

Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Akçansa, a JV of Sabancı Holding and Heidelberg Materials, is the leader of Turkish Cement industry. Operating in the Marmara, Aegean, and Black Sea regions, Akçansa produces cement and clinker in its three integrated cement production facilities located in Istanbul-Büyükçekmece, Çanakkale, and Samsun-Ladik. Company also has two ports and three cement terminals located in Istanbul-Ambarlı, İzmir-Aliağa and Yalova. Additionally, company has ready-mixed concrete operations under “Betonsa” brand at 26 facilities and aggregates operations under “Agregasa” brand in 2 facilities. Akçansa aims to be “the highest quality in production and service” in order to meet the demands of both its domestic and international customers and to compete beyond the price.

Akçansa, meets 7% of Türkiye's cement need as well as 11% of Türkiye's total cement and clinker export with its products complying to the global quality standards, its eco-friendly identity awarded by the Istanbul Chamber of Industry, its innovative sustainable products, its outstanding service understanding, and its plants equipped with high technology.

Akçansa's vision statement “Sustainable growth beyond all limits” reflects Company's Business Strategy that is formed by accepting sustainability as an integral part of its business model and one of its core enablers. The sustainability journey dates back to 2009 when Sustainability Committee was established, and 2020 Sustainability Ambitions were set. The sustainability vision is maintained by the Company's mission as well which is “to be a leading building materials company” enhancing the quality of life of the society by means of our culture committed to environmental, legal and ethical principles.

Akçansa adopts a sustainability management approach as the main element of its corporate vision, covering all business processes from raw material production to after-sales services to end-users. Akçansa is participatory of the UN Global Compact, UN Women's Empowerment Principles, CDP Climate Change/Water programs and a member of WBCSD Türkiye.

Akçansa set 2030 sustainability targets in 2020. In 2021, Sustainability Department was established. In the new sustainability management structure, the sustainability strategy and performance are embraced at the level of the Board of Directors (BoD). The BoD defines, approves and reviews the sustainability vision and strategy, policies, risks and opportunities of the company in line with the sustainability priorities. All activities related to sustainability are overseen by the Corporate Governance Committee (CGC) with the authorization of the BoD.

Sustainability Committee (SC) takes the key position to set targets and to develop projects. SC is chaired by Deputy General Managers (DGM) of Operations and Human Resources Functions who directly report to General Manager (GM). Committee Members are heads of Akçansa's 6 sustainability pillars. Working Groups (WGs), reporting to SC, develop and implement projects to reach sustainability targets. SC reports to Sustainability Steering Committee (SSC) which consists of Akçansa Executive Committee Members (GM and DGMs) and a dedicated Board Member who is also a member of CGC. SSC's main mission is to approve and follow up sustainability targets & projects. SSC reports to BoD. In BoD, Chair represents Sabancı Holding and Vice President represents HeidelbergCement. Akçansa GM shares key sustainability KPIs and relevant ongoing projects to BoD regularly. From setting up of sustainability strategy to follow up targets and approval of investment budgets, SSC, CGC and BoD directly own the whole process. The water-related targets (consumption mitigation and quality) are defined by DGM-Operations together with Plant Managers who are direct reports of DGM-Operations and Sustainability Manager (SM) who is direct report of GM. SM is also responsible from coordination of all corporate sustainability and climate activities, internal and external communication of ESG issues. Environmental Executive (EE) who is also direct report to DGM-Operations plays a key role in implementation of climate actions. Environmental engineers at production plants are direct reports to EE and responsible of 14001 EMS management, compliance to regulations, follow-up/calculations/reporting of water related KPI's. Akçansa's water management strategy, mainly focuses on reducing water consumption and effective water management. Water management is one of the important issues we address in line with our goal of reducing our environmental footprint. Targets are extended to relevant employee by annual personal performance targets. Also, sustainability related targets are among company targets. Water related KPI's are reported annually to Sabancı Holding as well as Heidelberg Materials.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1, 2022	December 31, 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Turkey

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a Ticker symbol	AKCNS

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Neutral	Neutral	Direct use: As our cement production technologies are dry-kiln processes, water is not used in kiln systems as a raw material. We only use water in our production process for cooling, gas conditioning, dedusting purposes and in Waste Heat Recovery (WHR) systems. In ready mixed concrete production water is a constituent of the products (about 15%). In close circuit cooling processes and WHR conditioning is required. In RMC production quality has an impact on final properties of concrete however in our own ready-mix plants, high amount of recycled/recovered water is used. Nevertheless, among the majority of our operations water quantity is more important than its quality. Thus, although water is considered

			<p>as an important source needed for the continuity of our production activities and maintaining the sufficient WASH services provision for our employees, as high quality is not strictly needed in majority of production, we consider importance of having sufficient amounts of good quality fresh water as "neutral" to our direct operations. We expect the importance level to stay as "neutral" in the future since we do not expect our production process will change in short-term.</p> <p>Indirect use: It is clear that our upstream and downstream value chain need water to continue their operations. However, since it is not feasible to make a clear statement about the supplier side according to diverse sectoral range, on the other hand, construction customers use water as a raw material in their productions and water quality can impact the concrete product of ready mixed concrete producers. Thus, we estimate the level of importance is "neutral" for indirect use of good quality freshwater access in our value chain. We expect the level of importance remain as "neutral", however, according to the climate projections that indicate water stress will increase over the long-term for Türkiye, this may change due to water access.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Neutral	<p>Direct use: As part of our operations, we use recycled water in our closed-circuit cooling system. Treated wastewater and collected rainwater are reused in cleaning and spraying for dust removal. It is important for us to maximize the water recycling rate; recycled water sources are currently not of great importance since we are using limited amounts among our direct operations. As the sufficient amount of fresh water is expected to decrease in line with long-term climate projections, we expect the importance rating for sufficient amounts of recycled and brackish water to increase in the future.</p> <p>Indirect use: We have business partners in different sectors with variable water needs in our upstream and downstream value chain. In this context, it may not be possible to clearly state the degree of</p>

			importance. In this context, the "neutral" option was selected. We expect the importance rating for this source to increase over the medium to long-term.
--	--	--	---

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	Flowmeters, counters, invoices	In all plants we regularly measure, monitor and report water withdrawals by total volumes. To implement water management measures and to meet stakeholders' expectations, water data should 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 water footprint on a monthly basis, evaluate water consumptions with respect to production volumes. In the reporting year Headquarters was started to be included to these

				volumes. 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 – volumes by source	100%	Monthly	Flowmeters, counters, invoices	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	100%	Yearly	Laboratory analyzes for determination of chlorine, sulphate, alkalinity, aluminum, ferrous, silica, oil, suspended sludge, Ca, Mn, COD, TDS and pH, conductivity.	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	100%	Monthly	Discharge capacity volumes in permit documents	We regularly measure, monitor and report water discharges by total volumes. In plants

				<p>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. Ready-Mix plants' domestic withdrawals are negligible but considerable amount of production wastewater is recycled to be used again in the product. 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</p>
--	--	--	--	--

				<p>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.</p>
Water discharges – volumes by destination	100%	Monthly	Discharge capacity volumes in permit documents	<p>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. Ready-</p>

				<p>Mix plants' domestic withdrawals are negligible but considerable amount of production wastewater is recycled to be used again in the product. 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.</p>
Water discharges – volumes by treatment method	100%	Monthly	Discharge capacity volumes in permit documents	In all 3 plants we regularly measure, monitor and report water discharges by treatment method. In our cement plants and

				<p>ports Industrial and Domestic wastewater treatment units' discharge volumes are accepted as defined in the permits. Domestic wastewaters are treated by biological treatment systems while industrial wastewater which is mainly sourced by washing activities uses physical wastewater treatment systems. There are wastewater re-use systems in Ready-mix plants. Industrial type of wastewater is introduced to the production. For Headquarters, Ready-mix and Aggregates plants, domestic usages are negligible. Domestic water withdrawals are accepted as domestic discharge. According to the Turkish regulation, discharges from domestic usage is not required to be treated and monitored if there</p>
--	--	--	--	--

				is municipal infrastructure.
Water discharge quality – by standard effluent parameters	100%	Quarterly	Laboratory analyses	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)	Not relevant			It is not relevant and required for small-scale wastewater plants.
Water discharge quality – temperature	51-75	Quarterly	Analytical measurements by accredited 3rd party laboratories on-site	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	100%	Monthly	Flowmeters, counters, invoices and capacity volumes defined in permit documents for withdrawals and discharges. Consumption is calculated according to measurements.	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 de-dusting activities.
Water recycled/reused	100%	Monthly	Calculation, flowmeters	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	100%	Monthly	WBCSD WASH Self-Assessment tool.	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%).

W1.2b

(W1.2b) 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?

	Volume (megaliters/year)	Comparison with previous	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
--	--------------------------	--------------------------	--	--------------------	-----------------------------	----------------

		reporting year				
Total withdrawals	2,544.17	Higher	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	We consider changes between 5% to 40% as higher/lower. Annual water withdrawal for 2021 was 2,325.34 megaliters. Total withdrawals increased by 9%. Total production of cement increased by 15% in the reporting year when compared with the previous reporting year. Thus, for using in cement production purposes water withdrawal of the cement production plants increased. Along with

						<p>production, maintenance works in WHR (Waste Heat Recovery) facility require complete draining of used water and refilling. In the reporting year maintenance activities of WHR was higher for better efficiency in energy recovery. Additionally, total production of ready mixed concrete also increased resulting with a higher withdrawal. With the new initiatives like water management plans in our facilities, and also</p>
--	--	--	--	--	--	---

						with possible new technology investments in water monitoring, we expect total withdrawals will decrease in the future.
Total discharges	214.42	Higher	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	We consider changes between 5% to 40% as higher/lower. Annual water discharge for 2021 was 178.59 megaliters. Total discharge increased by 20%. Since the total withdrawals increased according to increase in cement and ready-mixed productions , total discharges also increased in parallel

						with withdrawals . With the new initiatives like water management plans in our facilities, and also with possible new technology investments in water monitoring, we expect total discharge will decrease in the future.
Total consumption	2,329.75	Higher	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	We consider changes between 5 to 40% as higher/lower. Annual water consumption for 2021 was 2146.75 megaliters. Total consumption increased by 9%. Total production of cement increased

						<p>by 15% in the reporting year when compared with the previous reporting year. Thus, water consumption at the cement production plants increased. Additionally, total production of ready mixed concrete also increased causing a higher consumption. With the new initiatives like water management plans in our facilities, and also with possible new technology investments in water monitoring, we expect total consumption</p>
--	--	--	--	--	--	---

						n will decrease in the future.
--	--	--	--	--	--	--------------------------------

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	76-99	About the same	Increase/decrease in business activity	About the same	Increase/decrease in business activity	WRI Aqueduct WWF Water Risk Filter	All our plants are located in water stress area (medium high and high risk) according to WRI Aqueduct assessment within a time horizon of 10 and 20 years and WWF Water Risk Filter.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	83.49	About the same	Increase/decrease in business activity	Harvested rainwater in Büyükçekmece plant is approximately 81 megaliters per year. This harvested rainwater is used for ground dedusting. 2021 there is no other freshwater such as surface water/water from wetlands. In 2022 total surface water usage was 2.49 megaliters in Ladik Plant. Thus, total freshwater usage decreased by 4% which deemed as a non-significant change according to our considerations.
Brackish surface water/Seawater	Not relevant				No brackish surface water or seawater was used in reporting period.
Groundwater – renewable	Relevant	2,021	Higher	Increase/decrease in business activity	We consider changes between 5 to 40% as higher/lower. Annual groundwater withdrawal for 2021 was

					1,877.23 megaliters. Total groundwater withdrawals increased around 8%. Total production of cement increased by 15% in the reporting year when compared with the previous reporting year. Thus, water withdrawal for cement production purposes in the plants increased. Along with production, WHR (Waste Heat Recovery) revisions require complete draining and filling of used water. In reporting year maintenance activity of WHR was higher. Additionally, total production of ready mixed concrete also increased causing a higher withdrawal.
Groundwater – non-renewable	Not relevant				No water withdrawal from non-renewable groundwater.
Produced/Entrained water	Not relevant				No produced/entrained water withdrawal

					present in the reporting period.
Third party sources	Relevant	439.68	Higher	Increase/decrease in business activity	We consider changes between 5 to 40% as higher/lower. Annual withdrawal from third party sources for 2021 was 368.11 megaliters. Total groundwater withdrawals increased slightly by 19%. Total production of cement increased by 15% in the reporting year when compared with the previous reporting year. Thus, water usage (withdrawal) at the cement production plants increased. Additionally, total production of ready mixed concrete also increased causing a higher withdrawal.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain

Fresh surface water	Not relevant				There is no discharge to fresh surface water.
Brackish surface water/seawater	Relevant	138.92	About the same	Increase/decrease in business activity	We consider changes between 5 to 40% as higher/lower. Annual discharge other than third-party destinations for 2021 was 132.76 megaliters. There is a 4.6% increase when compared with last year which deemed to be non-significant according to our considerations.
Groundwater	Not relevant				We don't discharge to any natural environment without treatment.
Third-party destinations	Relevant	75.51	Much higher	Increase/decrease in business activity	We consider changes between 5 to 40% as higher/lower. Annual discharge other than third-party destinations for 2021 was 45.84 megaliters. There is an 65% increase when compared with last year due to

					higher production rates but more over sanitary purpose increase after increased number on-site workers after pandemic conditions end in facilities.
--	--	--	--	--	---

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant					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	Relevant	55.6	Higher	Increase/decrease in business activity	21-30	Çanakkale (CNK) Seaside plant, Ladik (LDK) plant and Ambarlı Port plant has secondary treatments (biological wastewater treatment).

						<p>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 2021, total volume of discharged by secondary treatment was 44.26 megaliters. There is a 26% increase when compared with last year. This increase is due increase of employee presence in these facilities after COVID-19 pandemic. In the future</p>
--	--	--	--	--	--	---

						we expect lower consumption levels according to our plans related with water re-use, thus, this amount may be lower.
Primary treatment only	Relevant	92.71	About the same	Other, please specify There is no change for primary treatments maximum capacity	41-50	Çanakkale (CNK) main plant has primary treatments. These primary systems are implemented for treatment of run-off water. We are in compliance with Water Pollution Control Regulation in force. Calculation methodology is here to use primary treatments discharged capacity. Since the treatment systems works as their maximum.

						Total amount is the same comparing the last year. The future trends are expected to be about the same.
Discharge to the natural environment without treatment	Not relevant					We don't discharge to any natural environment without treatment.
Discharge to a third party without treatment	Relevant	75.51	Much higher	Increase/decrease in business activity	31-40	Büyükçekmece Cement Plant Domestic wastewater is connected to Local Wastewater Authority infrastructure (İSKİ). (City collectors). Other locations also included for this figure are Ports (Aliğa, Yalova) and Aggregate (Saray) Plant. Domestic wastewater

						<p>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 2021 was 45.84 megaliters. There is an 65% increase when compared with last year due to higher production rates but more over sanitary purpose increase after increased number on-site workers after pandemic conditions</p>
--	--	--	--	--	--	---

						end in facilities. The future trends are expected to be about the same.
Other	Not relevant					Not relevant.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	8,898,660,453	2,544.17	3,497,667.39368831	We aim to reduce our water withdrawal which is also included in our 2030 Sustainability Targets. Thus, we anticipate an increase in total water withdrawal efficiency. We are in the process of preparation of water management plans for all our cement plants. With these plans, necessary improvements will be implemented in the upcoming period.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	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).

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes		
Other value chain partners (e.g., customers)	No	We are planning to do so within the next two years	We plan to set up a sustainability development program for our customers in the next two years.

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

No, we do not currently assess the impact of our suppliers, but we plan to do so within the next two years

Please explain

In 2022, we released Sustainable Supply Chain Policy is released, and continued to increase our positive impacts through our purchasing and supply processes. The rule is to reconsider any business partnership if the criteria in our policy are not met. In this context, we started to assess our suppliers regarding to their sustainability activities. Assessment form consist of environment, social and governance section. In the environment section, we ask our customers their water consumption and their practices to decrease water consumption. We determined suppliers to be evaluated according to the procurement spent. Our aim is to expand our sphere of influence and to support environmental sustainability developments by making these evaluations for all our suppliers in the future.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements
Row 1	Yes, water-related requirements are included in our supplier contracts

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement

Complying with going beyond water-related regulatory requirements

Mechanisms for monitoring compliance with this water-related requirement

Supplier self-assessment
Supplier scorecard or rating

Response to supplier non-compliance with this water-related requirement

Retain and engage

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.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Information collection

Details of engagement

Collect water management information at least annually from suppliers
Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

% of suppliers by number

1-25

Rationale for your engagement

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 2022, Akçansa had approximately 2,265 approved suppliers. However, the critical suppliers mentioned here are 197 in total, accounting for 71% of the total spend. With our Sustainable Supply Chain Initiative launched in 2022, 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, water and 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.

Impact of the engagement and measures of success

Sustainability Evaluation is carried out for approved suppliers who are in the field of Service, Raw Material, Equipment, Energy & Fuel, which are critical in their field according to Akçansa's definition of "critical". We measure our success by means of the score of the respective supplier in our Supplier Evaluation Questionnaire. Within the scope of Supplier Sustainability Evaluation, supplier companies fill a comprehensive Supplier Evaluation Questionnaire form consisting of Environment, Social and Governance sections and share the necessary reference documents related with the data and information they supplied. Each question within the questionnaire has a specific score and weight that changes according to the answers given. Purchasing and sustainability teams re-evaluate by receiving the reference documents together with additional requests or site visits if necessary. After final evaluation each supplier is classified as A, B, C and D due to sustainability performance between 0-100 points calculated by the answers given. Suppliers below 50 out of 100 points get C or D scores. In cases of C and D class suppliers where nonconformity is detected with the Sustainable Supply Chain policy, suppliers are contacted and 12 months for action is given if technically feasible. We work together in areas open to improvement by creating action plans with our suppliers who score below the threshold value in this evaluation. Failure to implement actions within maximum of 12 months might result in dismissal when deemed necessary, by considering the right to terminate the contract based on the re-evaluation of the business relationship with the supplier and subcontractors and the nature and size of the risk. Supplier Sustainability Evaluation is carried out annually for C and D class suppliers, and biennially for A and B class suppliers. On-site audits are a possible in order to validate the data provided through the evaluation, to monitor performance improvement and to ensure that our supply chain standards are pursued especially for the low-performing suppliers. The Sustainability Department and the Purchasing Department are responsible for conducting the evaluation, analyzing and implementing the results. Our aim is to carry our critical suppliers to A and B levels.

Comment

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
Row 1	No	There is no environmental and climate related fines in 2022 reporting year.

W3. Procedures

W3.1

(W3.1) 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?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	<p>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.</p> <p>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.</p> <p>Domestic Wastewater that is defined as general but applies to all sectors; Table 20.1 is limiting Suspended Solids (SS), Biological</p>

		Oxygen Demand (BOD), Chemical Oxygen Demand (COD), pH, temperature.
--	--	---

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Oil

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.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

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

Please explain

During the operations leakages are prevented with continuous maintenance processes.

We are conducting oil analyses in our water discharges according to Turkish

regulations. There is no limit exceeds during the reporting year regarding oil analyzes.

Water pollutant category

Other nutrients and oxygen demanding pollutants

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.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Beyond compliance with regulatory requirements
Industrial and chemical accidents prevention, preparedness, and response
Water recycling

Please explain

We are conducting BOD, COD and related TDS analyses in our water discharges according to Turkish regulations in primary and secondary treatment systems effluents. There is no limit exceeding incidents during the reporting year regarding analyzes.

Water pollutant category

Inorganic pollutants

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.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

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

Please explain

Since the water discharged from primary treatment effluent is sourced from generally surface flows; we are conducting Ferrous (Fe), Chromium (CrVI), Cyanide (CN) analyses in any case for our primary water discharges. There is no limit exceeding incidents during the reporting year.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Databases
Other

Tools and methods used

WRI Aqueduct
Enterprise Risk Management
IPCC Climate Change Projections
ISO 14001 Environmental Management Standard
Internal company methods
External consultants
Materiality assessment
Scenario analysis
Other, please specify
Heidelberg Materials Risk Management Guide, Sabancı Holding Compliance Report

Contextual issues considered

Water availability at a basin/catchment level
Water regulatory frameworks
Access to fully-functioning, safely managed WASH services for all employees
Other, please specify
Water stress

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers
Water utilities at a local level

Comment

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 Unit, 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 Executive 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, regions with high water stress started to prepare "Water Management Plans". 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.

Value chain stage

Supply chain

Product use phase
Other stages of the value chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Other

Tools and methods used

WRI Aqueduct
IPCC Climate Change Projections
ISO 14001 Environmental Management Standard
Internal company methods
External consultants
Scenario analysis
Other, please specify
Heidelberg Materials Risk Management Guide, Sabancı Holding Compliance Report

Contextual issues considered

Water availability at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Access to fully-functioning, safely managed WASH services for all employees
Other, please specify
Water Stress

Stakeholders considered

Customers
Employees
Suppliers

Comment

Suppliers: Water related risks throughout the supply chain are assessed for water suppliers. Water related risks are assessed by corporate risk management procedures

and policies which are in line with Sabancı Holding 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 physical water risks were conducted according to TCFD recommendations. This analysis covers several acute and chronic water-related risks, such as flooding, drought or extreme precipitation. In addition, we have supply chain targets set within the scope of Akçansa 2030 Sustainability Targets to ensure responsible purchasing and a sustainable supply chain in all our operations. Water risks are addressed within the scope of supplier audits, and suppliers are encouraged to have ISO 14001 certification. Employees: We have started using the WBCSD WASH Pledge Self-Assessment tool to assess risks related to access to safe water, sanitation and hygiene. Customers: We have prepared Environmental Product self-declarations using GCCA's life cycle assessment and calculation tool for 22 concrete products. Additionally, 2 cement products have verified EPDs. In line with the demands of the customers, we share the necessary environmental impacts that the products may have throughout their life cycle.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	While analyzing the impacts and likelihoods of the risks, the most appropriate information source and other methods and techniques are also used. These methods and techniques are generally including expert observations and evaluations in related fields (Insurance Reports, etc.), group work of experts, surveys, meetings, databases, performance measurements, analytical models	Risks, their likelihoods and impacts are brought together and analyzed in a holistic manner. We are considering water related regulations, water availability and water stress as outputs of scenario analyzes as well as hygiene issues within our own operations as well as our suppliers. Also, as the water is an important source for our suppliers as well, impacts of	The enterprise risk management approach comprehensively addresses environmental, social, operational, strategic, financial, compliance and governance risks throughout all direct and indirect operations of cement, aggregate and ready-mixed concrete business lines, including upstream and downstream supply chain processes. Direct operations include all cement, aggregate and ready-	In the management of risks, decisions are made on "Avoiding Risk", "Mitigating the Likelihood of Risk", "Mitigating the Effects of Risk", "Transferring and Sharing Risks" and "Accepting Risk" according to the nature of the risk and Akçansa's strategic goals. In order to manage company risks; determination of which strategy will be implemented is carried out by taking into account the cost and benefit factors.

<p>developed on the data are in the form of measurements and simulations, scenario analyzes and so on. Impacts along the entire value chain are taken into account. Risks, likelihoods and impacts are analyzed and scored within a holistic manner using internal and external risk assessment models. WRI Aqueduct Water Risk Atlas and WWF Risk Filter are used to assess water stress risks covering all of our direct operations. A modelling software (Munich Re) is used for scenario analysis (RCP 2.6, RCP 4.5 and RCP 8.5) with different time horizons for all of our facilities. We are following international standards for risk assessments i.e. ISO 14001 Environmental Management Standard. Each of our facilities has risk scores for each risk including water. TCFD recommendations are taken into account as well. We are also working with external consultants for risk reviews. Sudden emerging risks can be identified through continuous review. Risk analyzes for customers,</p>	<p>water related risks on our critical raw materials at the supplier side is under consideration. While performing risk analysis, the same type of risks can be gathered together and/or low-importance risks can be excluded. Why and how risks may impact company goals and policies, when and how they may occur at each stage of the value chain and the consequences are analyzed holistically. The information (qualitative, semi-quantitative and quantitative), assumptions and sensitivity analysis are documented and recorded by the Corporate Risk Management department. Details of the monitored risks includes information such as business line, definition of risk, risk owner, existing controls and critical risk indicators.</p>	<p>mixed concrete facilities as well as the employees (both own employees and subcontractor employees), upstream processes include supply processes and suppliers where downstream processes includes both inbound and outbound logistics and sales operations. Water related risks that may occur within our direct operations have direct and indirect impacts on our customers, employees and local communities. Also, regarding the regional risks, our suppliers, and water utilities under the region may get affected. Water related risks are also in the agenda of regulators which may have an impact on our direct operations. Moreover, water related issues are also in the agenda of NGO's which may have a reputational impact if we fail to manage our risks. Additionally, investors have tendency in businesses that are managing their risks effectively.</p>	<p>Action/mitigation plans are evaluated by the Sustainability Steering Committee and presented to the Board of Directors through committees. Each plant has master plans developed for 3-5-10 year periods. These plans are reviewed at least twice a year. Defined ESG risks has a unique action plan that is monitored by Sustainability Committee at the end of each quarter. These studies are contributed by the Operations Team members, including the Plant Managers and the Plant Executive Team, and Sustainability, Environment, Raw Materials, Maintenance, Project, R&D Managers under the leadership of the Deputy General Manager of Operations (COO) and the General Manager (CEO). The Master Plan and ESG Action Plans are very critical and key components to have specified responses to the determined risks.</p>
---	--	--	--

suppliers and employees were recently initiated on a limited scale and ongoing. Thus, these value chain stages are currently analyzed only partially.			
---	--	--	--

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

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 8,275,000 (Indicative Average Exchange Rate announced on 12/31/2022 by the Central Bank of Türkiye as 16.55 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 Methodology.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	3	76-99	Büyükçekmece Cement Plant (BÇM) The production site is located ±500 meters East from the Büyükçekmece Lake,

			<p>Istanbul. Water is not directly extracted from the lake but from the 8 wells located on plant site. According to the WRI Aqueduct and Falkenmark water scarcity index, Marmara Basin is under water stress and classified as potential water scarcity area.</p> <p>Çanakkale Cement Plant (ÇNK) has two different facilities located in the Aegean region: main and seaside facilities. Seaside Cement plant is located by the sea <100m. Main plant for Clinker production is near village far away from sea. The region is in medium-high water stress area. Water withdrawals are not billed by Government. In the future billing is planned by the government for consumptions. This will create a financial impact to the plant.</p> <p>Ladik Cement Plant (LDK) is located in Black Sea region. The region is in water stress area. Water withdrawals are not billed by government. In the future there will be a planning to bill all consumptions. This will create a financial impact to the plant.</p> <p>Total water withdrawals from 3 cement plants represents approximately 85% of total water withdrawals.</p>
--	--	--	---

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Turkey

Other, please specify

Marmara basin

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

21-30

Comment

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.

Country/Area & River basin

Turkey

Other, please specify

North Aegean Basin

Number of facilities exposed to water risk

1

% company-wide facilities this represents

26-50

% company's total global revenue that could be affected

51-60

Comment

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.

Country/Area & River basin

Turkey

Other, please specify

Yesilirmak

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

1-10

Comment

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.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Turkey

Other, please specify

Marmara Basin

Type of risk & Primary risk driver

Chronic physical

Water scarcity

Primary potential impact

Increased operating costs

Company-specific description

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.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

12,853,357

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

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 2022 is 18.20 TRY. (This cost was 7.66 TRY in 2021.) It is also expected that prices may double in the upcoming years. Considering the 2022 total water withdrawn at Büyükçekmece plant which is 353,098 cubic meters (excluding rainwater harvesting 81,000 cubicmeter), total cost is 12,853,357 TRY, assumptions has been taken as doubling the cost.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

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.

Cost of response

12,500,000

Explanation of cost of response

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.

Country/Area & River basin

Turkey
Other, please specify
North Aegean Region

Type of risk & Primary risk driver

Regulatory
Higher water prices

Primary potential impact

Increased operating costs

Company-specific description

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.

Timeframe

4-6 years

Magnitude of potential impact

Medium-low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

60,195,954

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Average cost of billing assumed to be 18.2 TRY which is current cost of Büyükçekmece Plant. Considering the Çanakkale Plant 2022 total water withdrawal which is 1,653,735 cubic meters, total cost of the risk is calculated as approximately 60,195,954 TRY, assumptions has been taken as doubling the cost.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

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.

Cost of response

40,000,000

Explanation of cost of response

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, membrane-filter installations etc. in 2-3 years of investment. Total cost of these projects sums up to 40,000,000 TRY.

Country/Area & River basin

Turkey

Other, please specify

Yeşilirmak Basin

Type of risk & Primary risk driver

Regulatory

Higher water prices

Primary potential impact

Increased operating costs

Company-specific description

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.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,445,607

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Average cost of billing assumed to be 18.2 TRY which is current cost of Büyükçekmece Plant. Considering the Ladik Plant 2022 total water withdrawal which is 67,187 cubic meters, total cost of the risk is calculated as approximately 2,445,607 TRY, assumptions has been taken as doubling the cost.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

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

Cost of response

450,000

Explanation of cost of response

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

Country/Area & River basin

Turkey

Other, please specify

Marmara Basin

Type of risk & Primary risk driver

Acute physical

Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact

Impact on company assets

Company-specific description

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.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3,559,464

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

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 2022 revenue was 8,898,660,453 TRY.

Primary response to risk

Use risk transfer instruments

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.

Cost of response

15,507,410,406

Explanation of cost of response

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 15,507,410,406 TRY. Since the breakdown is confidential, overall figure is presented.

Country/Area & River basin

Turkey

Other, please specify

North Aegean Basin

Type of risk & Primary risk driver

Acute physical

Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact

Impact on company assets

Company-specific description

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.

Timeframe

4-6 years

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,449,330

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

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 North Aegean Basin. Our 2022 revenue was 8,898,660,453 TRY.

Primary response to risk

Use risk transfer instruments

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.

Cost of response

15,507,410,406

Explanation of cost of response

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 15,507,410,406 TRY. Since the breakdown is confidential, overall figure is presented.

Country/Area & River basin

Turkey

Other, please specify
North Aegean Basin

Type of risk & Primary risk driver

Chronic physical
Sea level rise

Primary potential impact

Impact on company assets

Company-specific description

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. 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.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

38,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

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.

Primary response to risk

Use risk transfer instruments

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.

Cost of response

15,507,410,406

Explanation of cost of response

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 15,507,410,406 TRY.

Country/Area & River basin

Turkey
Other, please specify
Marmara Basin

Type of risk & Primary risk driver

Chronic physical
Ecosystem vulnerability

Primary potential impact

Supply chain disruption

Company-specific description

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.

Timeframe

1-3 years

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

In 2021, a mucilage problem was experienced in the Marmara Sea due to the deterioration of the marine ecosystem. Since there was no disruption in this period, the financial figure was not calculated.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

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.

Cost of response

0

Explanation of cost of response

All plants located in Marmara Basin discharges to municipalities' infrastructure which has advanced biological wastewater treatment systems.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Turkey
Other, please specify
Marmara basin

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Regulatory
Higher water prices

Primary potential impact

Increased operating costs

Company-specific description

Similar to our direct operations, our water suppliers are also subjected to water risks in terms of having difficulty over the long-term to access sufficient amount of water needed to pursue their operations. While considering this risk, we focus on our water suppliers at Büyükçekmece Plant, currently the only plant subjected to water costs. Difficulty of our water suppliers' ability to pursue their operations will result in disruption to our production at Büyükçekmece Plant.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

4,661,605

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

The financial impact assumed to be at least equal to our water related OPEX at Büyükçekmece Plant in the reporting period where we are currently buying water from 3rd parties.

Primary response to risk

Direct operations

Other, please specify

Increasing efficiency to reduce total water discharge, finding alternative water resources (re-use, rainwater harvesting etc.) and purchase from 3rd parties.

Description of response

Our response to managing/mitigating this risk is to minimize our water demand to the best degree possible. In order to do so, we implement water efficiency measures in the Büyükçekmece Plant.

Cost of response

12,500,000

Explanation of cost of response

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.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Cost savings

Company-specific description & 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.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,456,000

Potential financial impact figure – maximum (currency)

2,275,000

Explanation of financial impact

Estimated water saving from efficiency projects is ranging between 80,000 - 125,000 cubic meters overall. 2022 average cost of water at Büyükçekmece plant is taken into account for calculations as 18.2 TRY. Potential financial saving range was calculated by multiplying estimated minimum and maximum saving amounts with average cost.

Type of opportunity

Products and services

Primary water-related opportunity

Sales of new products/services

Company-specific description & 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.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

We are currently developing special and value-added products for climate adaptation and infrastructure resilience thus the financial figure of this opportunity has not been calculated yet.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

Büyükçekmece Cement Plant

Country/Area & River basin

Turkey

Other, please specify

Marmara Basin

Latitude

41.0118

Longitude

28.3327

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

434.1

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

81

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

65.55

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

237.02

Total water discharges at this facility (megaliters/year)

50.53

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

50.53

Total water consumption at this facility (megaliters/year)

383.57

Comparison of total consumption with previous reporting year

Higher

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 2022 it's recorded as 50.53 megaliters while 2021 value was 28.55 megaliters. After COVID-19 pandemic, plant workers came back to work full-time. There is 77% of increase was caused due to ending of the ongoing hybrid working model. Since more workers are now present in plants, domestic usage increased.

Total water consumption for Büyükçekmece plant is 383.57 megaliters in 2021 while 2021 figure was 380.13 megaliters. There is 28% of increase that was also caused by ending of hybrid working for plant workers. In addition, we have increased Alternative Fuel utilization rate in the reporting year to decrease our CO2 emissions according to our Sustainability 2030 goals. This increase also caused an increase in the gas temperatures (related to heat consumption). Thus, water consumption for cooling purposes increased accordingly.

Facility reference number

Facility 2

Facility name (optional)

Çanakkale Cement Plant

Country/Area & River basin

Turkey

Other, please specify

North Aegean - Marmara Basin

Latitude

39.5156

Longitude

26.1439

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

1,653.8

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

1,653.8

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

121.9

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

121.9

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

1,531.9

Comparison of total consumption with previous reporting year

Higher

Please explain

For withdrawal, in 2022 total withdrawal was 1,653.89 megaliters while in 2021 it was 1,484.75 megaliters. There is approximately 11.4 % increase 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 2022 is about the same with 2021 discharges.

Total water consumption for Çanakkale plant is 1,531.9 megaliters for 2022 while 2021 figure was 1,362.91 megaliters. Total consumption is higher by 13% compared with previous year. There increase was caused by increased frequency of WHR (Waste Heat Recovery) system maintenance. During maintenance, all water present in the system is discharged to wastewater treatment units and again withdrawn.

Facility reference number

Facility 3

Facility name (optional)

Ladik Cement Plant

Country/Area & River basin

Turkey

Other, please specify

Yesilirmak Basin

Latitude

40.5607

Longitude

35.5306

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

67.2

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

2.5

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

64.7

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

17

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

17

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

50.18

Comparison of total consumption with previous reporting year

Lower

Please explain

Withdrawal in 2022 is 67.2 megaliters while total withdrawal was 92,61 megaliters in 2021. There is approximately 28% decrease. This reduction is related with activity of the plant.

Total discharge in 2022 was 17 megaliters, while in 2021 it was 10.97 megaliters. There is approximately 56% increase that was caused by ending of hybrid working for plant workers, since the only water discharged in Ladik Plant is by usage of water for domestic purposes.

Total consumption in the parallel of withdrawn water is noted as 39% lower compared with 2021 figure of 81.7 megaliters.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

76-100

Verification standard used

Verification was done in accordance with ISAE 3000. PwC, has verified total Water withdrawals – total volumes by 100%

Water withdrawals – volume by source

% verified

76-100

Verification standard used

Verification was done in accordance with ISAE 3000. PwC, has verified total Water withdrawals – volume by source by 100%

Water withdrawals – quality by standard water quality parameters

% verified

Not verified

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

% verified

76-100

Verification standard used

Verification was done in accordance with ISAE 3000. PwC, has verified Water discharges – total volumes by 100%

Water discharges – volume by destination

% verified

76-100

Verification standard used

Verification was done in accordance with ISAE 3000. PwC, has verified Water discharges – volume by destination by 100%

Water discharges – volume by final treatment level

% verified

Not verified

Please explain

Only total wastewater volume was verified.

Water discharges – quality by standard water quality parameters

% verified

76-100

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 3rd party laboratories. SM2540D, TS5676, EPA200.7, SM5220B, TS4164, SM3500-Cr B, SM4500, SM2120C, SM2550B, SM4500, SM5520B standards were used.

Water consumption – total volume

% verified

76-100

Verification standard used

Verification was done in accordance with ISAE 3000. PwC, has verified Water consumption – total volume by 100%

W6. Governance


W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available


W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of the scope (including value chain stages) covered by the policy</p> <p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Commitment to align with international frameworks, standards, and widely-recognized water initiatives</p> <p>Commitment to prevent, minimize, and control pollution</p> <p>Commitment to reduce or phase-out hazardous substances</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in direct operations</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in supply chain</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p>	<p>Akcansa has a publicly available Environment and Energy Policy in place. Water-related aspects are included in and defined under environmental impacts in Environment and Energy Policy. Monitoring and improving our environmental impact covering the whole life cycle of our products (including procurement phase) are our main environmental (including water) consideration as part of this Policy. The Policy is open to public access on our web site. The water management approach and strategy are also communicated in our Integrated Annual Reports. Performance targets are set at plant level and at employee level. Additionally, we adopt and follow policies and procedures of Heidelberg Materials. Heidelberg Materials also have a separate "Water Policy" including topics but not limited to water management, water conservation, water risks and hygiene issues.</p> <p> 1, 2</p>

	<p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities</p> <p>Commitment to stakeholder education and capacity building on water security</p> <p>Commitment to water stewardship and/or collective action</p> <p>Commitment to the conservation of freshwater ecosystems</p> <p>Commitments beyond regulatory compliance</p> <p>Reference to company water-related targets</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	
--	--	--

 ¹Water_Policy 2022.pdf

 ²Environment and Energy Policy.doc

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Board Chair	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. Board Chair is representing Sabancı Holding as President of Building Materials Business Unit. He is informed regularly by Akçansa CEO (General Manager) on behalf of the Sustainability Steering Committee in

	<p>Akçansa Board Meetings. Chair's responsibility is to approve sustainability vision, strategy and targets. Akçansa's sustainability strategy and the most recent Akçansa 2030 Sustainability Targets including the water-related targets were approved by the Chair as well as the sustainability governance structure. Akçansa's 2030 target is to reduce water withdrawal by 13%. 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.</p>
<p>Other, please specify Vice Chair</p>	<p>Board of Directors are the highest-level individuals with direct responsibility for all environmental sustainability. Vice President is representing Heidelberg Materials as Vorstand Member responsible from Africa & East Mediterranean. He is informed regularly by Akçansa CEO on behalf of the Sustainability Steering Committee in Akçansa Board Meetings. His responsibility is to define sustainability vision, strategy, risks and opportunities, approving policies and frameworks. Akçansa's sustainability strategy and the most recent Akçansa 2030 Sustainability Targets including the water-related targets were approved by the Vice Chair as well as the sustainability governance structure. Akçansa's 2030 target is to reduce water withdrawal by 13%. Vice Chair is also informed by Sustainability Manager to review and oversee the sustainability progress and water related actions monthly or more often if needed.</p>
<p>Director on board</p>	<p>Board of Directors are the highest-level individuals with direct responsibility for all environmental sustainability related issues such as but not limited to strategy, policies, risks and opportunities. Board Members other than the Chair and Vice President have the responsibility to oversee the sustainability related operations in addition to discuss, propose, monitor and inspect sustainability vision and strategy. Akçansa's sustainability strategy and the most recent Akçansa 2030 Sustainability Targets including the water-related targets were approved by the Directors on the Board as well as the sustainability governance structure. Akçansa's 2030 target is to reduce water withdrawal by 13%. One of the Board members is the Chair of Early Risk Identification Committee which evaluates climate and water related risks as well. Moreover, another Board Member is Chair of Corporate Governance Committee that has the responsibility to track the progress on sustainability targets, water-related operations, implementation of climate and sustainability related projects throughout the value chain. He is informed by Sustainability Manager to review the sustainability progress and climate & water related actions quarterly via Corporate Governance Committee meetings or more often if needed. He is also a member of Sustainability Steering Committee. Moreover, water data has been reported to Heidelberg Materials on monthly basis with corporate reports.</p>
<p>Board-level committee</p>	<p>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</p>

	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.
--	---

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	<p>Monitoring implementation and performance</p> <p>Overseeing major capital expenditures</p> <p>Overseeing the setting of corporate targets</p> <p>Overseeing value chain engagement</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding strategy</p> <p>Other, please specify</p> <p>Approving policies and frameworks</p>	<p>Akçansa Board takes the highest responsibility to define sustainability vision, strategy, policies, frameworks, sustainability related risks and opportunities. The Board has reviewed and approved the Sustainability Strategy and 2030 Sustainability Targets that includes the environmental sustainability targets. For cement business water is a critical material. Water-related aspects are always included and periodically reviewed at an operational level. At the strategic level, Board has the responsibility to oversee the sustainability related operations. One of the Board members is the Chair of Early Risk Identification Committee which handles water-related risks as well. The Early Risk Identification Committee review and guide sustainability risk management policies. Committee meets 6 times a year and reviews risks and opportunities, including those related to environment and climate change and the Board is informed periodically about the assessments. Another Board Member is the Chair of Corporate Governance Committee. Corporate Governance Committee is responsible for monitoring the company's compliance with sustainability principles. Corporate Governance Committee meets 4 times a year and reviews sustainability updates, progress on KPI's and implementation of sustainability related projects. The Board evaluates and approves business plans in line with our strategy across all underlying categories including environmental (water) related plans. Additionally, Akçansa Sustainability Committee informs the Sustainability</p>

			Steering Committee led by the CEO who periodically informs the Board about the critical water-related issues. Board has the responsibility to review and approve annual budgets and investment plans.
--	--	--	---

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	No, but we plan to address this within the next two years	Important but not an immediate priority	A competency assessment study has not yet been conducted for board members, but the board chair, vice chair and corporate governance committee chairman have long-term industry experience in sustainability and climate-related issues. It is planned to conduct a skill matrix study within two years, in which the experiences in the direction of climate-related policy and strategy management are evaluated.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Water-related responsibilities of this position

- Managing water-related risks and opportunities
- Monitoring progress against water-related corporate targets
- Integrating water-related issues into business strategy
- Managing annual budgets relating to water security
- Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)
- Providing water-related employee incentives

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

Akçansa CEO (GM) directly manages water related risks and opportunities and integrates water strategy as part of sustainability strategy into company strategy. CEO approves and reports on key sustainability KPIs and relevant ongoing projects to the Board members twice a year on behalf of Sustainability Steering Committee. Board is informed by CEO on water related KPI's set under Akçansa 2030 Sustainability Targets during Board Meetings. CEO manages the approval of the budget required for water initiatives. Monitors targets through monitoring mechanisms established within the company. CEO encourages the dissemination of the objectives and targets to the employee level and has an important role on guidance.

Name of the position(s) and/or committee(s)

Other committee, please specify
Sustainability Steering Committee

Water-related responsibilities of this position

Monitoring progress against water-related corporate targets

Frequency of reporting to the board on water-related issues

Quarterly

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.

Name of the position(s) and/or committee(s)

Chief Operating Officer (COO)

Water-related responsibilities of this position

Managing water-related risks and opportunities
Monitoring progress against water-related corporate targets
Managing annual budgets relating to water security
Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)

Frequency of reporting to the board on water-related issues

More frequently than quarterly

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 Executive 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 Executive (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.

Name of the position(s) and/or committee(s)

Other, please specify
Sustainability Manager

Water-related responsibilities of this position

Assessing future trends in water demand
Assessing water-related risks and opportunities
Conducting water-related scenario analysis
Monitoring progress against water-related corporate targets

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

Sustainability Manager (direct report of General Manager) is responsible of setting the environmental and climate related targets together with Deputy GM-Operations (COO), Plant Managers and Environmental Executive. She assesses the ESG and climate related risks with Risk Manager, determines and evaluates mitigation actions with COO. She is responsible for conducting scenario analyzes for ESG impacts. She directly reports to General Manager and participates to Corporate Governance Committee (board level committee) meetings presenting the ongoing projects and progress against company ESG targets. Board Chair and Vice President are also informed by Sustainability Manager monthly or more often if needed.

Name of the position(s) and/or committee(s)

Sustainability committee

Water-related responsibilities of this position

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Not reported to board

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.

Name of the position(s) and/or committee(s)

Risk manager

Water-related responsibilities of this position

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

More frequently than quarterly

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.

Name of the position(s) and/or committee(s)

Other, please specify

Environmental Executive

Water-related responsibilities of this position

Managing water-related risks and opportunities

Setting water-related corporate targets

Monitoring progress against water-related corporate targets

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

Environmental Executive 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 Team: environmental engineers at plants responsible of ISO 14001 EMS management, compliance to regulations, CO2 emissions follow-up/calculations/reporting, water related efforts, dedusting of plants).

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Performance indicators are determined in accordance with the Remuneration Policy for the Members of the Board of Directors and Senior Executives, in line with the main company targets, to include non-financial long-term sustainability indicators as well as financial indicators. Water related targets are included in company scorecard in 2022. Also, during the reporting year, the review of water related targets started and currently ongoing.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Chief Purchasing Officer (CPO)	Improvements in water efficiency – direct operations	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.	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.

Non-monetary reward	No one is entitled to these incentives			There is no non-monetary reward currently in place for C-Suite of BoD members for water related performance.
---------------------	--	--	--	--

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, funding research organizations
- Yes, other

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?


Akçansa established its 2030 sustainability roadmap. Environment is a separate pillar in our roadmap. Under this pillar, water management and reducing water footprint is considered. In order to achieve these targets, the process is monitored by Sustainability Committees and necessary direct and indirect engagement actions are planned accordingly. Sustainability Committee periodically check progress. The results are shared with the stakeholders through our Integrated Annual Report publicly available on our web site. Our engagement towards influencing the policy is therefore monitored and maintained as consistent with our overall sustainability strategy, which includes our water commitments.

We closely monitor the regulations directly and through associations and unions of which we are members such as TOBB, TÜSİAD, TÜRKÇİMENTO, İMSAD, ÇEDBİK etc. We continuously give opinions in the working groups of these NGOs, especially within the scope of environmental related regulations. As working groups of these organizations, we directly support the authorities during the preparation of related policies and legislation. Through these associations and unions, we work on the preparation of position papers that reflect business worlds expectations. We conduct representation at roundtable meetings, and support projects carried out by the governmental authorities upon requests. We are making donations to Turkish Marine Environment Protection Association TURMEPA to support their activities.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

 Akcansa_EFR2022_EN_22.06.23_web.pdf

Our water related risks and opportunities are also disclosed in our 2022 Integrated Annual Report, pg. 31-33

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	16-20	Water is a very important source for our process. Hence, maintaining/enabling water security is already integrated into our business plans. Business planning and our long-term objectives have been influenced in terms of water-related aspects in the form of dedicating a budget for water efficiency driven investments. Water scarcity, also risks of flooding or severe weather events involving water, are incorporated in our long-term business objectives. This also concerns access to drinking water, sanitation and hygiene (WASH) issues. The water utilization targets and targets to reduce water withdrawals are included in 2030 Sustainability Targets. They also had been covered as part of our expired/completed 2020 sustainability Targets. Target achievement year of 2030 provides strategic long-term time horizon for water issues. We incorporated water-related issues in our targets due to the projected lack of water availability according to our climate scenario analyses, thereby we are dealing responsibly with water. Indeed, reducing water footprint also results in improved community relations securing our license to operate. With our scenario analyses conducted within the framework of TCFD recommendations water related risks were assessed within long time horizons. Outputs of these scenario analyses are directly included in our risk heatmaps and thus influencing our long-term strategies.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	16-20	As Akçansa, our strategic focus is to carry out our operations to the full potential while minimizing our negative environmental impact. Accordingly, water monitoring, management and risk assessment processes

			are in place and among our targets in line with Heidelberg Materials' long-term water commitments and aligned with UN SDG's. Water withdrawal reduction targets are included in Akçansa 2030 sustainability goals for both cement, ready-mixed concrete and aggregates business lines. Target achievement year of 2030 provides strategic long-term time horizon for water issues. The strategy is to achieve reduction targets, to improve water management process through monitoring, bringing new technology if available and to train our employees so that every person takes responsibility towards reaching company targets. We are in the preparation of water management plans for each cement production facility that will enable us to manage our water risks and opportunities in a much more structured way with near-, medium- and long-term actions. Long term actions are determined considering the outputs of climate scenario analysis and outputs of these studies.
Financial planning	Yes, water-related issues are integrated	11-15	Water-related targets set in the 2030 Sustainability Roadmap require financial planning to be implemented successfully. Target achievement year of 2030 provides strategic long-term time horizon for water issues. Of course, water-related issues in our operations, such as maintenance and monitoring are already integrated into financial planning. We are currently also integrating water risks in our financial planning process in line with TCFD recommendations. Especially in Canakkale Plant a financial analysis have been studied for desalination project for the future need of plant. In addition, investments for the reuse of wastewater are continuously evaluated and included in CAPEX plans.

W7.2

(W7.2) 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?

Row 1

Water-related CAPEX (+/- % change)

100

Anticipated forward trend for CAPEX (+/- % change)

100

Water-related OPEX (+/- % change)

108

Anticipated forward trend for OPEX (+/- % change)

300

Please explain

Total planned water related CAPEX was excluded from the budget during the reporting year. Thus, the total CAPEX change was indicated as 100% change in terms of decrease. The reason behind this decision is to make a due diligence and gap analysis on the current situation and to better construct water action plans. With the new consultancies that we are currently taking by water experts to better analyze the efficiency potential in our plants, we are going to increase the water related CAPEX budget. Thus, the total CAPEX that will be allocated for water in the future will increase 100%.

Regarding OPEX changes %108 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. Also, with additional measurement, maintenance and cleaning operations costs will be increased further. Considering inflation trends in Türkiye, anticipated forward trend for OPEX is noted as 300%.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	We use WRI Water Risk Atlas for water related scenario analysis. On the other hand, we are using Representative Concentration Pathways (RCPs) in our scenario analysis of water-related issues. We use RCP 2.6, 4.5 and 8.5 with time horizons of 2030, 2050 and 2100 for physical risk assessments. RCPs are 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. 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.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related Socioeconomic	For transition scenario analysis, we used IEA 2DS scenario. All assumptions used in scenario analysis are in line with IEA's Energy Technology Perspectives 2017 report. For water stress assessment, we used WRI Aqueduct tool with a time horizon of 2030 and 2040. For physical assessments, we used IPCC's Representative Concentration Pathways. 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. 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 arctic. Projections are based on a high emissions scenario. Projections for temperature according to RCP 2.6 W/m2 show the	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	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

		<p>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. 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. 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 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 stabilization scenario. RCP 8.5 Scenario was used as the</p>	<p>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.</p>	<p>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.</p>
--	--	---	--	--

		<p>“Pessimistic” scenario – radiative forcing is growing beyond 2100 due to missing adaptation of technologies and strategies for GHG reduction. According to RCP 8.5 Scenario, Earth gets warmer as CO2 increases in the atmosphere, Earth 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 5-6°C by 2100. For physical climate risks assessment, all facilities were assessed by their locations. The time horizon for the scenario is until 2030, 2050 and 2100.</p>		
--	--	--	--	--

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

Yes

Please explain

In financial impact calculations regarding the impacts of the identified risks, we use İstanbul - Büyükçekmece Plant's average water price during the reporting year to see the possible amount for water valuation across all our operations. This approach is

implemented to prioritize water-related investments during decision making processes where there is a water related financial risk.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Please explain
Row 1	Yes	<p>We can classify low water impact products in two ways as products with low water consumption and products that serves to water conservation.</p> <p>Water consumption: Due to the nature of the work, water is used in concrete production. We develop concrete products with lower water consumption with methods that will ensure less water usage during the production phase. It is possible to classify these products that cause lower water consumption as products with low water impact.</p> <p>Water conservation: On the other hand, we have specialized products that enables our customers to minimize their impact on the environment. Impermeability is an important property especially for the projects that are involved in water-environments such as bridges, underwater tunnels, infrastructure projects etc.</p>	<p>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%.</p> <p>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.</p>

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	No, and we do not plan to within the next two years	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, we do not have any target with water pollution.
Water withdrawals	Yes	
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	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	Yes	

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Target coverage

Business activity

Quantitative metric

Reduction in withdrawals per unit of production

Year target was set

2020

Base year

2020

Base year figure

0.23

Target year

2030

Target year figure

0.2

Reporting year figure

0.26

% of target achieved relative to base year

-100

Target status in reporting year

Underway

Please explain

Planned CAPEX in 2022 was not performed due to prioritization of gap analysis and consultancy studies. Further improvements will be started after finalizing the situation analyzes and establishing concrete action plans.

Target reference number

Target 2

Category of target

Other, please specify
Water Management Plans

Target coverage

Business division

Quantitative metric

Other, please specify
Number of Water Management Plans

Year target was set

2022

Base year

2022

Base year figure

0

Target year

2030

Target year figure

3

Reporting year figure

0

% of target achieved relative to base year

0

Target status in reporting year

New

Please explain


We are planning to establish Water Management Plans in our cement production facilities. During the reporting year this new target was set. Gap analysis studies have been started and ongoing.


W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

 Akçansa_Limited Assurance EFR ENG Opinion (1).pdf

 Akçansa_EFR2022_EN_22.06.23_web.pdf

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water withdrawals, Water recovery	ISAE 3000	Data disclosed on total water withdrawal amount by volume and by source has been externally verified by PwC as per ISAE 3000 standard. The water withdrawal, water recovery, water consumption and water discharge KPI's that are the

	figures, Water consumption, Water discharges		subject of the limited assurance study, marked on page 172 of the 2022 Integrated Annual Report, are documented in the attached limited assurance report for the year 2022. Limited Assurance Report is given between pg. 182-184. The Integrated Annual Report can be accessed from the link below. http://www.akcansa.com.tr/en/docs/Akcansa2022AnnualReport.pdf
--	--	--	---

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	During cement production plastic usage is only due to packaging of supplies and consumables that are used in our boundaries. For our sold products and services, there is no plastics usage neither in the product nor in the packaging.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain	Plastic usage is only due to packaging of supplies and consumables used in our boundaries. Within our "zero-waste" approach we collect the plastic wastes separately. 3rd party waste collectors are continuously collecting our plastic wastes separately and convey the plastic wastes to waste recycling facilities. Thus, there is no significant impact caused by our limited plastic usage.

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Please explain
Row 1	No, risks assessed, and none considered as substantive	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 within our value chain. Thus, there are no significant risks identified associated with plastics.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic packaging	Reduce the total weight of plastic packaging used and/or produced	We are part of the "Business Plastics Initiative" and with that initiative, we set a target in 2019 to reduce plastic packaging usage in our offices. Currently there is no plastic packaging usage in our own offices. We use water demijohns, glass plates and dishes in our offices for breakfast/lunch/coffee break purposes. Meals come without plastic packaging into our kitchens. We have reached our goal in 2021 by achieving zero plastic packaging usage in our offices.

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	We are not involved in production of plastic polymers.
Production of durable plastic components	No	We are not involved in production of durable plastic components.
Production / commercialization of durable plastic goods (including mixed materials)	No	We are not involved in production / commercialization of durable plastic goods (including mixed materials).
Production / commercialization of plastic packaging	No	We are not involved in production / commercialization of plastic packaging.

Production of goods packaged in plastics	No	We are not involved in production of goods packaged in plastics.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	We are not involved in provision / commercialization of services or goods that use plastic packaging.

W11. Sign off


W-FI

(W-FI) 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.

Access to clean water is a human right in accordance with the UN Sustainable Development Goals (SDGs). Akçansa recognizes the importance of a water management and water conservation strategy. Water is used for cement production processes, washing, ground watering, cooling and cleaning purposes, as well as for the production of concrete. Water is a valuable and essential resource for Akçansa, thus effective water management is a significant topic that is addressed as part of our environmental protection plans. Akçansa's goal is to support effective water management in the regions it operates, and to manage water risks by monitoring and reducing the amount of water used in cooling, dedusting, and washing processes, as well as for irrigation and domestic purposes, and by recovering the water consumed. In the production lines Akçansa uses closed cycle systems for cooling purposes, which provide with the highest level of water recovery, and in aggregate production water is recycled and reused in dedusting and washing processes. Akçansa monitors and meets water quality requirements in discharge as required per local regulations and permits and will continue to work on further minimizing the environmental impacts of its water discharges. Our water efforts are also disclosed in our 2022 Integrated Annual Report that can also be accessed by the following link:

<http://www.akcansa.com.tr/en/docs/Akcansa2022AnnualReport.pdf>

[Akcansa2022AnnualReport.pdf](#)

 Akcansa_EFR2022_EN_22.06.23_web.pdf

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	General Manager	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms