

AKÇANSA ÇİMENTO SANAYİ A.Ş. SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

#	Category	Principle and Code	Code Explanation	Compliance Status	Explanation	Link (if existing)
1	General	A1. Strategy, Politics and Targets	The Board of Directors determines ESG material issues, risks and opportunities and creates ESG policies accordingly. In terms of the effective implementation of these policies; In-partnership directives, business procedures etc. Can be prepared. The Board of Directors takes decisions for these policies and makes them public.	Partial Compliance	The BoD, which is at the top of the Sustainability Organization, provides information on ESG issues at certain intervals per year. The BoD determines its sustainability vision and regularly monitors the developments on ESG agenda issues.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf
2			Company determines the Partnership Strategy appropriate to the ESG policies, risks and opportunities. It determines the short and long term goals in line with the partnership strategy and ESG policies and makes them public.	Full Compliance	2020 Sustainability Goals are available.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf
3		A2. Application/Follow Up	Company determines the committees / units responsible for the implementation of ESG policies and makes them public. The responsible committee / unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year and in any case within the maximum periods determined for the public disclosure of the annual activity reports in the relevant regulations of the Board.	Full Compliance	The BoD, which is at the top of the Sustainability Organization, provides information on ESG issues at certain intervals per year.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf
4			Company creates and publicly discloses implementation and action plans in line with the short and long term goals determined.	Partial Compliance	The 2020 Sustainability Goals and the improvement over the years are given, but there is no action plan description.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf
5			Company determines ESG Key Performance Indicators (KPI) and explains them on a yearly basis. In the presence of verifiable data, it presents KPIs with local and international sector comparisons.	Partial Compliance	The 2020 Sustainability Goals and the development status by years are given, but there is no local and international sector comparison.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf
6			Explain the innovation activities that improve the sustainability performance for business processes or products and services.	Full Compliance	It is explained in the Sustainability Report.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf
7		A3. Reporting	Company reports its sustainability performance, goals and actions at least once a year and makes it public. Explains the information on sustainability activities within the scope of the annual report.	Partial Compliance	Sustainability Report is published every 2 years. Every year, voluntary participation is provided to CDP climate change and water management programs.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf http://www.akcansa.com.tr/docs/2019waterdata.pdf
8			It is essential to share information, which is important for stakeholders in understanding the position, performance and development of the partnership, in a direct and concise manner. It can also explain detailed information and data on the corporate website, and prepare separate reports that directly meet the needs of different stakeholders.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2020-Q3.pdf
9			Company takes maximum care in terms of transparency and reliability. It objectively explains all kinds of developments about material issues in disclosures and reporting within the scope of the balanced approach.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
10			Company gives information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
11			Company makes an explanation regarding the lawsuits filed and / or concluded against environmental, social and corporate governance issues.	Partial Compliance	In the event of lawsuits that may seriously affect the operations of the company, the details of the cases can be included in the annual report within the framework of public disclosure principles.	
12		A4. Validation	If verified by independent third parties (independent sustainability assurance providers), company discloses its sustainability performance measurements to the public and endeavors to increase such verification processes.	Partial Compliance	Sustainability performance measurements are not verified.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf
13			Company explains policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf http://www.akcansa.com.tr/docs/2019waterdata.pdf
14			Company complies with environmental laws and other relevant regulations and explains them.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
15			Company explains the limitations of the environmental report to be included in the report to be prepared within the scope of the Sustainability Principles, reporting period, reporting date, data collection process and reporting conditions.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
16			Company describes the highest level responsible, relevant committees and tasks in the partnership on the issue of environment and climate change.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf http://www.akcansa.com.tr/docs/2019waterdata.pdf
17			Company describes the incentives it offers for the management of environmental issues, including the achievement of objectives.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
18			Company explains how environmental problems are integrated into business goals and strategies.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf http://www.akcansa.com.tr/docs/2019waterdata.pdf
19			Company explains the sustainability performance of business processes or products and services and the activities to improve this performance.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
20			Company explains how it manages environmental issues along the partnership value chain and integrates suppliers and customers into its strategies, not just in terms of direct operations	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf

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21	Environment	B. Environmental Principles	Whether company is involved in policy-making processes on environmental issues (sectoral, regional, national and international); It explains the cooperation it has made with the associations, related organizations and non-governmental organizations it is a member of on the subject of environment, and the duties it has taken, if any, and the activities it supports.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf		
22			Environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) reports information on its effects in a periodically comparable manner.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf http://www.akcansa.com.tr/docs/2019waterdata.pdf		
23			Company describes the standard, protocol, methodology and base year details used to collect and calculate its data.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf		
24			Company describes the status of environmental indicators for the reporting year (increase or decrease) in comparison with previous years.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf		
25			Company sets short and long-term goals to reduce their environmental impact and explains these goals. It is recommended that these goals be determined based on Science as suggested by the United Nations Conference of the Parties on Climate Change. If there is progress in the reporting year according to the targets set before, it provides information on the subject.	Partial Compliance	Our goals have not yet been set Based on Science.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf		
26			Company explains the strategy and actions to combat the climate crisis.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf http://www.akcansa.com.tr/docs/2019waterdata.pdf		
27			Company describes the program or procedures to prevent or minimize the potential negative impact of the products and / or services it offers; explains the actions of third parties to reduce greenhouse gas emissions.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf		
28			Company explains the actions taken to reduce its environmental impacts, the total number of projects and initiatives carried out, and the environmental benefits / benefits and cost savings they provide.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf		
29			Company reports the total energy consumption data (excluding raw materials) and explains the energy consumption as Scope-1 and Scope-2.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf		
30			Company provides information on electricity, heat, steam and cooling generated and consumed in the reporting year.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf		
31			Company conducts studies on increasing the use of renewable energy, transition to zero or low carbon electricity and explains these studies.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf		
32			Explain the renewable energy production and usage data.	Full Compliance	In our Çanakkale Factory, we generate some of our own electricity with the Waste Heat Power Generation Facility and Wind Turbine.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf		
33			Company makes energy efficiency projects and explains the amount of energy consumption and emission reduction thanks to these studies.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf		
34			Company reports the amount of water withdrawn, used, recycled and discharged from underground or above ground, its sources and procedures (Total water withdrawal by source, water resources affected by water withdrawal; percentage and total volume of recycled and reused water, etc.).	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf		
35			Company explains whether operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).	Irrelevant	We operate in Turkey does not yet have carbon pricing practices.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf		
36			Company describes the carbon credit information accumulated or purchased during the reporting period.	Irrelevant	No accumulated or purchased carbon credits	http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf		
37			Company explains the details if carbon pricing is applied within the partnership.	Full Compliance	We publish a Sustainability Report and regularly participate in CDP climate change and water management programs.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf		
38			Company explains all mandatory and voluntary platforms where it discloses environmental information.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf		
39					The Universal Declaration of Human Rights, which Turkey has confirmed that the ILO Conventions and human rights in Turkey and company is committed to full compliance with the legal framework and regulations governing the operation of corporate life forms on Human Rights and Employee Rights Policy. Company discloses the policy in question and the roles and responsibilities associated with its implementation.	Non Compliance	There are studies and actions in line with our obligations under the laws and are not reported.	
40					Company provides equal opportunity in recruitment processes. Considering the supply and value chain effects, it includes fair workforce, improvement of labor standards, women's employment and inclusion issues (such as women, men, religious belief, language, race, ethnic origin, age, disability, refugee, etc.) in its policies.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/yatirimci-merkezi/faaliyet-raporlari/
41	Company describes the measures taken along the value chain for the protection of groups sensitive to certain economic, environmental, social factors (low income groups, women etc.) or minority rights / equality of opportunity.	Partial Compliance			These studies are carried out for a specific group within the scope and actions are reported.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/yatirimci-merkezi/faaliyet-raporlari/		

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42	Social	C1. Human and Employee Rights	Company reports developments regarding discrimination, inequality, human rights violations, forced labor, and corrective practices. Explain the regulations for not employing child labor.	Non Compliance	There are studies and actions in line with our obligations under the laws but are not reported.	
43			Company explains policies regarding investment in employees (training, development policies), compensation, vested benefits, right to unionize, work / life balance solutions and talent management. Determines dispute resolution processes by creating mechanisms for employee complaints and dispute resolution. It regularly explains the activities carried out to ensure employee satisfaction.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/yatirimci-merkezi/faaliyet-raporlari/
44			Company creates occupational health and safety policies and makes them public. Company explains the precautions and accident statistics taken to prevent work accidents and health.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
45			Company creates and publicly discloses personal data protection and data security policies.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
46			Company creates an ethical policy (including work, work ethics, compliance processes, advertising and marketing ethics, open information, etc.) and discloses it to the public.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/yatirimci-merkezi/faaliyet-raporlari/
47			Company explains the work within the scope of social investment, social responsibility, financial inclusion and access to finance.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
48			Company organizes information meetings and training programs for employees on ESG policies and practices.	Full Compliance	Training and meetings are held regularly in accordance with the 14001 ESG and legislation.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf
49			Company carries out its activities in the field of sustainability by taking into account the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations, etc.).	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
50			Company regulates and publicly discloses a customer satisfaction policy regarding the management and resolution of customer complaints.	Full Compliance	Customer complaint and satisfaction policy is shared on the company's website within the scope of the integrated management system. There is also a dealer customer support line application.	http://www.akcansa.com.tr/wp-content/uploads/2015/05/politika-2019.pdf
51			Company conducts stakeholder communication continuously and transparently; It explains which stakeholders, for what purpose, on what issue and how often it communicated, and the developments in sustainability activities.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf http://www.akcansa.com.tr/docs/2019climatedata.pdf
52	C2. Stakeholders, International Standards, and Initiatives	Company publicly discloses the international reporting standards it has adopted (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Climate-Related Financial Disclosures Task Force (TCFD), etc.)	Full Compliance	We prepare our sustainability reports in accordance with the GRI basic format, and voluntarily participate in CDP climate change and water management programs.	http://www.akcansa.com.tr/docs/SR2018-2019.pdf	
53		Company declares public signatory or memberships of international organizations or principles (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Principles (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.), international principles adopted (International Capital Market Association (ICMA) Green / Sustainable Bond Principles).	Full Compliance	UNGC participation is existing	http://www.akcansa.com.tr/docs/SR2018-2019.pdf	
54		Company makes concrete efforts to be included in Borsa Istanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG indices, etc.).	Full Compliance	Akcansa Cement is expected to be included in the list of companies subject to valuation for the 2021 BIST Sustainability Index.		
55		Company makes maximum effort to comply with all Corporate Governance principles as well as the mandatory Corporate Governance principles within the scope of the Capital Markets Board Corporate Governance Communiqué numbered II-17.1.	Full Compliance		https://www.kap.org.tr/sirket-bilgileri/ozet/838-akcansa-cimento-sanayi-ve-ticaret-a-s	
56	Corporate Governance	D. Corporate Governance Principles	Company takes into consideration the sustainability issue, the environmental impacts of its activities and the principles in this regard while determining its corporate governance strategy.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
57			As stated in the Corporate Governance Principles, company takes the necessary measures to comply with the principles regarding the stakeholders and to strengthen the communication with the stakeholders. It applies to the opinions of stakeholders in determining the measures and strategies in the field of sustainability.	Full Compliance		
58			Company works on raising awareness on the issue of sustainability and its importance through social responsibility projects, awareness activities and trainings.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
59			Company strives to become a member of international standards and initiatives on sustainability and to contribute to studies.	Full Compliance		http://www.akcansa.com.tr/docs/SR2018-2019.pdf
60			Company explains policies and programs for the fight against bribery and corruption and the principle of tax integrity.	Full Compliance		http://www.akcansa.com.tr/surdurulebilirlik/is-etigi-kurallarimiz/ http://www.akcansa.com.tr/docs/akcansa-rusvet-ve-volsuzlukla-mucadele-politikasi.pdf