain

All our facilities are located in the water stress zone according to the WRI Aqueduct assessment and WWF Water Risk Filter on a 10 and 20 year time horizon. Approximately 81% of our total water withdrawal comes from water-stressed areas. The remaining amount is sourced from municipal water and rainwater.

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:
☑ Relevant

(9.2.7.2) Volume (megaliters/year)

81

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.7.5) Please explain

In 2023, no water was drawn from surface waters (wetlands, rivers, lakes, seas, etc.). The entire 81 megaliters of water withdrawn was sourced from rainwater. Harvested rainwater in Büyükçekmece plant is approximately 81 megaliters per year. This harvested rainwater is used. for ground dedusting. The amount of Surface waters (Wetlands, rivers, lakes, sea, etc.) withdrawn in 2022 was 2.4 megaliters, while no surface waters were withdrawn in 2023. Thus, total freshwater withdrawal decreased by 3% which deemed as a nonsignificant change according to our considerations.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

No brackish surface water or seawater was used in reporting period.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

2009.8

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.7.5) Please explain

In 2022, the amount of groundwater (well water) withdrawn was approximately 2021 megaliters. This withdrawal decreased to 2009.8 megaliters in 2023. Thus, the total groundwater withdrawal decreased by 0.56%, which is considered an insignificant change according to our evaluations.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

No water withdrawal from non-renewable groundwater.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

No produced/entrained water withdrawal.

Third party sources

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

376.5

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.7.5) Please explain

We evaluate changes between 5% to 40% as higher/lower. In 2022, the water withdrawal from third-party sources was 439.7 megaliters. The total groundwater withdrawal has shown a decrease of 16.8%. One of the main source of this decrease is municipal water, which was 75.5 megaliters in 2022, decreased to 44.1 megaliters in 2023.

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

☑ Not relevant

(9.2.8.5) Please explain

There is no discharge to fresh surface water.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

148.1

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ Lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.8.5) Please explain

We consider changes between 5% and 40% as higher/lower. Annual discharge from brackish surface water/seawater was 136.9 megaliters in 2022. This represents an increase of 6.6% in 2023 compared to last year.

Groundwater

(9.2.8.1) Relevance

Select from:

☑ Not relevant

(9.2.8.5) Please explain

We don't discharge to any natural environment without treatment.

Third-party destinations

(9.2.8.1) Relevance

Select from:
☑ Relevant

(9.2.8.2) Volume (megaliters/year)

41.2

(9.2.8.3) Comparison with previous reporting year

Select from:
☑ Much lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:
☑ Increase/decrease in business activity

(9.2.8.5) Please explain

We consider changes above 40% as much higher/lower. Annual discharge outside third-party destinations was 75.7 megaliters in 2022. This represents a 45.4% decrease for 2023 compared to last year.

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Not relevant

(9.2.9.6) Please explain

We do not have tertiary treatment. It is not necessary to implement tertiary treatment in our plants since the water used in our operations are not in direct contact with production processes and used water is in closed loop for cooling purposes. Thus, there is no industrial wastewater discharge that requires tertiary treatment. We are in compliance with Water Pollution Control Regulation in force. In the future there will be no need to apply tertiary treatment since our operations are not expected to be changed in long term.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

55.4

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ About the same

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 1-10

(9.2.9.6) Please explain

Çanakkale (CNK) Seaside plant, Ladik (LDK) plant and Ambarlı Port plant has secondary treatments (biological wastewater treatment). The rationale behind the use of biological treatment in these facilities is the treatment of water used for domestic purposes. We are in compliance with Water Pollution Control Regulation in force. In 2022, the total volume discharged with secondary treatment was 55.6 megaliters. This represents a decrease of 0.36% in 2023 compared to last year. In the future we expect lower consumption levels according to our plans related with water reuse, thus, this amount may be lower.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

92.7

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ About the same

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify :There is no change for primary treatments maximum capacity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 41-50

(9.2.9.6) Please explain

The primary treatment systems at the Çanakkale (CNK) main plant are used for treating runoff water, and they are operating at full capacity. Our operations comply with the current Water Pollution Control Regulation. The methodology used to calculate discharge capacity is based on the output of these primary treatment systems. Since the systems are functioning at maximum capacity, the total treated volume remains consistent with last year's figures. Future projections suggest that these trends will remain stable.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

We don't discharge to any natural environment without treatment.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

41.25

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Much lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 31-40

(9.2.9.6) Please explain

Büyükçekmece Cement Plant Domestic wastewater is connected to Local Wastewater Authority infrastructure (İSKİ). (City collectors). Other locations also included for this figure are Ports (Aliağa, Yalova) and Aggregate (Saray) Plant. Domestic wastewater is discharged to Local Wastewater Authorities (Municipality Wastewater Treatment) infrastructure or carried. We consider changes between 5 to 40% as higher/lower. Annual discharge other than third-party destinations for 2022 was 75.51 megaliters. There is an 45% decreasewhen compared with last year. The future trends are expected to be about the same.

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

Not relevant.

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

3

(9.3.3) % of facilities in direct operations that this represents

Select from:

☑ 76-99

(9.3.4) Please explain

The Büyükçekmece Cement Factory (BÇM) production site is located approximately 500 meters east of Lake Büyükçekmece in Istanbul. Water is not directly extracted from the lake, but rather from 8 wells located within the factory site. According to the WRI Aqueduct and Falkenmark Water Scarcity Index, the Marmara Basin is under water stress and is classified as a potential water scarcity region. The Çanakkale Cement Factory (ÇNK) has two different facilities in the Aegean Region: the main and coastal facilities. The coastal cement factory is located less than 100 meters from the shoreline. The main facility used for clinker production is situated inland, near a village. The region is classified as a medium-high water stress area. Water withdrawals are not currently billed by the government. However, there are plans for future billing of consumption by the government, which will have a

financial impact on the facility. The Ladik Cement Factory (LDK) is located in the Black Sea region. The area is classified as a water stress zone. Currently, water withdrawals are not billed by the government. However, there are plans to bill all water consumption in the future, which will have a financial impact on the facility. The total water withdrawn by these three cement factories represents approximately 85% of the total water withdrawal.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ No, we have assessed this value chain stage but did not identify any facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.4) Please explain

As Akçansa, we have assessed this value chain stage but did not identify any facilities with water-related dependencies, impacts, risks, and opportunities.

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:

☑ Facility 1

(9.3.1.2) Facility name (optional)

Büyükçekmece Cement Plant

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Turkey

☑ Other, please specify :Marmara Basin

(9.3.1.8) Latitude

41.0118

(9.3.1.9) Longitude

28.3327

(9.3.1.10) Located in area with water stress

Select from:

☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

451.51

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ About the same

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

81

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

370.51

(9.3.1.21) Total water discharges at this facility (megaliters)

24.16

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Lower

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

24.16

(9.3.1.27) Total water consumption at this facility (megaliters)

427.36

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Lower

(9.3.1.29) Please explain

For withdrawal, with rainwater collectors we capture 81 megaliters/year. This collected water is used for dedusting purposes. This amount is calculated by counting runs of sprinkler vehicles considering the vehicle capacity. Total wastewater discharge is in Büyükçekmece plant is by usage of water for domestic purposes. In 2023 it's recorded as 24.16 megaliters while 2022 value was 50.53 megaliters. Total water consumption for Büyükçekmece plant is 427.36 megaliters in 2023 while 2022 figure was 383.57 megaliters.

Row 3

(9.3.1.1) Facility reference number

Select from:

☑ Facility 2

(9.3.1.2) Facility name (optional)

Çanakkale Cement Plant

(9.3.1.3) Value chain stage

Select from:
☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply
☑ Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:
☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Afghanistan
☑ Other, please specify **:**North Aegean - Marmara Basin

(9.3.1.8) Latitude

39.5156

(9.3.1.9) Longitude

26.1439

(9.3.1.10) Located in area with water stress

Select from:
☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

1572.01

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:
☑ About the same

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

1572.01

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

121.91

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:
☑ About the same

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

121.91

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

1450.18

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:
☑ Lower

(9.3.1.29) Please explain

For withdrawal, in 2023 total withdrawal was 1,572.01 megaliters while in 2022 it was 1,653.89 megaliters. There is approximately 4.95% decrease in total withdrawals. In Çanakkale plant, we use maximum discharge capacities defined in the wastewater ID documents. Thus, total wastewater discharge figures for Canakkale Plant in 2023 is

about the same with 2022 discharges. Total water consumption for Çanakkale plant is 1,450.18 megaliters for 2023 while 2022 figure was 1,531.9 megaliters. Total consumption is lower by 5.33% compared with previous year.

Row 4

(9.3.1.1) Facility reference number

Select from:

☑ Facility 3

(9.3.1.2) Facility name (optional)

Ladik Cement Plant

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Afghanistan

☑ Other, please specify **:**Yesilirmak Basin

(9.3.1.8) Latitude

40.5607

(9.3.1.9) Longitude

35.5306

(9.3.1.10) Located in area with water stress

Select from:

☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

91.4

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:
☑ Lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

91.4

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

21.6

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:
☑ Higher

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

21.6

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

69.8

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:
☑ Higher

(9.3.1.29) Please explain

Withdrawal in 2023 is 91.4 megaliters while total withdrawal was 67.2 megaliters in 2022. There is approximately 36% decrease. This reduction is related with activity of the plant. Total discharge in 2023 was 21.6 megaliters, while in 2022 it was 17 megaliters. There is approximately 27% increase. Total consumption in 2023 was 69.8 megaliters, while in 2022 it was 50.18 megaliters. There is approximately 39% increase.
[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

Verification was done in accordance with ISAE 3000. PwC, has verified total Water withdrawals – total volumes by 100%. For further reference, please see the 2023 Integrated Annual Report, where the assurance letter is included as an appendix.

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

Verification was conducted in accordance with ISAE 3000 standards. PwC has independently verified 100% of the total water withdrawals by volume and source. For further reference, please see the 2023 Integrated Annual Report, where the assurance letter is included as an appendix.

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☑ Not relevant

(9.3.2.3) Please explain

We are conducting periodical quality measurements within our own laboratories, or these tests are done by accredited third party laboratories when deemed necessary.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

Verification was done in accordance with ISAE 3000. PwC, has verified total Water discharges – total volumes by 100%. For further reference, please see the 2023 Integrated Annual Report, where the assurance letter is included as an appendix.

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

Verification was done in accordance with ISAE 3000. PwC, has verified Water discharges – volume by destination by 100%. For further reference, please see the 2023 Integrated Annual Report, where the assurance letter is included as an appendix.

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

☑ Not relevant

(9.3.2.3) Please explain

Only total wastewater volume was verified.

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

Canakkale (every 2 months) / Ladik (every 4 months) / Ambarlı Port Plants (the locations that has Wastewater Treatment Plants/Units) wastewaters are measured by accredited third party laboratories. SM2540D, TS5676, EPA200.7, SM5220B, TS4164, SM3500-Cr B, SM4500, SM2120C, SM2550B, SM4500, SM5520B standards were used.

Water consumption – total volume

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

Verification was done in accordance with ISAE 3000. PwC, has verified Water discharges – volume by destination by 100%. For further reference, please see the 2023 Integrated Annual Report, where the assurance letter is included as an appendix.

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

(9.5.1) Revenue (currency)

18724427906

(9.5.2) Total water withdrawal efficiency

7589958.62

(9.5.3) Anticipated forward trend

Our goal is to reduce our water consumption to 0.2 m³/ton of cementitious material by 2030. This represents a 13% reduction from our baseline, which is the 2017-2020 average of 0.231 m³/ton. In 2023, we achieved a 2.2% reduction, moving steadily towards our target.

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

(9.13.1) Products contain hazardous substances

Select from:

☑ No

(9.13.2) Comment

Our cement and concrete products do not contain compounds that exhibit inherently negative properties such as persistent, bioaccumulative and toxic (PBT), very persistent and very bioaccumulative (vPvB), carcinogenic, mutagenic and toxic to reproduction (CMR) or endocrine disruptors (ED).

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

☑ Yes

(9.14.2) Definition used to classify low water impact

Products with low water impact can be classified in two ways: products with low water consumption and products that serve to save water. Water consumption: By the very nature of our business, we use water in the production of concrete. We develop concrete products with lower water consumption by using methods to use less water during the production phase. Such products, which cause less water consumption during production, can be classified as low water impact products. Water conservation: On the other hand, we also have special products that allow our customers to minimize their impact on the environment. Especially for projects located in water environments (bridges, underwater tunnels, infrastructure projects, etc.), impermeability to water is an important feature.

(9.14.4) Please explain

Water consumption: High performance concrete products that reduce the amount of water consumed per unit concrete in concrete production by 40- 50 liters. This corresponds to a low water use of around 15%. Water conservation: Our special products that minimize the water penetration depth in the concrete, with the use of special waterproofing technologies to provide structural insulation, especially in construction projects where waterproofing is required, and with a concrete design specially prepared for the needs. In addition, these products repair cracks that may occur for various reasons, thanks to crystallization feature, and prevent water and harmful chemicals from entering the concrete. Thus, by maintaining impermeability for a long time, they act as a barrier in terms of possible leaks to the external environment and help to protect resources such as seas and underground waters.

(9.15) Do you have any water-related targets?

Select from:

☑ Yes

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

Water pollution

(9.15.1.1) Target set in this category

Select from:

☑ No, and we do not plan to within the next two years

(9.15.1.2) Please explain

There is no industrial wastewater discharge in our operations. There are also regulations in place in Türkiye to prevent water pollution and our plants are strictly regulated. Periodical controls are run by government authorities as well as our own control mechanisms. Operational permits are also linked with wastewater permits. Thus, we do not consider a water pollution risk at our facilities. Therefore, wo do not have any target with water pollution.

Water withdrawals

(9.15.1.1) Target set in this category

Select from:

☑ Yes

Water, Sanitation, and Hygiene (WASH) services

(9.15.1.1) Target set in this category

Select from:

☑ No, and we do not plan to within the next two years

(9.15.1.2) Please explain

We are currently operating in developed provinces. Thus, we are not planning to set further targets for WASH services outside of our operational boundaries.

Other

(9.15.1.1) Target set in this category

Select from:

☑ Yes

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

☑ Target 1

(9.15.2.2) Target coverage

Select from:

☑ Business activity

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☑ Reduction in withdrawals per unit of production

(9.15.2.4) Date target was set

12/30/2020

(9.15.2.5) End date of base year

12/30/2020

(9.15.2.6) Base year figure

0.23

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

0.2

(9.15.2.9) Reporting year figure

0.23

(9.15.2.10) Target status in reporting year

Select from:

☑ Underway

(9.15.2.11) % of target achieved relative to base year

0

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

Our goal is to reduce our water consumption per ton produced to 0.2 m3/ton of cementitious material by 2030. We have set 2020 as the base year, based on the 2017-2020 average of 0.231 m3/ton of cementitious material.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

As part of our Water Management Plan, we are closer to achieving our 2030 target as of 2023. We have reduced our water consumption per ton produced by approximately 2.21% in 2023, compared to the baseline year of 2020. Moving forward, our scenario analyses, along with current and planned initiatives, suggest that we aim to achieve water consumption levels even lower than our 2030 target. These initiatives include digital monitoring, limiting leaks, utilizing rainwater and stormwater, process improvements, and portfolio changes.

(9.15.2.16) Further details of target

Our goal is to reduce our water consumption per ton produced to 0.2 m3/ton of cementitious material by 2030. We have set 2020 as the base year, based on the 2017-2020 average of 0.231 m3/ton of cementitious material.

Row 2

(9.15.2.1) Target reference number

Select from:

☑ Target 2

(9.15.2.2) Target coverage

Select from:

☑ Business division

(9.15.2.3) Category of target & Quantitative metric

Other

☑ Other, please specify: Amount of Water Management Plans

(9.15.2.4) Date target was set

12/30/2022

(9.15.2.5) End date of base year

12/30/2022

(9.15.2.6) Base year figure

0

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

3

(9.15.2.9) Reporting year figure

3

(9.15.2.10) Target status in reporting year

Select from:

☑ Achieved

(9.15.2.11) % of target achieved relative to base year

100

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ None, alignment not assessed

(9.15.2.13) Explain target coverage and identify any exclusions

As Akçansa, we had a goal to develop Water Management Plans for our three cement plants by 2030 to better manage our water consumption, withdrawal, and discharge. In 2023, we completed this goal by preparing 3 Water Management Plans. Our Water Management Plans include our water-related targets, scenario analyses to achieve these targets, risk assessments, and plant-specific SWOT analyses.

(9.15.2.15) Actions which contributed most to achieving or maintaining this target

As Akçansa, we had a goal to develop Water Management Plans for our three cement plants by 2030 to better manage our water consumption, withdrawal, and discharge. In 2023, we completed this goal by preparing 3 Water Management Plans. Our Water Management Plans include our water-related targets, scenario analyses to achieve these targets, risk assessments, and plant-specific SWOT analyses.

(9.15.2.16) Further details of target

As Akçansa, we had a goal to develop Water Management Plans for our three cement plants by 2030 to better manage our water consumption, withdrawal, and discharge. In 2023, we completed this goal by preparing 3 Water Management Plans. Our Water Management Plans include our water-related targets, scenario analyses to achieve these targets, risk assessments, and plant-specific SWOT analyses.
[Add row]

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

(10.1.1) Targets in place

Select from:

☑ Yes

(10.1.2) Target type and metric

Plastic packaging

☑ Reduce the total weight of plastic packaging used and/or produced

(10.1.3) Please explain

As Sabancı Holding, We are part of the "Business Plastics Initiative," and with this initiative, we set a target in 2019 to reduce plastic packaging usage in our offices. Currently, plastic waste constitutes only 0.3% of our total waste, and all of it is fully recycled. Our overall waste recycling rate is 96%. Some of the actions we have taken include eliminating plastic packaging usage in our offices. We use water demijohns, glass plates, and dishes for breakfast, lunch, and coffee breaks in our offices. Meals are delivered to our kitchens without plastic packaging, and we achieved our goal in 2021 by reaching zero plastic packaging usage in our offices.

(10.2) Indicate whether your organization engages in the following activities.

Production/commercialization of plastic polymers (including plastic converters)

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Our organization does not engage in the production or commercialization of plastic polymers or converters.

Production/commercialization of durable plastic goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Our organization does not produce or commercialize durable plastic goods or components, including those made of mixed materials.

Usage of durable plastics goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:
☑ No

(10.2.2) Comment

Our organization does not use durable plastic goods or components in our operations.

Production/commercialization of plastic packaging

(10.2.1) Activity applies

Select from:
☑ No

(10.2.2) Comment

Our organization does not produce or commercialize plastic packaging.

Production/commercialization of goods/products packaged in plastics

(10.2.1) Activity applies

Select from:
☑ No

(10.2.2) Comment

Our organization does not produce or commercialize goods or products that are packaged in plastics.

Provision/commercialization of services that use plastic packaging (e.g., food services)

(10.2.1) Activity applies

Select from:
☑ No

(10.2.2) Comment

Our organization does not provide or commercialize services that involve the use of plastic packaging.

Provision of waste management and/or water management services

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Our organization does not provide waste management or water management services.

Provision of financial products and/or services for plastics-related activities

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Our organization does not offer financial products or services related to plastics-related activities.

Other activities not specified

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Our organization does not engage in other activities related to the plastics industry that are not specified above.

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☑ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☑ Law & policy incentives

☑ Livelihood, economic & other

☑ Species management

☑ Education & awareness

☑ Land/water protection

☑ Land/water management

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	Select from: ☑ Yes, we use indicators	*Select all that apply* ☑ State and benefit indicators ☑ Other, please specify: Rehabilitated areas

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

	Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity	Comment
Legally protected areas	*Select from:* ☑ No	*Our organization's activities are not located in or near legally protected areas.*
UNESCO World Heritage sites	*Select from:* ☑ No	*There are no activities conducted by our organization in or near UNESCO World Heritage sites.*
UNESCO Man and the Biosphere Reserves	*Select from:* ☑ No	*We do not operate in or near UNESCO Man and the Biosphere Reserves.*
Ramsar sites	*Select from:* ☑ No	*Our organization has no activities in or near Ramsar sites.*
Key Biodiversity Areas	*Select from:* ☑ No	*Our operations are not located in or near Key Biodiversity Areas.*
Other areas important for biodiversity	*Select from:* ☑ No	*We do not have any activities in or near other areas important for biodiversity*

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Waste data

☑ Renewable

Electricity/Steam/Heat/Cooling generation

☑ Emissions breakdown by country/area

☑ Renewable

Electricity/Steam/Heat/Cooling consumption

☑ Emissions breakdown by business division

☑ Electricity/Steam/Heat/Cooling generation

☑ Electricity/Steam/Heat/Cooling consumption

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

☑ ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

(13.1.1.4) Further details of the third-party verification/assurance process

You can find the relevant data assured by PWC in the "Statement of Assurance" section on the appendices page of the report. https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf pg. 178

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Akçans_ E.F.R._2023_ENG-09-05.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

☑ Water consumption– total volume

☑ Water discharges– total volumes

☑ Water discharges – volumes by destination

☑ Water withdrawals– total volumes

☑ Water withdrawals – volumes by source

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

☑ ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

(13.1.1.4) Further details of the third-party verification/assurance process

You can find the relevant data assured by PWC in the "Statement of Assurance" section on the appendices page of the report. https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf pg. 178

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Akçans_ E.F.R._2023_ENG-09-05.pdf
[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

(13.2.1) Additional information

Climate change mitigation and adaptation is one of the most material topics of Akçansa and also included in the main strategy. Akçansa established its 2030 sustainability roadmap contains several KPIs to follow up the performance on climate, nature, environment, value chain engagement and social development. Two main pillars

of this roadmap are climate and environmental protection. For the climate, main focus is reducing CO2 emissions in line with the most recent science. With this perspective, Akçansa committed to SBTi and plans to submit the developed reduction targets for validation in 2023. In order to achieve these targets, the process is monitored and approved by our Sustainability Steering Committee and Board of Directors and associated/necessary direct and indirect engagement actions are planned accordingly. Sustainability Steering Committee and the Sustainability Committee periodically review the progress as well as the Board level committees. The results are shared with the stakeholders through annual report both including financial and non-financial disclosures and publicly available on Akçansa web site. Climate and nature related risks, opportunities and engagements are also monitored and maintained as consistent with our overall corporate sustainability strategy as well as climate change strategy. Our climate efforts are also disclosed in our 2023 Integrated Annual Report that can also be accessed by the following link: https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf

(13.2.2) Attachment (optional)

Akçans_ E.F.R._2023_ENG-09-05.pdf

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Head of Sustainability

(13.3.2) Corresponding job category

Select from:

☑ Other, please specify

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:

☑ Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute