AKÇANSA

2024 INTEGRATED ANNUAL REPORT

AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING OF THE YEAR 2024

1. Opening and formation of the Meeting Council.
2. Reading and discussion of the 2024 Annual Report of the Board of Directors.
3. Reading the 2024 Auditor's Reports.
4. Reading, discussion on and approval of the 2024 Financial Statements.
5. Release of the members of the Board of Directors with regard to the 2024 activities.
6. Determining the use of the 2024 profit and rate of dividend to be distributed.
7. Determination of the fees and honorarium, rights such as premiums and bonus of the members of Board of Directors.
8. Election of the Sustainability Auditor for 2024.
9. Election of Auditor.
10. Negotiation and approval of authorizing the Board of Directors to distribute advance dividends, effective for the accounting period of 2025.
11. Informing the General Assembly regarding the donations and grants made by the Company in 2024.
12. Determination of the limit of the donations to be made by the company in 2025.
13. Granting permission to the Chairperson and the Members of the Board of Directors for the activities under the Articles 395 and 396 of the Turkish Commercial Code.
14. Wishes and requests.

March 18, 2025 - 10.00



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AKÇANSA

With our motto "A World Worth Living" at Akçansa, we take responsibility in every aspect of our business and aim to create a more livable world for future generations.

ABOUT THE REPORT

At Akçansa, we take ownership responsibility in every aspect of our business for a sustainable world. In this report, shaped around the theme "Dünya Varmış" (A World Worth Living), we present our value-driven approach across a broad spectrum—from good governance to a sustainable future, from climate change to circular economy and innovation.

A reflection of this commitment is the Marmara Islands Artificial Reef Project, which supports marine ecosystems and contributes to the preservation of biodiversity. Supported by the Akçansa Underwater Community, this project exemplifies our dedication to adding value to nature.

Our sustainability vision extends beyond environmental efforts; we also see our employees as integral to this journey. Through our Communication Meetings, held across different locations under the "A World Worth Living" concept, we engage all stakeholders in embracing our sustainability-focused efforts.

With projects that benefit both nature and society, we are committed to building a sustainable future. As we move forward with the motto "A World Worth Living", we take responsibility in every aspect of our work, striving to create a more livable world for future generations.

Compliance and Regulations

The Akçansa 2024 Integrated Annual Report has been developed in accordance with the minimum reporting requirements set by the Capital Markets Board (CMB). This report adheres to the Turkish Sustainability Reporting Standards (TSRS), the Integrated Reporting Framework of the Value Reporting Foundation, and the Global Reporting Initiative (GRI) 2021 Standards.

Moreover, the company's environmental, social, and governance (ESG) performance is shared transparently with stakeholders, reflecting progress toward Akçansa's sustainability objectives. The report also includes key outcomes related to the company's initiatives aligned with the United Nations Sustainable Development Goals (UN SDGs) and the Women's Empowerment Principles (WEPs).

Alignment with European Sustainability Reporting Standards (ESRS)

ESRS, developed by the European Commission, serves as a comprehensive framework for companies to report their ESG performance in a more transparent, consistent, and comparable manner.

These standards mandate that all companies meeting the defined thresholds analyze the impacts and risks associated with their operations. The principle of double materiality underpins the ESRS, requiring companies to evaluate the effects of their activities both from an internal and external perspective.

In accordance with these requirements, the Akçansa Integrated Annual Report has been prepared for the first time this year, utilizing the European Sustainability Reporting Standards (ESRS) as a guiding framework, with due consideration given to the highest compliance standards.

Reporting Period and Scope

This report covers the period from January 1, 2024, to December 31, 2024, and reflects Akçansa's operations across Türkiye in the cement, ready-mix concrete, port, and aggregate sectors under the Akçansa, Akçansa Cement, Agregasa, and Betonsa brands.

Cement plants
3 plants nationwide

Ready-mix concrete plants
26 plants under the Betonsa brand

Aggregate plants
3 plants under the Agregasa brand

Ports and Terminals
4 ports / terminals

The data presented in this report has been collected and analyzed through specialized forms tailored to monitor the company's sustainability performance effectively.

Corporate Structure and Governance

Akçansa's governance framework is aligned with the Turkish Commercial Code and corporate governance principles, emphasizing transparency, accountability, and fairness. The Board of Directors plays a pivotal role in making strategic decisions and setting sustainability goals for the company.

Sustainability is at the heart of Akçansa's strategic priorities. The sustainability strategy is led by the CEO, supported by the Board of Directors, and communicated throughout the company by the Sustainability Committee and the Sustainability Directorate. Environmental, social, and governance (ESG) performance is continuously monitored and reported.

Akçansa's operations are guided by ethical principles, compliance policies, and sustainability standards. We are committed to implementing responsible business practices for all our employees and stakeholders.

Methodology and Approach

Akçansa's sustainability strategy focuses on the effective management of risks and opportunities in environmental, social, and governance areas. This year, the report has been shaped within the framework of double materiality analysis, with Akçansa's sustainability priorities determined through the feedback of stakeholders. Additionally, the report adopts internationally recognized data collection methodologies, with calculation methods provided in detail in relevant sections to ensure transparency and comparability.

Audit and Verification

The financial and non-financial data presented in this report have been audited and verified by independent third-party auditors. The findings of these audits can be found in the "Appendices" section.

Communication

We are committed to continuously improving our sustainability initiatives and highly value the feedback we receive from our stakeholders.

» For any comments, questions, or suggestions regarding this report or our sustainability efforts, please feel free to reach out to us at sustainability@akcansa.com.tr.

MESSAGE FROM THE CHAIRPERSON

With our sustainability-driven approach, we produce for a better future.



Dear Stakeholders,

We have passed the first anniversary of the devastating earthquake that struck 11 provinces in Türkiye on February 6. We once again commemorate the citizens we lost with deep respect and remembrance, and reaffirm the importance of the solidarity and sense of responsibility we have shown in healing the wounds caused by this major disaster.

The year 2024 was marked by global economic fluctuations, geopolitical risks, inflationary pressures, and sectoral transformations. As a joint venture of Sabancı Holding and Heidelberg Materials, our company successfully continued its operations by leveraging integrated production systems, an effective operational network, and a focus on business optimization. During this period, sustained cement demand and stable energy prices helped balance inflationary pressures, contributing positively to our performance.

Sustainability at the Core of Our Business Strategy

In the past year, we have achieved significant milestones in line with our strategic focus on sustainability. As global change accelerates, we believe that creating long-term value hinges on the effective management of environmental, social, and governance (ESG) factors.

The Sustainability Academy, which we launched this year in collaboration with our employees, trainers, and top management, has played a pivotal role in advancing our journey toward a sustainable future.

With our vision of becoming Turkey's leading sustainable building materials company in terms of stakeholder value, we focus on creating value for all our stakeholders and for our planet. Led by our social responsibility project 'Gönüllü Yolculuğum' (My Volunteer Journey), we will continue to produce for the future of our planet through inclusive initiatives centered around sustainability and innovation.

I would like to extend my heartfelt gratitude to all our colleagues and stakeholders whose support has made our successes possible.

Yours sincerely,

Burak Orhun
Chairperson

MESSAGE FROM THE CEO

We approach sustainability with an inclusive mindset, working with the principle of creating value for people and society.



Dear Stakeholders,

On the first anniversary of the devastating earthquakes of February 6th, which deeply affected all of us, we commemorate those we lost with profound sympathy. Through the social responsibility projects we have implemented, we continue to support the communities in the affected regions.

The year 2024 was one of adaptation to changing dynamics, embedding sustainability into the heart of our operations, and focusing on value creation. We carried out significant initiatives across a wide range of areas, from occupational health and safety to the circular economy, strategic partnerships, and community contributions.

This year, we increased our company's sales revenue to TRY 21.6 billion and EBITDA to TRY 3.9 billion. Through our efforts, we reached cement and clinker sales of 7.3 million tons, ready-mix concrete production of 2.8 million cubic meters, and aggregate sales of 2.6 million tons, continuing our strong performance in the market.

Strengthening Our Partnerships and Creating Value for the Future of Our Country

In 2024, we also enhanced our operations through national and international partnerships. Our agreement with ODAŞ, involving the supply of approximately 2 million tons of fly ash, stands as a key example of our commitment to the circular economy.

Furthermore, we signed a significant agreement with Grimaldi Group to provide international Ro-Ro services under our Akçansa Port brand. We are proud to contribute to our country's export capacity and sustainable logistics transformation.

Beyond these collaborations, we remain dedicated to addressing climate change and preserving nature, while continuing our sustainability-driven efforts for a better future. Our Bursa Aggregates plant successfully completed its independent audit and was awarded the Platinum CSC certification from the Concrete Sustainability Council, making it one of only 12 plants worldwide to achieve this level.

Continuing Our Work with the 'Zero Accidents, One Life' Philosophy

Our Samsun Ladik Plant achieved a significant milestone in 2024 by completing five years without any lost-time accidents. We remain steadfast in our commitment to occupational health and safety and will continue working with the 'Zero Accidents, One Life' philosophy in every aspect of our operations.

Maintaining Steady Progress in Our Sustainability Performance

In the 2024 CDP Climate Change Program assessment, we upheld our A- leadership score, maintaining our consistent progress. In addition, as the first Turkish cement company to sign the 'CEO Water Mandate' initiative under the UN Global Compact (UNGC), we have further demonstrated our commitment to water management. In the Marmara Islands Artificial Reef Project, launched last year, we issued the first monitoring report. Our project, awarded in the sustainability category at Sabancı Holding's 2024 Golden Collar Awards, will continue to contribute to biodiversity protection and marine life.

In all areas of our business, we take responsibility for ensuring a sustainable future and are dedicated to creating a more livable world for future generations. As a result of this approach, we proudly achieved 84th place in the Istanbul Chamber of Industry's (ISO) 2023 'Türkiye's 500 Largest Industrial Enterprises' survey, joining the top 100 industrial companies in the country. I would like to express my heartfelt thanks to all our stakeholders, especially Akçansa employees, who have supported us on this journey.

Yours sincerely,

Vecih Yılmaz
CEO, Akçansa

AKÇANSA AT A GLANCE

Creating value for our stakeholders since 1996.

Established in 1996 through the merger of Akçimento and Çanakkale Çimento, Akçansa today proudly operates as a publicly listed company in partnership with Sabancı Holding and Heidelberg Materials.

We meet 7% of Türkiye's cement demand and 13% of total cement and clinker exports. Leading the industry with globally compliant products, we create value for the future through responsible production, exceptional service, high-tech plants, and our commitment to environmental stewardship.

In 1998, we expanded into ready-mix concrete production under the Betonsa brand. Following our merger with Agregasa in 2002, we have continued aggregate production at our plants in Tekirdağ (Saray), Edremit, and Bursa. With our innovative products and advanced technological infrastructure, we consistently create value for our country and stakeholders.

SHAREHOLDING STRUCTURE



OUR MISSION

Being the leading construction materials company enhancing the quality of life of the society with our culture committed to social, environmental, legal, and ethical values; We aim to achieve the following objectives:

- Providing innovative products, services, and solutions to our customers.
- Delivering superior financial performance to our shareholders.
- Prioritizing occupational health and safety management approach for our employees while providing continuous development opportunities.
- Contributing towards the environment by using alternative fuel and raw materials, promoting biological diversity with recycling processes.
- Creating value for all our stakeholders.

OUR VISION

Being the most sustainable building materials company in Türkiye with highest stakeholder value



OPERATIONS

With the aim of generating positive added value for our country and society, we continue our operations across the Marmara, Aegean, and Black Sea regions.

Our cement and clinker production is carried out at three integrated cement plants located in Büyükçekmece, Çanakkale, and Samsun-Ladik.

Port operations are managed through the Çanakkale and Istanbul-Ambarlı ports. In addition to our ports, we operate 4 cement terminals, 3 active aggregate plants, and 26 ready-mix concrete plants.[1]

All production activities are carried out in compliance with ISO 45001 Occupational Health and Safety Management System, ISO 9001:2000 Quality Management System, ISO 50001 Energy Management System, and ISO 14001 Environmental Management System.

1 We have 31 ready-mixed concrete plants and 4 aggregate plants. Among these, 26 ready-mixed concrete plants and 3 aggregate plants are actively serving Akçansa. The remaining plants are either leased to other operators and/or have been closed during the year.

Management Systems

Certificate Name	First Year Certified	Number of Plants Covered	Scope
ISO 9001 Quality Management System	Samsun-Ladik: 2015 İstanbul-Büyükçekmece: 1994 Çanakkale-Ezine: 1987 Ready-mix Concrete and Aggregate Plants: 2001	• Cement Plants: 3 • Ready-mix Concrete Plants: 31 • Aggregate Plants: 4	• Clinker and Cement production • Ready-mix Concrete Design, Production, Sales, and Marketing, Aggregate Processing, Marketing, and Sales
ISO 14001 Environmental Management System	2003	• Cement Plants: 3 • Number of terminal operations and port plants: 3 • Ready-mix Concrete Plants: 31 • Aggregate Plants: 4	• Clinker and cement production, terminal operations, and port services • Ready-mix Concrete Design, Production, Sales, and Marketing, Aggregate Processing, Marketing, and Sales
ISO 50001 Energy Management System	2013	• Cement Plants: 3 • Port Operations:1	• Clinker and cement production, port operations (energy management processes related to clinker and cement production activities at the headquarters).
ISO 45001 Occupational Health and Safety Management System	2004	• Cement Plants: 3 • Number of Terminal Operations and Port Plants (headquarters administrative activities): 5 • Ready-mix Concrete Plants: 31 • Aggregate Plants: 4	• Clinker and cement production, terminal operations, and port services (headquarters administrative activities) • Ready-mix Concrete Design, Production, Sales, and Marketing, Aggregate Processing, Marketing, and Sales







Akçansa Ports

We continue to expand our high-quality, efficient, and solution-oriented port operations each year through our ports in Istanbul-Ambarlı and Çanakkale. In 2024, we further enhanced the operations at our Çanakkale port by extending our services beyond Akçansa cargo to also include third-party shipments.

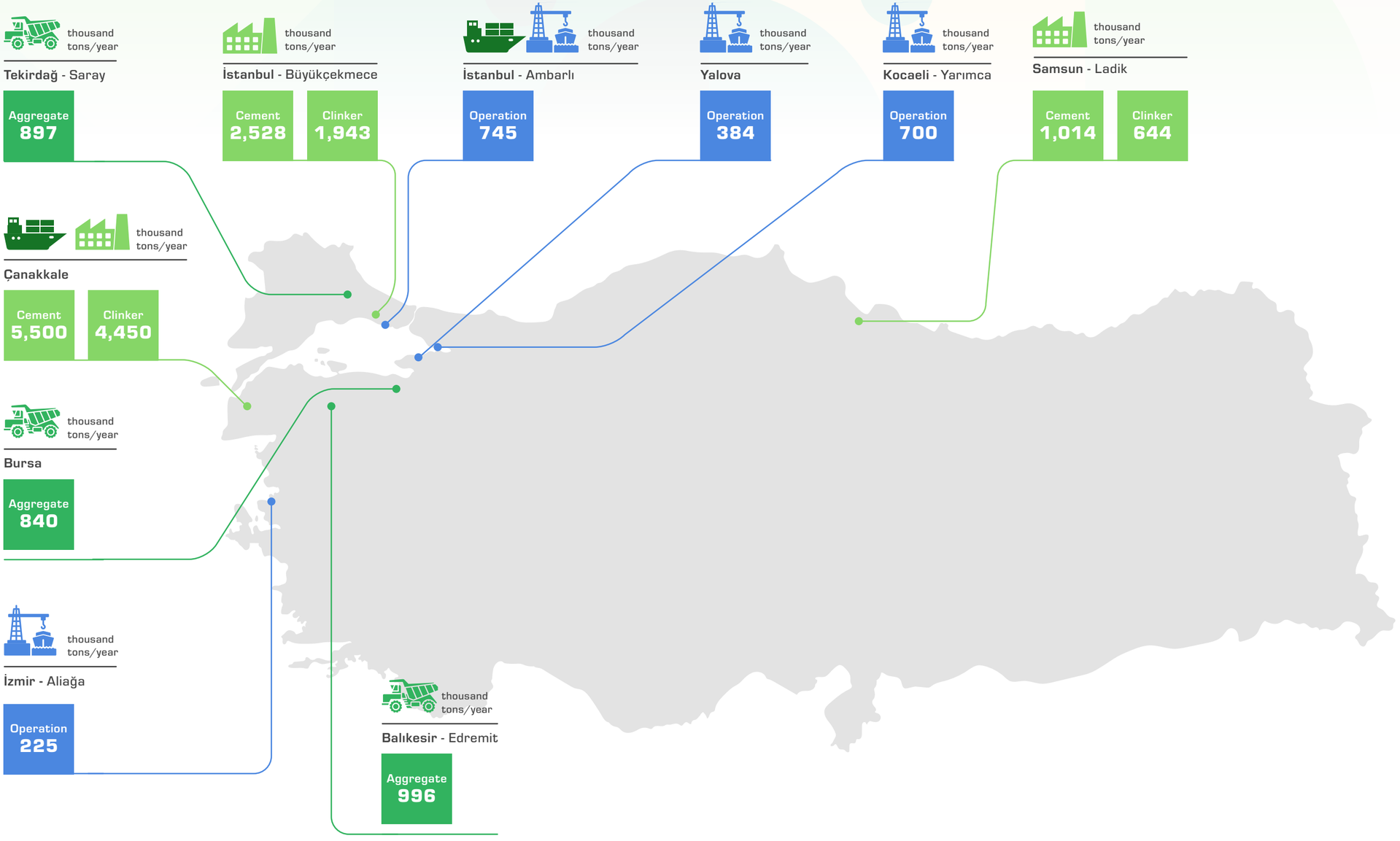
Located within Türkiye's largest port complex, our Istanbul-Ambarlı Port (Akçansa Port) is the leading terminal for bulk and general cargo handling on the European side of Türkiye. To meet all customer needs and expectations, we offer comprehensive cargo handling capabilities. The port has an annual capacity of 45,000 TEU (twenty-foot equivalent unit) containers, 3 million tons of bulk and general cargo, and 160,000 Ro-Ro (Roll-on/Roll-off) vehicles. With a 930-meter-long quay, we are able to provide simultaneous service to multiple vessels.

Our port is the only plant in the region equipped with an international Ro-Ro ramp, enabling specialized Ro-Ro operations. By providing Ro-Ro transportation, we help prevent approximately 8,600 tons of CO_2 emissions that would otherwise be caused by road transportation.

In line with our sustainability goals, Akçansa Port established a strategic partnership with Grimaldi Group, a global leader in international Ro-Ro transport, in 2024. As part of this collaboration, regular Ro-Ro voyages were launched twice weekly between Ambarlı Port and the Port of Trieste, Italy. As the only port on the European side of Türkiye to offer international Ro-Ro services, Akçansa Port expanded its service portfolio with this partnership. The voyages, which commenced in September 2024, are operated using Grimaldi Group's environmentally friendly hybrid vessels. This high-capacity maritime transportation alternative not only accelerates logistics operations but also significantly reduces carbon emissions compared to road transport. Thanks to this collaboration, Akçansa Port achieved a 38% increase in Ro-Ro operations compared to 2023.

2 Operating under the Akçansa Port brand, our Ambarlı port provides timely, efficient, and operationally excellent solutions tailored to customer demands. Within a modern port management framework, it offers services in container handling, bulk cargo, general cargo, liquid cargo, project cargo, and Ro-Ro transportation, seamlessly integrating with maritime and logistics networks.

PLANT CAPACITIES AND PRODUCTION DATA



Ready-Mix Concrete*
3,540
thousand m³/year

*Reflects the capacity of ready-mixed concrete plants that were actively in operation throughout the year.

Ready-Mix Concrete

Terminal

Cement

Port

Aggregate

KEY DEVELOPMENTS IN 2024

We continue to move forward towards our goals **with the innovative and sustainable projects we implement.**



Leadership Score in the CDP Climate Change Program

We achieved another significant success in the CDP Climate Change Program, one of the world's leading environmental reporting platforms. We maintained our A- leadership score in the 2024 CDP evaluations.

AAA Credit Rating from JCR Eurasia Rating

JCR Eurasia Rating, an international credit rating agency, assessed our 2023 financial performance and upgraded our previous AA+ rating to AAA, the highest in the construction materials industry.





Sectoral Leadership on LSEG

We increased our score to 86 on the LSEG (formerly Refinitiv) platform. As of December 2024, we ranked 2nd among 126 international companies in the construction materials sector.



Three Major Achievements at the ÇEİS Occupational Health and Safety Value Awards

At the Occupational Health and Safety Value Awards organized by the Cement Industry Employers' Union (ÇEİS), we reached the finals in four categories and won distinctions in three, marking a major success.

Third and Fourth Place at the Champions of Export Awards

We continued our export success. We were awarded 3rd place in the 'Top Grey Cement Exporting Company' category and 4th place in the 'Top Overall Cement Exporting Company (including clinker)' category.





Platinum Certificate from the Concrete Sustainability Council

Our Bursa Aggregate plant successfully passed an independent audit conducted by the Turkish Ready-Mixed Concrete Association's Quality Assurance System and received the Platinum-level Responsible Sourcing Certificate from the Concrete Sustainability Council.

We Updated Our 2030 Goals

In line with our sustainability strategy, we updated our 2030 Sustainability Targets in accordance with international standards, aiming to reach them with stronger and more decisive steps in 2024.



Five Years of Zero Accidents at Our Samsun Ladik Plant!

In line with our 'Zero Accidents, One Life' approach, our Samsun Ladik Plant has completed five years without a lost-time accident. The safety and health of our employees remain our top priority.





We Rose to 84th Place in ISO 500

In the Istanbul Chamber of Industry's (ISO) 2023 'Türkiye's Top 500 Industrial Enterprises' ranking, we rose 18 positions to reach 84th place.

First Turkish Cement Company to Sign the CEO Water Mandate

We became the first Turkish cement company to sign the CEO Water Mandate, an initiative under the United Nations Global Compact (UNGC).





LEED-Certified Administrative Office Building of AkçansaPort

The administrative office building of AkçansaPort was awarded the LEED (Leadership in Energy and Environmental Design) certification.

Third Place at Youth Awards 2024

At the Youth Awards 2024 organized by Youthall, we received third place in the 'Most Desired Industrial Company to Work for by Youth' category.





Construction Sector Technology Integration Award

In the Global 100 Index of Türkiye, conducted by Platin Magazine and Ipsos, we received the 'Construction Sector Technology Integration Award'.



Our Employee Engagement Score Increased

Based on the results of the Employee Engagement Survey conducted in 2024, our employee engagement rate increased by 6 points compared to the previous survey period, and was measured at 51%.



Our Responsible Communication and Sustainability Approach

Guided by the principle of responsible conduct for the future, we focus on creating broad and comprehensive positive impacts—from reducing environmental effects to generating social value. This year, we published our Sustainability Communication Policy and took pioneering steps against greenwashing. We also released our Human Rights Policy, emphasizing our commitment to addressing human rights across our entire value chain.



Contribution to the Marine Ecosystem: Our Artificial Reefs Have Become a Home to 33 Different Marine Species

The 280 artificial reefs we placed at the bottom of the Marmara Sea in September 2023 have, within a year, become home to 33 different marine species.

With this project, we won an award in the sustainability category at the 15th Golden Collar Awards.

This year, we also published our Biodiversity Policy, reiterating our commitment to responsibly managing the ecological impacts of our operations.



We Strengthened the Culture of Volunteering with the My Volunteer Journey Project

In 2024, within the scope of our 'My Volunteer Journey' project, 420 employees actively participated in 95 volunteer initiatives. They contributed a total of 2,380 volunteer hours, supporting social benefit.



We Supported the Inclusion of Young Talent in the Workforce

In 2024, 46 women students joined the Akçansa family through the GençİZ Long-Term Internship Program. To date, our program has received more than 11,000 applications and has become a powerful platform supporting the entry of young women leaders into the industry.





We Celebrated Occupational Health and Safety Week with the Motto Zero Accidents, One Life

Between September 23–27, 2024, we celebrated Occupational Health and Safety Week with training sessions, workshops, and inspections, raising awareness on workplace safety among employees under the motto 'Zero Accidents, One Life'.



Future Sustainability Leaders

As part of the 'Sustainability Leaders' Development Program, we reached more than 350 participants with 60 hours of training on 16 topics, including carbon markets, sustainability trends and regulations, water management, and biodiversity.



We Launched the Inspiring the Future Mentorship Program

To support the career development of Akçansa's Women employees, we launched a mentorship program that lasted approximately six months.

We Launched the Engagement Ambassador Project

To increase employee engagement and develop innovative solutions, we launched the Engagement Ambassador Project based on the results of the Employee Engagement Survey.



SECTORAL DEVELOPMENTS

Based on 2024 data, there was a **4.1%** **increase in cement production compared to the previous year.**



According to data for 2024, cement production increased by 4.1% compared to the previous year, with approximately 15.3% of this year's production being exported. Domestic sales rose by 8.9%, while cement exports experienced a decline of 14.6%.

Based on data from the Turkish Statistical Institute TÜİK-TURKSTAT, the country with the highest increase in cement and clinker exports in 2024 was Georgia. Exports were also made to the United States, Italy, Syria, Albania, the Turkish Republic of Northern Cyprus, and Romania.

After experiencing a growth of approximately 20% in 2023, the sector began 2024 with an increase in domestic demand and a decline in exports. The base effect resulting from the February 2023 earthquake in Türkiye and the local elections contributed to the significant growth observed in the first quarter. Production and sales remained at elevated levels in May. However, in June, domestic sales saw a decline for the first time in 2024 on a monthly basis. After July, the trend remained stable, with a 6% contraction recorded in December.

Akçansa's total domestic cement and clinker sales in 2024 increased by 1.1% compared to 2023, reaching 4.84 million tons. Export sales also experienced a 4.7% rise, amounting to 2.49 million tons. As a result, the total cement and clinker sales in 2024 increased by 2.3%, reaching 7.3 million tons.

8.9%

INCREASE RATE IN DOMESTIC CEMENT SALES IN 2024

In the fourth quarter of 2024, based on building permits issued by municipalities, compared to the same period in the previous year:

Decrease in Number of Buildings
16.7%

Decrease in Land Area Size
16.5%

Decrease in Number of Units
17.4%



Housing sales in 2024 compared to the previous year

20.6%
increased by

1,478,025
reached.

According to building occupancy permits issued by municipalities, in the fourth quarter of 2024, compared to the same period of the previous year:

Increase in Number of Buildings
10.5%

Increase in Land Area Size
13.3%

Increase in Number of Units
16.9%

Cement Production and Consumption in Türkiye (million tons)		
Year	Production	Domestic Consumption
2019	57	45.4
2020	72.3	55.7
2021	78.9	60.2
2022	73.7	54.6
2023	81.5	65
2024	84.8	70.8

Cement and Clinker Exports in Türkiye (million tons)[3]		
Year	Production	Domestic Consumption
2019	11.1	11.6
2020	16.3	13.6
2021	17.7	11.8
2022	18.5	8.5
2023	15.2	4.0
2024	13.0	5.2

826

DOMESTIC PER CAPITA CEMENT CONSUMPTION (KG)

85,664,944

POPULATION OF TÜRKİYE (PEOPLE)

3 Data containing information about producers who are members of the Turkish Cement Manufacturers' Association.

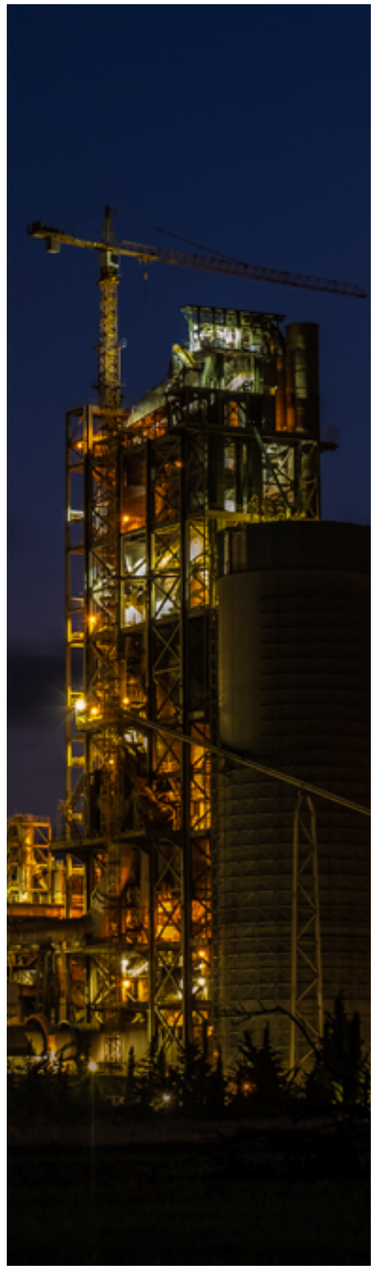


ECONOMIC PERFORMANCE

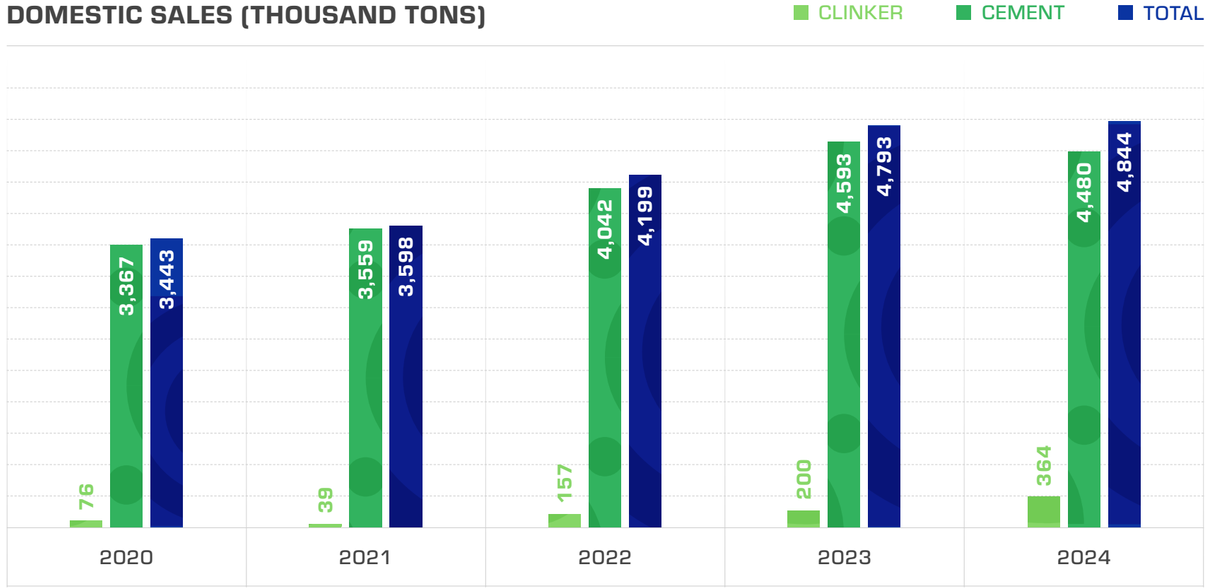
Total Assets increased from TRY 28,314.5 million in 2023 to **TRY 28,397.7 million in 2024.**[4]

(TRY million)	2022	2023	2024
Net Sales	**24,087.6**	**27,034.1**	**21,614.2**
EBITDA	2,386.4	5,674.1	3,858.6
EBITDA Margin (%)	9.9%	21.0%	17.9%
(EBIT)	1,224.4	4,497.8	2,590.2
EBIT Margin (%)	5.1%	16.6%	12.0%
Net Profit	**1,934.9**	**3,423.5**	**1,672.5**
Net Financial Position	917.5	-1,005.3	-1.691.0
Shareholder`s Equity	16,373.6	19,920.8	20,554.8
Total Assets	**26,827.8**	**28,314.5**	**28,397.7**
Earnings Per Share	14.6	17.9	8.7
Dividend per Share Ratio (Gross %)	130.6	600.7	626.8

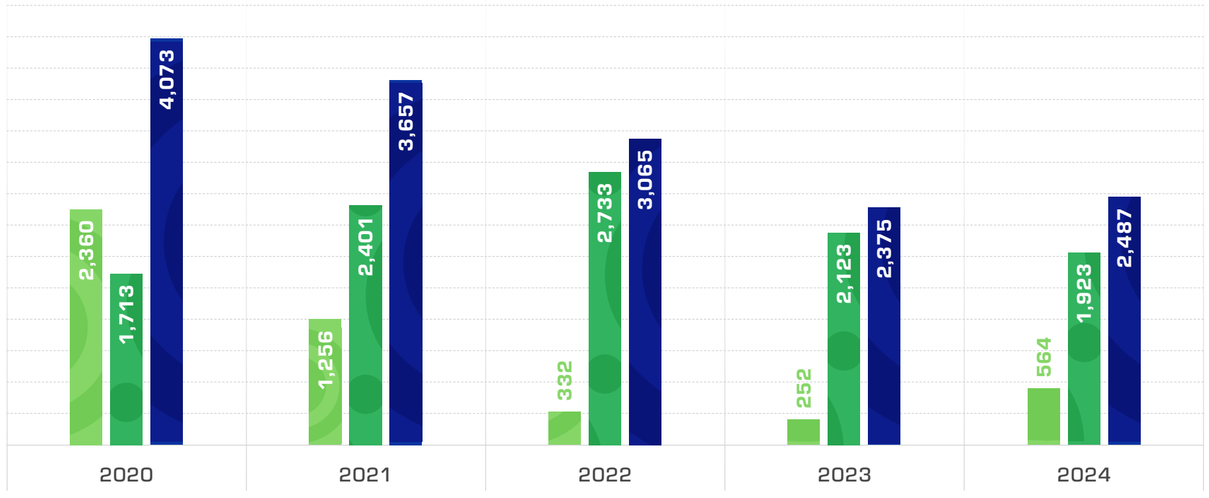
4 The financial statements as of December 31, 2024, along with our comparative financial tables, have been prepared in accordance with the TMS 29 "Financial Reporting in Hyperinflationary Economies" standard. The dividend per share ratio is calculated based on the previous year's profit and is determined in relation to the dividend amount distributed in the relevant year. Other operating income and expenses are not included in the calculation of EBITDA and EBIT.



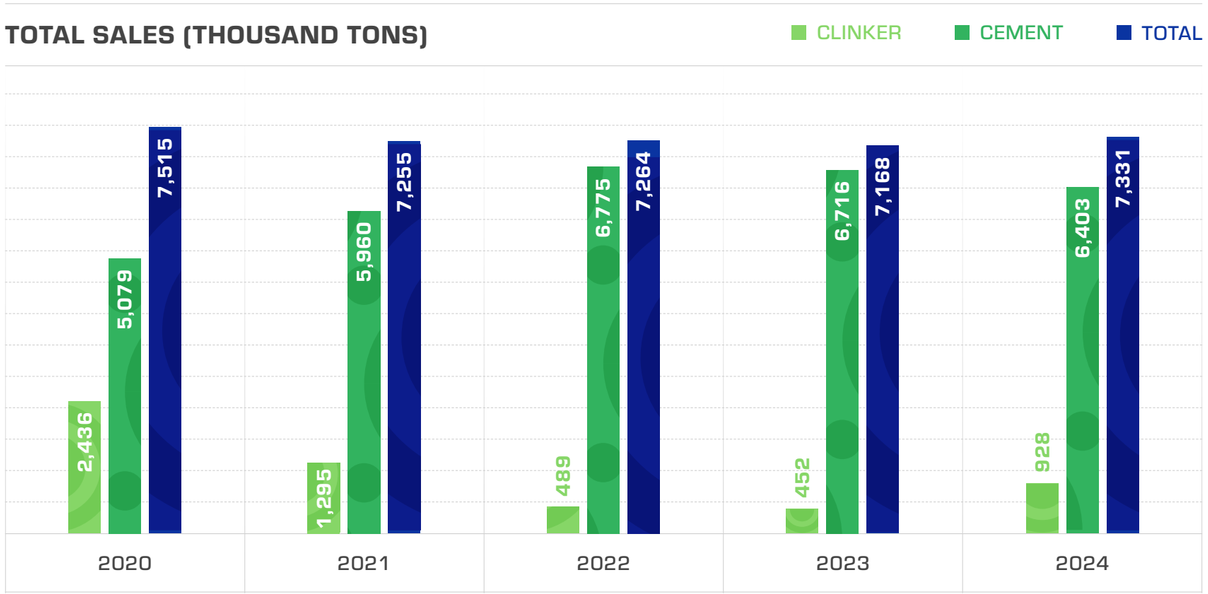
DOMESTIC SALES (THOUSAND TONS)



EXPORT (THOUSAND TONS)



TOTAL SALES (THOUSAND TONS)





Production Quantity by Main Product Group (2024)

Cement (thousand tons)
6,479

Clinker (thousand tons)
6,520

Concrete (thousand m³)
2,508

SALES AT BETONSA

Betonsa produces and sells ready-mix concrete under its brand across the Marmara, Thrace, Aegean, and Black Sea regions, in addition to supplying for mega projects.

- In 2024, a total of 2.8 million m³ of ready-mix concrete was sold from 26 operational plants.
- In 2024, 2.6 million tons of aggregates were sold from 4 operational plants.

READY-MIX CONCRETE (MILLION M³)



SALES AT AGREGASA (MILLION TONS)



» Detailed information regarding the direct economic value generated and distributed in 2024, along with the continuation of financial indicators, can be found in the Financial Statements section of our report.

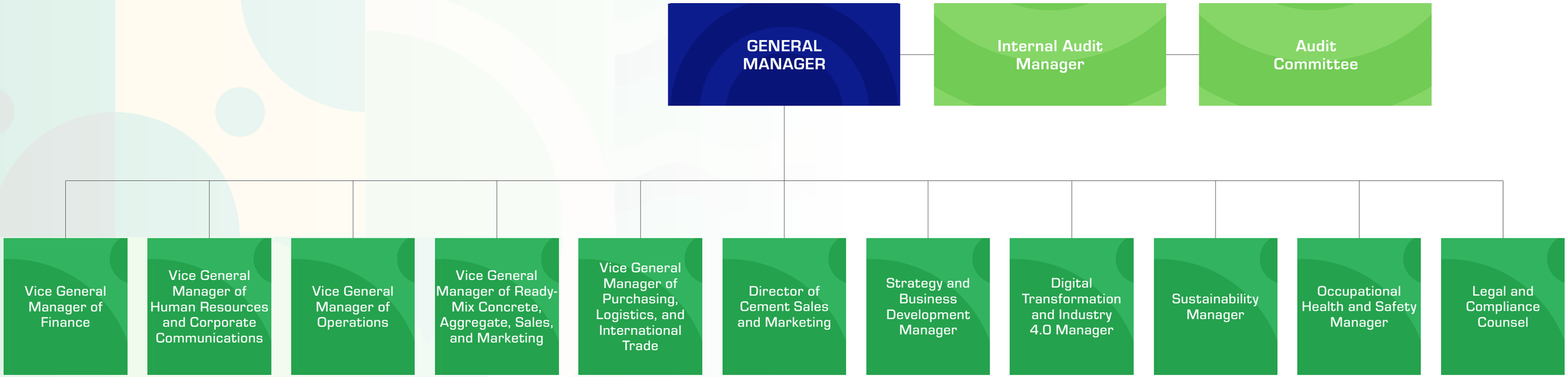
GOOD GOVERNANCE

We embrace a management approach based on transparency, accountability, and ethical values, and with this approach, we are shaping a sustainable business model.

AKÇANSA



ORGANIZATIONAL STRUCTURE



BOARD OF DIRECTORS AND SUB-COMMITTEES

At Akçansa, the foundation of our corporate governance approach is built on **the principles of fairness, transparency, accountability, and responsibility.**

At Akçansa, our corporate governance approach is grounded in the principles of fairness, transparency, accountability, and responsibility. We aim to establish a sustainable future throughout all our operations and to create long-term value for all stakeholders. Through our integrated management approach, we minimize risks and ensure full compliance with all legal obligations.

Our Board of Directors, the highest governing body of the company, consists of six members, including one woman. Two independent members contribute to maintaining a transparent and impartial governance structure. All members are elected by the General Assembly based on their qualifications and competencies. The roles of the Chairperson of the Board and the Chief Executive Officer are held by separate individuals, ensuring a clear division of responsibilities.

» The working principles and procedures of the committees can be accessed here.



At both Ordinary and Extraordinary General Assembly meetings, shareholders are entitled to one vote per share held, and voting is conducted openly. In accordance with our senior management remuneration policy, the compensation of Board members is determined through a vote by the General Assembly.

Committees operating under the Board play a key role in supporting effective and transparent governance. Akçansa has established the Corporate Governance Committee, the Early Risk Detection Committee, and the Audit Committee, in compliance with Capital Markets legislation and the Turkish Commercial Code. The Corporate Governance and Audit Committees convene at least every three months, four times a year, to fulfill their duties, while the Early Detection of Risk Committee meets and/or reports at least six times a year in two-month intervals to carry out its activities.

The Internal Audit Department, which provides independent and objective assurance and consulting services to support operational improvement and value creation, is represented within the Executive Committee and reports to the Audit Committee, composed of independent members of the Board of Directors.

» Detailed information on the governance of sustainability-related issues is provided in the Sustainability Governance section.

» Comprehensive information on risk management is available in the Corporate Risk Management section.

Through our integrated management approach, we minimize risks and fulfill all our legal obligations.

BOARD OF DIRECTORS



Burak Orhun
Chairperson

Bachelor's Degree: Boğaziçi University, Department of Economics

Master's Degree: Finance at George Washington University, USA, and Business Administration at the University of Pennsylvania - Wharton Business School.

Burak Orhun began his professional career as a Financial Planning and Analysis Specialist at Mercedes-Benz Türk A.Ş. In the United States, he held various senior executive roles, including Finance Manager, Portfolio Management Director, Corporate Development Director, and Vice General Manager of Finance at Thomson Corporation (Reuters), CapitalOne Financial, and CadenceQuest, Inc. From 2009 to 2018, he played a key role in mergers and acquisitions at Oyak Group. Burak Orhun joined the Sabancı Group in 2018 as the Head of Strategy and Business Development at Sabancı Holding. He served as the President of the Building Materials Group at Sabancı Holding between May 2021 and April 2024, and in April 2024, he was appointed as the President of the Materials Technologies Group. In addition to his role at Akçansa, Orhun serves as the Chairperson of the Board at Kordsa, Afyon Çimento, Çimsa and as a Board Member at Teknosa.



Hakan Gürdal
Vice Chairperson of the Board of Directors

Bachelor's Degree: Yıldız Technical University, Department of Mechanical Engineering

Master's Degree: Istanbul University, Department of International Business

Hakan Gürdal began his career at Çanakkale Cement in 1992. In 1996, he was appointed as the Director of Strategy and Business Development at Akçansa, and in 1997, he assumed the role of Vice General Manager responsible for Trade. Since August 1, 2008, he has been serving as the General Manager of Akçansa. In 2016, he was appointed as a Member of the Executive Committee at Heidelberg Materials Group, overseeing the Africa and Mediterranean regions.



Şebnem Önder
Board Member

Bachelor's Degree: Ankara University, Faculty of Law

Şebnem Önder began practicing law in 1994 at White & Case LLP (Türkiye) and in 1999-2000 at the same firm's New York office. She was a partner in the same firm's Türkiye division from 2000 to 2014. She was employed by British American Tobacco (Türkiye & North Africa) in 2014 as the Legal Director. She has been the European Regional Head of Compliance since 2018. She became the head of Sabancı Holding's Legal, Risk, and Compliance Department in September 2022. In addition to her role at Akçansa, Şebnem Önder also serves as a Board Member at several Sabancı Group companies, including Brisa, Carrefoursa, Temsa Skoda Sabancı Transportation Vehicles, and Sabancı Building Solutions B.V.

Two of our Board members, Hakan Gürdal and René Aldach, reside in Germany, while the remaining members are based in Türkiye.
Our Board of Directors members do not have any expertise with regard to sustainability.

BOARD OF DIRECTORS



René Aldach
Board Member

Bachelor's Degree: Westfälische Wilhelms-Universität, Department of Business Studies

René Aldach began his career at Heidelberg Materials in 2004. In 2015, he was appointed CFO of Cement Australia, a joint venture in Australia. In 2018, he expanded his responsibilities as CFO of Hanson and a Board Director of Hanson & Cement Australia, overseeing the financial operations of the entire Australian organization. Since September 2020, he has been responsible for all accounting, control, and reporting functions as the Group Director of Reporting, Control, and Consolidation at Heidelberg Materials Group. Since September 1, 2021, he has served as CFO of Heidelberg Materials, and from January 2024, he also oversees the company's operations in Australia.



Bülent Bozdoğan
Independent Director

Bachelor's Degree: Middle East Technical University, Department of Business Administration

In 1980, Bülent Bozdoğan started working with PwC as a senior auditor. He worked with Unilever Türkiye in a variety of managerial capacities from 1982 to 1991. He joined Brisa Bridgestone Tire Co. in October 1991 as Vice General Manager, in charge of Finance, Planning, and Control. He then continued his career as Global CFO and Vice General Manager at KordSA Global Inc. starting in January 2001. After serving as the Chief Audit Executive responsible for the audits of 20 different group companies within Sabancı Holding in 2009, he retired at the age of 62 in accordance with Sabancı Holding's internal regulations. In January 2018, he became the CEO of Dedeman Holding, where he was responsible for the Mining and Tourism businesses for two years, before concluding his tenure. Since July 2020, he has been serving as an Independent Board Member and Audit Chairperson at Borusan Mannesmann Boru Inc. He also assumed the role of Independent Board Member at Kordsa Indonesia in October 2020 and CarrefourSA in September 2021, positions he continues to hold.



Ali Aynacı
Independent Director

Bachelor's Degree: Boğaziçi University, Faculty of Business Administration

Ali Aynacı held various managerial positions at Sabancı Holding's affiliated companies from 1975 to 1986. From 1986 to 1991, he served as the General Manager of Çanakkale Çimento Ticaret A.Ş., and from 1991 to 2012, he was the CEO of Rota Liman Hizmetleri A.Ş. Between 2002 and 2013, he served as the Vice Chairperson of the Board at Star İhracat A.Ş., and from 2013 to 2015, he held the position of Chairperson of the Board at Seament Dış Ticaret A.Ş. Since 2015, Ali Aynacı has been continuing his role as the Chairperson of the Board at MERAY Dış Ticaret A.Ş.

	CORPORATE GOVERNANCE COMMITTEE	EARLY RISK DETECTION COMMITTEE	AUDIT COMMITTEE
SCOPE	Engages in efforts to improve Corporate Governance practices. Supervises the activities of the Investor Relations department. Responsible for evaluating and recommending candidates for the Board of Directors. Provides recommendations on the compensation principles for the Board of Directors and senior executives. Oversees sustainability initiatives and offers recommendations for improvement.	Identifies potential risks that the company may face. Works towards the establishment of risk management systems and ensures the effective management of risks. Reviews risk management systems at least once a year.	Oversees the functioning and effectiveness of the company's internal control and internal audit systems. Makes recommendations for the selection of the Independent Audit Committee.
MEETING /REPORTING FREQUENCY AND AGENDA	Once every three months, four times a year	Once every two months, six times a year	Once every three months, four times a year
MEMBERS	**Bülent Bozdoğan**, Chairperson **Ali Aynacı**, Member **Dinçer Bulan**, Member	**Ali Aynacı**, Chairperson **Bülent Bozdoğan**, Member	**Bülent Bozdoğan**, Chairperson **Ali Aynacı**, Member

THE SENIOR MANAGEMENT



Vecih Yılmaz
General Manager

Bachelor's Degree: Middle East Technical University, Department of Business Administration

Master's Degree: Galatasaray University, Financial Economics

Vecih Yılmaz graduated from the Middle East Technical University, Department of Business Administration in 2005, while simultaneously completing a minor in Political Science and Public Administration at the same university. In 2012, he earned his master's degree in Financial Economics from Galatasaray University. He began his professional career in 2005 as an auditor at Deloitte. In 2009, he joined Sabancı Group, serving as Financial Planning, Analysis, and Investor Relations Manager at Sabancı Holding from 2009 to 2013, and as Financial Control and Risk Manager at Enerjisa Enerji from 2013 to 2015. Between 2015 and 2017, he held the positions of CFO at Assan Panel and Financial Affairs Director at Kibar Holding within Kibar Group. In 2017, Mr. Yılmaz rejoined Sabancı Group, where he served as Finance Director at Sabancı Holding between June 2017 and April 2019. During this period, he also held board memberships at Kordsa and Yünsa. From April 2019 to December 2022, he served as Vice General Manager of Finance and Financial Affairs at Çimsa. As of December 1, 2022, he has been appointed as the General Manager of Akçansa.



Ülgen Eryürek Aslan
Vice General Manager
Human Resources and Corporate Communications

Bachelor's Degree: Boğaziçi University, Department of Economics

Master's Degree: Marmara University, Faculty of Business Administration, Department of Accounting and Finance

Graduating from Boğaziçi University with a degree in Economics in 1998, she began her professional career as a Management Trainee in the Finance Group Presidency at Bayındır Holding. She later served as Budget Planning Chief at HEAŞ. In 2004, she completed her master's degree in Finance and Accounting at Marmara University's Faculty of Business Administration (English) and joined Akçansa Çimento A.Ş. in February 2004 as a Financial Reporting and Analysis Specialist. Since then, she has held various roles, including Financial Planning and Analysis Manager, Financial Planning, Analysis, Reporting, and Investor Relations Manager, Strategy and Business Development Manager, and Cement and Ready-Mix Concrete Sales Planning and Marketing Group Manager. As of February 1, 2023, she was appointed as Strategy and Corporate Performance Group Manager. Effective December 15, 2023, she has been serving as Akçansa's Vice General Manager – Human Resources.



Ömer Sinan Genç
Vice General Manager
Operations*

Bachelor's Degree: Ege University, Chemical Engineering

Master's Degree: İzmir High Technology University, Chemical Engineering

Ömer Sinan Genç earned his undergraduate degree in Chemical Engineering from Ege University and subsequently completed his master's degree in Chemical Engineering at İzmir Institute of Technology. Since joining our company in 2007, he has held various roles, including Production Engineer at the Ladik Plant, Semi-Finished Products Chief at the Büyükçekmece Plant, Production Manager at the Büyükçekmece Plant, Ladik Plant Manager, and Çanakkale Plant Manager. As of January 1, 2025, Ömer Sinan Genç has been appointed as Vice General Manager of Operations at Akçansa.

* Mr. Gergely Borosi, who previously served as Vice General Manager of Operations, stepped down from his position as of December 25, 2024.

THE SENIOR MANAGEMENT



Thomas Gerstenhauer
Vice General Manager
Finance*

Bachelor's Degree: International Partnership of Business Schools (Reutlingen/London) European Business Management

Master's Degree: Friedrich Schiller Üniversitesi (Jena) Executive MBA

Thomas Gerstenhauer earned his bachelor's degree in European Business Administration from the International Partnership of Business Schools (Reutlingen/London) and completed the Executive MBA program at Friedrich Schiller University (Jena). He began his professional career in 1998 at Schroder Salomon Smith Barney in London, later undertaking assignments in Melbourne and New York. From September 2003 to 2007, he worked as Deputy Head of Leveraged Finance at HSH Nordbank. Between November 2007 and December 2009, he worked as Senior Vice President Investment Banking at Sal. Oppenheim Jr. & Cie. KgaA. From April 2011 to September 2014, he managed his own corporate finance advisory business and was a member of the creditors' committee for IVG Immobilien AG. In September 2014, he joined Heidelberg Materials as Finance Director and later served as CFO and Deputy General Manager of Mibau Stema Group. As of November 1, 2024, Thomas Gerstenhauer has been appointed as Vice General Manager of Finance at Akçansa.

* Mr. Jason South, who previously held the position of Vice General Manager of Finance, stepped down from his role as of November 1, 2024.



İlker Koç
Vice General Manager
Ready-Mix Concrete, Aggregates Sales & Marketing

Bachelor's Degree: Middle East Technical University, Department of Civil Engineering

Master's Degree: Sabancı University Business Administration (Executive MBA)

İlker Koç completed his undergraduate studies in Civil Engineering at Middle East Technical University and earned his Executive MBA degree from Sabancı University. He began his professional career in 1994 as a Site Engineer at Rizzani de Eccher and later served as a Site Manager at Astaldi and Sinta between 1995 and 1998. He joined Akçansa in September 1998 as a Specialist in the Marketing Planning and Sales departments. Between 2008 and 2012, he worked as a Senior Engineer at Heidelberg Cement Technology Center in Germany. Following this, he continued his career at Akçansa, holding positions such as Quality and R&D Manager, Marketing and Special Products Manager, and Technical Sales Support and Special Products Manager. From December 2020 to November 2021, he served as the Company Manager at Karçimsa. he served as the Company Manager at Karçimsa. As of December 1, 2021, İlker Koç has been appointed as Vice General Manager of Ready-Mix Concrete, Aggregates Sales, and Marketing at Akçansa.



Sinan İnaç
Vice General Manager
Procurement, Logistics and International Trade

Bachelor's Degree: Dokuz Eylul University Department of Business Administration (English program)

Sinan İnaç graduated from Dokuz Eylül University with a degree in Business Administration (English Program) in 1999. Sinan İnaç began his career at Çimentaş in 2003 and worked there as a Budget and Cost Control Specialist from 2003 to 2007, Planning, Budget and Control Chief from 2007 to 2011, Planning, Budget and Control Manager from 2011 to 2015, Strategy and Marketing Manager (Cement and Ready-Mix Concrete) from 2015 to 2017, Planning, Budget and Control Eastern Mediterranean Regional Leader from 2017 to 2019, and finally Planning, Budget and Control Director. Since 2019, he has held positions at Akçansa as Strategy and Business Development Manager and Strategy and Business Development Group Manager, respectively, and as of December 1, 2021, he was appointed Akçansa Assistant General Manager - Procurement and Logistics.

THE SENIOR MANAGEMENT



Akın Hasbay
Cement
Sales & Marketing Director

Bachelor's Degree: Dokuz Eylul University Department of Civil Engineering

Akın Hasbay earned his Civil Engineering degree from Dokuz Eylül University in 1999. He began his career as a Civil Engineer at Ülker İnşaat from 2000 to 2003. Between 2003 and 2017, he held various roles at Akçansa, including Customer Representative in İzmir, Ready-Mix Concrete Sales & Marketing Specialist in İzmir, Cement Sales Planning Specialist in İstanbul, Sales Supervisor for the Northern Region, Cement Marketing Officer, Ready-Mix Concrete Regional Manager for Eastern Marmara, and Cement Sales Regional Manager for Eastern Marmara. From 2017 to 2019, he served as Sales Director for Denizli Cement at Oyak Cement. Since 2019, he has continued his career at Akçansa, taking on roles such as Ready-Mix Concrete Regional Manager for Northern and Eastern Marmara and Cement Sales Group Manager. On June 26, 2024, Akın Hasbay was appointed as the Cement Sales and Marketing Director at Akçansa.



POLICIES

- Biodiversity Policy
- Human Rights Policy
- Sustainability Communication Policy
- Gender Equality Policy
- Anti-Bribery and Anti-Corruption Policy
- Remuneration Policy for Board Members and Senior Executives
- Information Policy
- Profit Distribution Policy
- Supplier Code of Business Ethics
- Donation and Charity Policy
- Sustainable Supply Chain Policy
- Code of Ethics
- Board of Directors Diversity Policy
- Environment and Energy Policy
- Quality Policy
- Occupational Health and Safety Policy

You can access all our policies here.



VALUE CREATED FOR SHAREHOLDERS AND INVESTORS

Our market capitalization, which exceeded USD 1 billion in 2023, **remained at this level in 2024 despite market conditions, achieving an average annual value increase of 13% in USD terms.**



Since our initial public offering in 1996 under the ticker symbol "AKCNS" on Borsa Istanbul, we have maintained a strong presence in the market. Our shares, listed on the Borsa Istanbul Star Market, are held as follows: 39.72% by Hacı Ömer Sabancı Holding A.Ş., 39.72% by Heidelberg Materials, and 20.56% are publicly traded. By the end of 2024, approximately 16% (2023: 20%) of our publicly traded shares were held by foreign investors, while the remainder was distributed among nearly 58,000 (2023: 25,000) local individual and institutional investors.

Our shares are included in key Borsa Istanbul indices such as BIST Industry, BIST 500, BIST Star, BIST Istanbul, BIST Stone & Soil, BIST Participation 100, and BIST Participation indices. As a result of our consistent dividend policy, we are also listed in the BIST Dividend and BIST Dividend Participation All indices. Through our ongoing sustainability-focused efforts, we continue to improve our scores on the LSEG (formerly Refinitiv) platform, ensuring our place in the BIST Sustainability and BIST Sustainability Participation indices. Additionally, we have maintained our inclusion in the MSCI Global Small Cap Index, which we joined in 2023.

In 2024, we achieved stable growth, in line with the performance of the BIST 100 and BIST Stone & Soil indices. With an 86-point rating on the LSEG platform, we sustained our position in its highest relative performance category. Furthermore, we remained among the top three companies out of 126 international firms in the construction materials sector, further strengthening investor confidence. Our strong investor relations were further recognized through our inclusion in the Extel (Institutional Investor) Industry Benchmarking list.

In 2023, our market value exceeded USD 1 billion, and despite market fluctuations, we successfully sustained this valuation in 2024, achieving an annual average dollar-based value increase of 13%. This strong performance enabled us to expand our investor base while continuing to hold the highest institutional investor ratio in our industry.

With our corporate identity, sustainable stability, and continuous commercial success, we have become a key long-term investment destination within the industry. As one of the most transparent cement companies monitored by equity research units in Türkiye, we maintained robust analyst coverage. In 2024, 12 institutions regularly participated in Akçansa's investor surveys and published equity research reports. By year-end, 7 analysts (2023: 9 analysts) rated our stock as "BUY/Outperform", while 5 analysts (2023: 5 analysts) issued a "HOLD/Neutral" recommendation.

We foster strong communication with our investors by sharing financial results and industry insights at least four times a year through digital platforms. To ensure easy access to key data, we publish quarterly analyst presentations and financial summaries in both Turkish and English on our website. In 2024, we conducted 44 investor meetings, engaging with over 100 analysts and investors through one-on-one discussions and participated in three major local and international conferences.

During investor meetings, we highlight our core strengths and sustainability-focused investments. We continue to present a transparent and sustainable equity story by addressing a wide range of topics, from developments in energy costs to potential changes in the cement sector.

44

TOTAL NUMBER OF INVESTOR MEETING CONDUCTED IN 2024

ETHICS AND COMPLIANCE

All our business processes are carried out with a transparent and accountable management approach, in collaboration with the Legal and Compliance Departments of Heidelberg Materials and Sabancı Holding.

All our business processes are conducted with a transparent and accountable governance approach in collaboration with Heidelberg Materials and Sabancı Holding's Legal and Compliance Department. Within this framework, we have adopted the Sabancı Group Code of Business Ethics (SA-ETİK), defining our corporate principles, ethical values, and standards company-wide. SA-ETİK serves as a guiding framework to ensure that our employees act in the company's best interest, adhering to legal regulations, internal norms, and contractual obligations, while avoiding any behavior that could harm the company.

All members of our Board of Directors, executives, and employees are required to comply with the Code of Business Ethics. Similarly, we expect all suppliers, subcontractors, dealers, and business partners to adhere to these principles. Upon hiring, our employees receive comprehensive training on the Code of Business Ethics, and all members of our management team and staff have committed to legal compliance under Sabancı Group's ethical standards. Our supplier contracts also include ethical compliance clauses, ensuring that suppliers commit to these principles upon signing.

To promote and integrate ethical values, we provide regular training programs for our employees. In 2024, we conducted 990 hours of training, covering topics such as competition law, personal data protection law, and labor law, with 299 employees participating. Additionally, 395 employees completed ethics training in 2024, totaling 229.5 hours. Our Audit teams also attended various trainings and seminars organized by the Cement Industry Employers' Association and the Turkish Internal Audit Institute, enhancing their professional and managerial skills while staying up to date on relevant issues.



As of 2024, the participation rate in business ethics training has been recorded as 100%.

We have established a transparent reporting system to prevent and address ethical violations. Employees, customers, suppliers, and other stakeholders can report ethical concerns through multiple channels, including the Akçansa ethics hotline, Sabancı Group ethics reporting channels, and email. Employees are regularly informed about the accessibility of these reporting channels. Ethical reports are reviewed by the Human Resources, Legal, and Compliance Department, and when necessary, the Audit Department is also involved in the process. For ethics-related matters, the Human Resources (HR) Department acts as an Ethics Compliance Advisor within the company. Employees seeking ethical guidance can consult this unit. All ethics reports are examined and investigated by the HR Department, with findings and recommendations shared with the Board of Directors for further evaluation.

As of 2024, no ethical violations have been identified. Specifically, there have been no recorded cases of bribery and corruption, discrimination or harassment, customer data privacy breaches, conflicts of interest, or money laundering. However, regarding environmental complaints, 17 notifications were received in 2024. All these complaints were addressed and fully resolved.

To safeguard whistleblowers, Akçansa enforces a strict non-retaliation policy, ensuring that employees who report ethical violations are protected through appropriate security measures. The company is committed to maintaining a transparent and impartial review process, ensuring that all reports are assessed objectively.

All business activities are conducted in full compliance with applicable local regulations, international legal frameworks, and the relevant communiqués of the Capital Markets Board (CMB).

The SA-ETİK guidelines play a fundamental role in fostering transparent, honest, and reliable communication in shareholder relations and decision-making processes, while also ensuring that ethical compliance procedures are managed with the utmost diligence. In support of ethical compliance, the company conducts regular audits and provides ongoing internal training programs, which incorporate dedicated ethics modules to enhance employee awareness. As of 2024, participation in business ethics training has reached 100%.

Furthermore, all company operations adhere to internationally recognized standards, including the Universal Declaration of Human Rights (United Nations), the OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Principles and Rights at Work. Within this framework, the Compliance Procedure, which defines the company's legal commitments and employee expectations, constitutes a key component of corporate policies.

During the reporting period, employees refrained from engaging in any political activities during working hours and did not use their colleagues' time for such activities. Furthermore, employees did not utilize the company's name, position, title, or resources for any political purposes. As part of Akçansa's regulatory compliance processes in 2024, an assessment was conducted to determine whether any violations had occurred. The review confirmed that there were no breaches, penalties, or legal proceedings related to the three key areas of compliance: competition law, personal data protection law, and international sanctions.

Akçansa upholds its commitment to ethics and compliance through principles of transparency, education, and adherence to international standards. By sharing these values with all stakeholders, the company continues to set an industry benchmark with exemplary practices in ethics and compliance.

» For more information, you may access the Akçansa Code of Business Ethics here.

ANTI-BRIBERY AND ANTI-CORRUPTION

There were no activities of Akçansa that have been subject to human rights reviews or ethical assessments.

Akçansa's Anti-Bribery and Anti-Corruption Policy encompasses all employees, including members of the Board of Directors, as well as the organizations and business partners we maintain business relationships. This policy explicitly prohibits corruption and bribery, which are defined as the misuse of authority for personal gain or any form of illicit profit. These actions are considered criminal offenses and are strictly forbidden. The Board of Directors is accountable for the enforcement and periodic updating of the Anti-Bribery and Anti-Corruption Policy.

To ensure our employees are adequately informed and raise their awareness on matters of bribery and corruption, we conduct various training sessions. These topics are addressed as part of the ethical training provided under the Sabancı Code of Business Ethics. The training generally emphasizes fundamental principles such as integrity, transparency, and legal compliance, while also covering anti-corruption and anti-bribery measures within a broader ethical framework.

Employees are obligated to report any violations of the policy or any suspicious activities they may witness. They are encouraged to submit reports, which can be made via the Akçansa Ethics Committee, Sabancı Holding Ethics Committee, or the Heidelberg Materials Ethics Hotline. All reports are handled with strict confidentiality. Violations are thoroughly examined with an impartial perspective, ensuring the privacy of employees, and, where necessary, appropriate disciplinary actions are implemented.

In 2024, no disciplinary measures were imposed in relation to bribery or corruption. Furthermore, Akçansa has not been involved in any human rights assessments or ethical reviews related to its operations.

Our Anti-Bribery and Anti-Corruption Policy also extends to our suppliers. As part of our Sustainable Supply Chain Policy, we expect all business partners to comply with ethical principles and legal requirements.[5] In 2024, no reports of bribery or corruption were received, no investigations were initiated, and no contracts with business partners or suppliers were terminated due to corruption. Additionally, there have been no public legal cases involving bribery or corruption.

Akçansa adopts a zero-tolerance policy towards bribery and corruption, conducting all its activities in line with the principles of transparency, ethical values, and accountability. To maintain high ethical standards, audits and awareness-raising efforts are continuously carried out for all our employees and business partners. In the coming periods, activities to raise awareness on the anti-bribery and corruption will continue without interruption.

» Akçansa's Anti-Bribery and Anti-Corruption Policy can be accessed here.



5 No specific audits related to bribery or corruption were conducted in 2024.

INTERNAL AUDIT

At Akçansa, audit and consultancy activities are carried out with an **independent and objective approach, based on a risk-oriented perspective.**

15

TOTAL NUMBER OF AUDITS IN 2024

18

TOTAL NUMBER OF INTERNAL AUDIT MEETINGS IN 2024

Since its inception, the Internal Audit Unit has operated under the Audit Committee, comprising Independent Board Members, with the goal of adding value to Akçansa and advancing our operations.

At Akçansa, audit and consulting activities are conducted with an independent and objective approach, guided by a risk-based perspective. In the initial phase of the audit process, comprehensive analyses are performed, considering both national and international risks. Based on these analyses, an annual audit plan is developed. Following this, the audit activities are carried out, testing the adequacy of our internal control system. The audits also include assessments of the functioning of internal control systems, risk management, and governance processes. The findings are reported to the Audit Committee, and recommendations for improvements are submitted to top management. Throughout this process, all activities are performed in full compliance with the quality standards set by the Institute of Internal Auditors (IIA).

In 2024, we conducted audits on 15 different processes in accordance with our annual audit plan. Three of these audits were carried out in collaboration with the audit teams of our primary partners, thereby enabling a more comprehensive evaluation of the processes. Additionally, two process audits were completed using digital tools and data analysis techniques. As part of ethical reviews, we carried out in-depth examinations on nine distinct topics and provided consultancy services for one focus area aligned with our strategic priorities.

The findings from all audit and consultancy activities, along with our recommendations, are regularly shared with senior management and the Board of Directors. Improvement efforts based on our findings are closely monitored, and progress reports are provided at regular intervals.

In 2024, we held a total of 18 meetings, including Board of Directors and Audit Committee sessions, in coordination with senior management and the Board of Directors.



SUSTAINABLE FUTURE

With our people- and environment-centered projects, we are shaping a more livable world for future generations.

AKÇANSA



SUSTAINABILITY STRATEGY

Within the scope of our sustainability strategy, we continue to **contribute to the United Nations Sustainable Development Goals (UN SDGs).**

Sustainability is one of the four core strategic focus areas defined in line with Akçansa's corporate vision and is an integral part of how we operate. For over 28 years, we have placed sustainability at the center of our operations, aiming to create value for our stakeholders and contribute to the advancement of the communities in which we operate.

As part of our sustainability strategy, we remain committed to supporting the United Nations Sustainable Development Goals (SDGs). Within the framework of our renewed strategy, we aim to meet the expectations of all stakeholders by transparently sharing our sustainability performance through simple, clear, and internationally recognized indicators.

We have drawn on a wide range of local and global standards in shaping our approach. These include the United Nations Global Compact (UNGC), the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Task Force on Nature-related Financial Disclosures (TNFD), the European Sustainability Reporting Standards (ESRS), the Sustainability Accounting Standards Board (SASB) Industry Guide, the Carbon Disclosure Project (CDP) Climate Change and Water Security Program Guidelines, the Bloomberg Gender Equality Index indicators, and the Capital Markets Board's Sustainability Principles Compliance Framework.

Throughout this process, we conducted a comprehensive assessment of all sustainability-related risks and opportunities.

Akçansa's sustainability strategy is built on five key focus areas, which serve as foundational pillars supporting our sustainability goals and form an integral part of our long-term business strategy. In 2024, taking into consideration both our sustainability priorities and the expectations of our stakeholders, we reviewed our core performance indicators and targets across all identified focus areas under the sustainability heading. As a result, we updated our "2030 Sustainability Targets" and expanded our focus by incorporating the domain of "Sustainability-Linked Finance and Reporting" into our strategic framework.

In this regard, we continue to integrate sustainability into all of our business processes across the areas we have identified to achieve our sustainability goals, while continuously improving these processes.

We have updated our "2030 Sustainability Targets" and expanded our current focus areas by integrating "Sustainability-Linked Finance and Reporting" into our strategy.

AKÇANSA *Strategic Focus Area*

Climate Leadership	Nature and Environment	Circular Economy and Innovation	Safe and Inclusive Value Chain	Sustainability-Linked Finance and Reporting
Reduction of direct and indirect CO_2 emissions	Reduction of air quality impacts	Research and development (R&D) in engineering technologies	Establishment of a flawless occupational health and safety culture	Improvement of ESG (Environmental, Social, and Governance) ratings
Increased use of renewable energy	Efficient management of water resources	Increased use of alternative resources	Creation of an inclusive corporate culture	Enhanced access to sustainability-linked financial instruments
Transition to sustainable products	Conservation of biodiversity		Value creation for society	Innovative reporting approach
			Ensuring transparent dialogue with stakeholders	
			Sustainable supplier management	

MATERIALITY ANALYSIS

In 2024, we conducted our materiality analysis process by considering the guidelines of the **European Sustainability Reporting Standards (ESRS).**

This year, Akçansa renewed its materiality analysis in alignment with the double materiality approach. In this context, we systematically evaluated both the environmental and societal impacts of our company, as well as how these factors influence our financial performance. We conducted our analysis process by considering the guidelines of the European Sustainability Reporting Standards (ESRS).

In developing our materiality analysis, we established a comprehensive topic pool based on the company's strategy, global and sectoral trends, international standards, and regulatory requirements. Throughout this process, we identified the most critical topics for Akçansa's operations by analyzing peer companies, conducting sectoral research, and considering various sustainability initiatives.

All data obtained through these processes were analyzed using both qualitative and quantitative methodologies and ranked based on their level of materiality. As a result, we developed a double materiality matrix, integrating financial impacts (risks and opportunities) with environmental and social effects. This matrix not only contributes to shaping our company's long-term strategic direction but also provides a comprehensive approach encompassing risk management, opportunity analysis, and value chain impacts.

To determine Akçansa's material sustainability issues, we adopted a multi-phase approach: In this context:

Desk Research and Data Collection

In the initial phase, we compiled a comprehensive list of material topics by analyzing global and sectoral trends, national and international sustainability standards (SASB, ESRS, TSRS, etc.), ESG ratings (S&P, MSCI, etc.), and peer company assessments. This analysis incorporated sectoral requirements, regulatory frameworks, and best practices of comparable companies. The resulting list formed the foundation of our materiality assessment.

Strategic Executive Interviews

One-on-one interviews were conducted with executives from various departments to assess the material impact of sustainability issues on our business strategy, financial objectives, and operational processes. These discussions facilitated the identification of material sustainability areas that drive value creation in the short, medium, and long term.

Stakeholder Engagement and Feedback Process

Through online surveys and stakeholder analysis, we engaged key stakeholder groups to understand Akçansa's material impacts on them. A total of 197 internal and external stakeholders provided feedback, which was systematically incorporated into our materiality assessment.

Global and Sectoral Trend Analysis & Peer Benchmarking

By closely monitoring national and international sustainability trends, we conducted comparative analyses with industry peers. This enabled us to assess our positioning within the sector and identify strategic opportunities to maintain our competitive advantage in sustainability. Additionally, we evaluated the material impact of regulatory developments on our business operations to enhance our compliance strategies.

Risk and Opportunity Assessment

We carried out a comprehensive evaluation of the material risks and opportunities associated with sustainability. This analysis included an in-depth review of environmental and social risks affecting our operations, financial performance, and long-term strategy. Simultaneously, we explored potential opportunities to enhance our environmental, social, and economic performance.

Impact Assessment

A detailed impact assessment was conducted to evaluate the environmental and social implications of our material sustainability topics. This process considered factors such as scale, severity, and reversibility of both positive and negative impacts within our operations and value chain. The insights derived from this assessment played a critical role in shaping our strategic roadmap.



STAKEHOLDER GROUPS İNCLUDED İN THE STAKEHOLDER ANALYSİS[6]

Nature (Silent Stakeholder)
The Senior Management
Consulting and Audit Firms
Employees
Universities
Shareholders and Investors
Media (National & Local) and Opinion Leaders
Dealers
End Customers
Suppliers
Neighboring Organizations
Customers
NGOs, Associations, Unions, and Chambers
Local Authorities and Regulatory Bodies

6 Communication methods and frequencies for stakeholder groups are detailed in the Appendices section of our report.

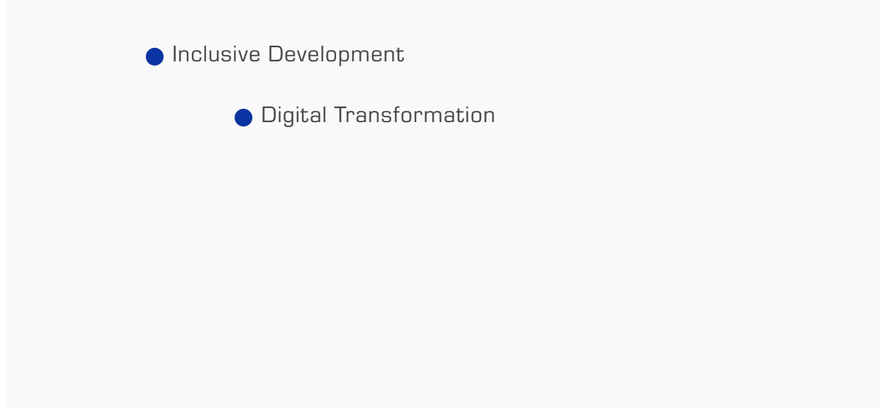
High Material Issues



Material Issues

Very High Material Issues





High Material Issues

Financial materiality (X-axis):
We conducted an analysis evaluating how the company is affected by sustainability issues.

Impact materiality (Y-axis):
We examined the environmental and societal impacts of Akçansa's operations.

Horizontal Cross-cutting Standards
ESRS 1: General Principles
ESRS 2: General Explanations
Sector Independent Thematic Standards

Environmental	Social	Governance
ESRS E1 Climate Change	**ESRS S1** Employees	**ESRS G1** Business Management
ESRS E2 Pollution	**ESRS S2** Employees in the Value Chain	
ESRS E3 Water and Marine Resources	**ESRS S3** Impacted Communities	
ESRS E4 Biodiversity and Ecosystem	**ESRS S4** Consumers and End Users	
ESRS E5 Resource Usage and Circular Economy		

MATERIAL ISSUE	IMPORTANCE OF THE MATERIAL ISSUE FOR AKÇANSA	REPORT SECTİON
VERY HIGH MATERIAL ISSUES		
Occupational Health and Safety	Compliance with occupational health and safety standards encompasses measures designed to safeguard the health and safety of employees, alongside the implementation of practices aimed at preventing workplace accidents and minimizing occupational illnesses. This issue is addressed not only for company employees but also extends to subcontractors and all stakeholders within the supply chain. OHS practices and objectives aim to establish a unified standard across all operational processes and promote a widespread occupational health and safety culture.	Safe and Inclusive Value Chain
Climate Change	This scope encompasses anticipating the adverse effects of climate change, implementing necessary measures to prevent or mitigate potential damages, developing strategies to reduce greenhouse gas emissions across the entire value chain, and seizing emerging opportunities while ensuring operational resilience. It includes making production processes resilient to the negative impacts of climate change, managing greenhouse gas emissions, and securing long-term business continuity. These initiatives extend beyond internal operations to cover all stages of the value chain.	Combating Climate Change
Energy Management	Effective energy management involves enhancing energy efficiency and promoting the use of renewable energy sources. Additionally, it includes optimizing production processes, utilizing technologies such as waste heat recovery, supporting renewable energy generation (e.g., wind and solar power), and exploring energy storage solutions. The development and implementation of strategies to minimize the environmental impact of energy consumption are also integral to this approach.	Combating Climate Change
Biodiversity and Land Use	The conservation and enhancement of biodiversity encompass the sustainable management of all operational sites—including cement production plants, ports, aggregate quarries, and ready-mix concrete plants—as well as the responsible use of natural resources to minimize environmental impacts. This includes protecting ecosystems within operational areas, preventing land degradation caused by raw material extraction processes, and mitigating potential adverse effects on agriculture.	More Sustainable Nature and Environment
Resource Usage and Circular Economy	In the cement sector, waste management involves handling hazardous, toxic, and production-related waste while utilizing waste from other industries as alternative fuels to reduce reliance on fossil fuels such as coal. It also covers minimizing waste at the source, repurposing waste as alternative raw materials or energy sources, reusing construction and demolition waste as cement raw material, expanding recycling and reuse opportunities, and ensuring safe disposal processes. In addition, it includes the collection, transportation, and environmental impact mitigation of waste at cement production plants and within integrated waste management systems.	Circular Economy and Innovation
Sustainable Products and Solutions	Developing innovative and sustainable products and solutions that reduce environmental impacts and align with circular economy principles is a key focus. This includes designing low-carbon cement and concrete products, increasing the use of recycled materials, and adopting energy-efficient production processes. Furthermore, reducing the clinker ratio in cement production to minimize environmental impact and developing innovative low-carbon products are critical components of this approach.	Combating Climate Change
Water	Water management across cement production processes and the entire value chain involves assessing watershed-based impacts of water consumption, managing wastewater and process water, and implementing water recycling and reuse strategies. It also includes managing and mitigating water-related risks, such as potential ecological impacts of wastewater discharge and proactive measures to address drought risks.	More Sustainable Nature and Environment
Product Quality and Safety	Ensuring full compliance with product quality standards and safety requirements, including chemical safety, is essential. This includes adherence to technical standards for cement production, consistency in its chemical and physical properties, and ensuring its safe usage.	Safe and Inclusive Value Chain
Ethics and Compliance	Promoting a business approach based on ethical principles such as integrity, transparency, reliability, and accountability, while ensuring full compliance with environmental and social standards under legal regulations and industry requirements, is a key priority.	Good Governance
Diversity, Equality and Inclusion	Preventing discrimination based on gender, age, ethnicity, religion, or sexual orientation and ensuring equal opportunities for all are fundamental commitments. This entails fostering a fair and inclusive environment both in the workplace and in society. Also, this area includes initiatives and goals aimed at advancing gender equality.	Safe and Inclusive Value Chain

MATERIAL ISSUE	IMPORTANCE OF THE MATERIAL ISSUE FOR AKÇANSA	REPORT SECTİON
HIGH MATERIAL ISSUES		
Air Quality	It covers the management of air emissions, excluding greenhouse gases, across operational processes and the supply chain, along with emissions resulting from operational activities and supply chain sources. This topic considers the impact of pollutant loads on air and soil, aiming to minimize environmental effects. This involves minimizing environmental impacts, improving air quality, and identifying opportunities to mitigate pollution effects.	More Sustainable Nature and Environment
R&D and Innovation	In the building materials sector, R&D and innovation involve developing innovative solutions for product design, manufacturing, and operational processes. These efforts focus on enhancing energy and raw material efficiency, developing low-carbon production techniques, utilizing alternative fuels and raw materials, improving product performance, and reducing environmental impact. Additionally, research and development of emerging technologies such as Carbon Capture, Usage, and Storage (CCUS) to support decarbonization processes are also included within this scope.	Circular Economy and Innovation
Human Rights	Respecting and protecting fundamental human rights for employees and business partners across the supply chain is a key priority. Preventing human rights violations such as discrimination, forced labor, and child labor in the workplace, as well as ensuring safe, healthy, and fair working conditions, are fundamental commitments. This also includes fostering an equitable work environment that supports employees' rights, including the freedom to join trade unions. Furthermore, proactively identifying, monitoring, and mitigating human rights risks through well-defined policies is a crucial aspect of this framework.	Safe and Inclusive Value Chain
Customer Relations and Satisfaction	Understanding and meeting customer needs and expectations involves strategies focused on delivering high-quality products and services to enhance customer satisfaction. This includes maintaining clear and effective communication, ensuring transparency, implementing fast and responsive feedback mechanisms, and providing technical support. Additionally, prioritizing sustainable and innovative solutions to create customer value, along with regularly reviewing and improving processes based on customer feedback, plays a crucial role in this approach.	Safe and Inclusive Value Chain
Social Impact	The company is also committed to contributing to society by developing projects that have a positive impact on local communities. This involves assessing the social, economic, and environmental effects of its operations and taking proactive steps to enhance these impacts. Furthermore, ensuring public health and safety by minimizing environmental risks and supporting the development of safer living spaces remains a key focus.	Safe and Inclusive Value Chain
Employee Satisfaction and Wellbeing	The development of initiatives aimed at enhancing employee satisfaction, performance, and well-being focuses on improving their overall experience in the workplace and increasing employee engagement. This includes creating a supportive environment and offering opportunities for personal and professional growth, ultimately contributing to higher levels of employee satisfaction and commitment.	Safe and Inclusive Value Chain
Inclusive Development	Inclusive development seeks to create long-term shared value for all stakeholders while ensuring financial stability. By embracing an inclusive growth approach, it guarantees that the benefits of financial progress are distributed fairly and equally across all segments of society. This approach supports the integration of financial profitability with social and environmental sustainability.	Sustainable Future Safe and Inclusive Value Chain
Digital Transformation	Digital transformation encompasses the enhancement of all business processes, from production to logistics, through the integration of digital technologies. This transformation process leverages solutions such as smart factories, automation systems, data analytics, and artificial intelligence to increase energy efficiency, reduce operational costs, and optimize resource usage.	Circular Economy and Innovation
MATERIAL ISSUES		
Stakeholder Engagement	It underscores the significance of maintaining regular and constructive communication with various stakeholders, including customers, employees, suppliers, local communities, non-governmental organizations, and public authorities. Furthermore, it involves the continuous improvement of the company's environmental and social performance in response to stakeholder feedback.	Sustainable Future Appendices
Responsible Procurement	Responsible procurement practices aim to ensure compliance with environmental, social, and ethical standards throughout the supply chain. This includes encouraging suppliers to adhere to workers' rights, environmental sustainability, and ethical business practices. Furthermore, it focuses on supporting local suppliers in the selection of raw materials, materials, and services, reducing the carbon footprint, prioritizing resources that align with circular economy principles, and ensuring traceability throughout the supply chain.	Safe and Inclusive Value Chain

2030 SUSTAINABILITY TARGETS AND PROGRESS STATUS

Within the scope of our sustainability strategy, we have established performance indicators covering all of our focus areas.

Akçansa's sustainability strategy represents a comprehensive roadmap that is continuously reviewed and updated in response to emerging risks and opportunities, with a clear focus on achieving long-term objectives.

Within the framework of our sustainability strategy, we have defined performance indicators for each key area. To effectively track these indicators, we have revisited and updated our 2030 Sustainability Targets this year, leveraging science-based approaches and drawing on international best practices.

The Sustainability Executive Committee, Sustainability Committee, and Sustainability Working Groups, which are responsible for monitoring progress, assessing associated risks and opportunities, and evaluating plans, projects, and investments, are detailed in the Sustainability Governance section.

7 Field studies have been conducted for the Bozalan Limestone and Çamlıca Taştepe mining quarries, and the first version of the Biodiversity Management Plans is currently being prepared.

8 Total ESG Investments (2025-2030) / Total Investments (2025-2030)

Performance Indicator		Unit	2023	2024	2030 Targets	Progress Status
Climate Leadership	Scope 1 CO_2 emission intensity - net	kg CO_2e/ton cementitious	701	705	585	Development Ongoing
	Scope 1 CO_2 emission intensity - gross	kg CO_2e/ton cementitious	742	736	626	Development Ongoing
	Scope 2 emissions	ton CO_2e	0	0	0	Target completed / The Successful Practice Will Be Continued
	Product-specific Scope 3 CO_2 Emission intensity and reduction (relative to 2024 base year)	ton CO_2e/ton production	0.103	0.103	0.08 (-25%)	Development Ongoing
	Ratio of alternative fuel usage	%, calorific	23.3	20.3	35	Behind the target compared to the previous year
	Clinker Content Rate / Clinker Incorporation Rate	%	87.5	85.8	75	Development Ongoing
	Ratio of Sustainable Cement Sales (GreenForCement) Share in Total Cement Sales	%	27	40.3	75	Development Ongoing
	Ratio of Sustainable Ready-Mix Concrete Sales (GreenForConcrete) in Total Ready-Mix Concrete Sales	%	27	34	75	Development Ongoing
Nature and Environment	NOx emissions	mg/Nm^3	510	544.71	<400	Development Ongoing
	SOx emissions	mg/Nm^3	5.5	4.48	<50	Target completed / The Successful Practice Will Be Continued
	Particulate Matter (PM)	mg/Nm^3	7.8	3.93	<10	Target completed / The Successful Practice Will Be Continued
	Mining Sites with Biodiversity Management Plans[7]	pcs	0	2	All mining sites	Development Ongoing
	Decrease in water withdrawal intensity (compared to the base year of 2022)	m^3/tons product, % change	-6,6%	-15%	-20%	Development Ongoing
Circular Economy	Ratio of alternative raw materials in cementitious products	%	4.2	5.1	10	Development Ongoing
	Ratio of alternative raw materials in ready-mix concrete products	%	3.4	3.8	10	Development Ongoing
Safe and Inclusive Value Chain	Number of fatal accidents (including all employees, subcontractors, contractors, visitors, interns, and third parties)	pcs	0	0	0	Target completed / The Successful Practice Will Be Continued
	Lost Time Injury (LTI) Rate (for all employees, subcontractors, contractors, visitors, interns, and third parties)	pcs	11	12	0	Behind the target compared to the previous year
	Average ESG Training Hours per Employee	hours	17.5	22	25	Development Ongoing
	Ratio of Women Employees (for all employees)	%	8.2	8.5	12	Development Ongoing
	Ratio of Critical Suppliers Subjected to Sustainability Risk Assessment and Audits (both local and global)	%	0	0	100	Development Ongoing
	Volunteer Hours per Employee	Volunteer Hours per Number of Employees	2.57	2.36	6	Behind the target compared to the previous year
	Percentage of Plants with a Stakeholder Engagement Plan	%	0	0	100	Development Ongoing
Sustainable Related Financing and Reporting	Ratio of ESG Investments in Total Investments[8]	%	5	33	50	Development Ongoing

VALUE CREATION MODEL

Capital Components	Inputs	Outputs	Value Created	Relevant SDGs
Financial	» Equity and capital » Sound financial structure » Investment capacity » Sustainable financing	» TRY 3.9 Billion EBITDA » TRY 28.4 Billion total assets » 7.3 million tons of total cement and clinker sales » 2.8 million m³ ready-mix concrete sales » 2.6 million tons of aggregate sales	» Long-term and stable growth » Increased investor confidence	8, 9, 11
Produced	» 3 integrated cement plants » 9 quarries » 2 ports » 26 ready-mix concrete plants » 2 aggregate plants	» 3.5 million m³ ready-mix concrete production capacity » 2 million tons terminal operating capacity » 38% increase in Ro-Ro operations compared to 2023 » 9 million tons cement production capacity » 7 million tons clinker production capacity	» High production capacity » Strong market position » Wide export network » Access to international markets	9, 11, 12
Intellectual	» TRY 25.9 million R&D and innovation investment » TRY 25.9 million sustainability-oriented R&D and innovation investment » Number of employees working at 85 STEM positions » Innovation and digitalization studies » R&D business associations » Sustainable Product Movement	» A total of 56 trademark registrations with 6 new trademark registrations » GreenForConcrete sustainable ready-mix concrete products » GreenForCement sustainable cement products » The share of sales of sustainable products in total sales by 33%	» Increasing productivity with artificial intelligence-based production processes » Operational efficiency with digitalization » Durable and low environmental impact product range » Product quality and safety in international standards	9, 12, 13
Human	» 1,007 Akçansa employees » Investment of TYR 9,112,569 in employee training and development » Gender equality approach » Policies aimed at increasing women's employment » Safe and inclusive working culture » Akçansa Digital Academy » Sustainability Leaders Development Program » Volunteering activities with 420 employees » Social benefits that support employee welfare	» 8.5% women employee rate » 12.5% women employee ratio at the leadership level » Internship opportunity for 46 women students with GençİZ » 10 Social Clubs, more than 350 participants » 43,010 hours for Akçansa employees, 27,531 hours for sub-employers OHS training » 12 lost time accidents/0 Fatal accidents » Participation of more than 2,800 employees in 42 internal communication activities » 95 volunteering projects, 2,380 hours of volunteering hours » 90% backup rate » 22 hours of ESG training per employee » 6-point increase in employee engagement survey	» The proportion of women employees is higher than the sector average » Increasing the value of the employer brand » Increasing employee satisfaction and commitment » Increased employee and local community interaction	4, 5, 8, 10, 17
Social and Associative	» Effective stakeholder communication » Social investment totaling TRY 41.4 million » Social investment projects » Customer satisfaction studies in the entire value chain » Membership in sectoral and international initiatives	» Sustainability Communication Policy » 3 CSR Projects implemented in 2024 » 669 Complaints received during the year » Resolving 99.8% of complaints received during the year » Cement customer satisfaction rate: 88% » Concrete customer satisfaction rate: 93.6%	» Increased stakeholder trust » Increased customer satisfaction » Contribution to the communities where the activities are carried out	11, 16, 17
Natural	» TRY 289.4 million worth environmental investment » Emission and energy management » Decarbonization Roadmap » Dedusting Master Plan » Alternative raw material usage » Alternative fuel usage » Renewable energy usage » Effective water management with Water Master Plans » Evaluation of Biodiversity impacts & Biodiversity Management Plans	» 5.1% alternative raw material usage rate » 20.3% alternative fuel usage rate » 100% renewable electricity energy supply certified by I-REC » Total 7,243,577ton CO₂e carbon emission » 15% decrease in fresh water consumption per production (compared to 2022 base year) » 81,000 m³ per year rainwater recovery » 2 Ongoing Biodiversity Management Plans » A total of 29 hectares of rehabilitated mining area as of 2024 » Marmara Islands Artificial Reef Project	» Contribution to the combating climate change » Low carbon production » Effective Emission management » Contribution to the circular economy by reducing the use of natural resources and reintroducing waste to the economy » Reduction of biodiversity impacts and ecosystem restoration	6, 7, 12, 13, 14, 15



OUR VISION
To become the company with the highest stakeholder value in sustainable building materials in Türkiye

OUR BUSINESS STRATEGY
Commercial Excellence
Operational Excellence
Asset Efficiency
Sustainability

OUR BUSINESS ACTIVITIES
Raw material production activities
Clinker and cement production activities
Ready-mix concrete production activities
Storage and sales
Transportation activities

OUR SUSTAINABILITY STRATEGY

Climate Leadership	Circular Economy and Innovation	Nature and Environment	A Secure and Inclusive Value Chain	Sustainability-Linked Finance and Reporting

VALUE CHAIN



Transportation of Raw Materials to the Plant



Transportation of Products to Customers





Transportation of Waste

	Mining	Production	Using the Products	End-of-Life Products
PRODUCTION STAGES	» Extraction of Raw Materials from Quarries » Raw material crushing	» Raw material crushing, homogenizing » Raw material grinding, storage » Clinker production & storage » Cement grinding » Filling and/or Packaging » Shipping » Ready-mix concrete production » Filling and Transportation to Construction Site	» Using products in construction » Use and maintenance of structures	» Demolition of End-of-Life Buildings » Classification of Excavation » Disposal » Recycling
IMPACTS	» Land Usage » Biodiversity » Dust emissions » Wastes	» Natural resource usage » Waste water discharge » Greenhouse gas emissions » Other emissions » Wastes	» Natural resource usage » Greenhouse gas emissions » Other emissions » Wastes	» Land usage » Greenhouse gas emissions » Dust emissions » Wastes
IMPACT REDUCTION	» Alternative raw material usage and dedusting » Rehabilitation » Waste reduction » Supply chain management	» R&D and innovation » Energy management » Alternative resource usage » Environmental investments	» Sustainable products	» Management of construction and demolition waste » Environmental management
SECTION IN THE REPORT	» More Sustainable Nature and Environment » Circular Economy and Innovation	» Sustainable Products and Solutions » R&D and Innovation » Digital Transformation	» Sustainable Products and Solutions	» Sustainable Products and Solutions

COMBATING CLIMATE CHANGE

We develope strategies to reduce our carbon footprint and creating proactive solutions to combat the climate crisis.

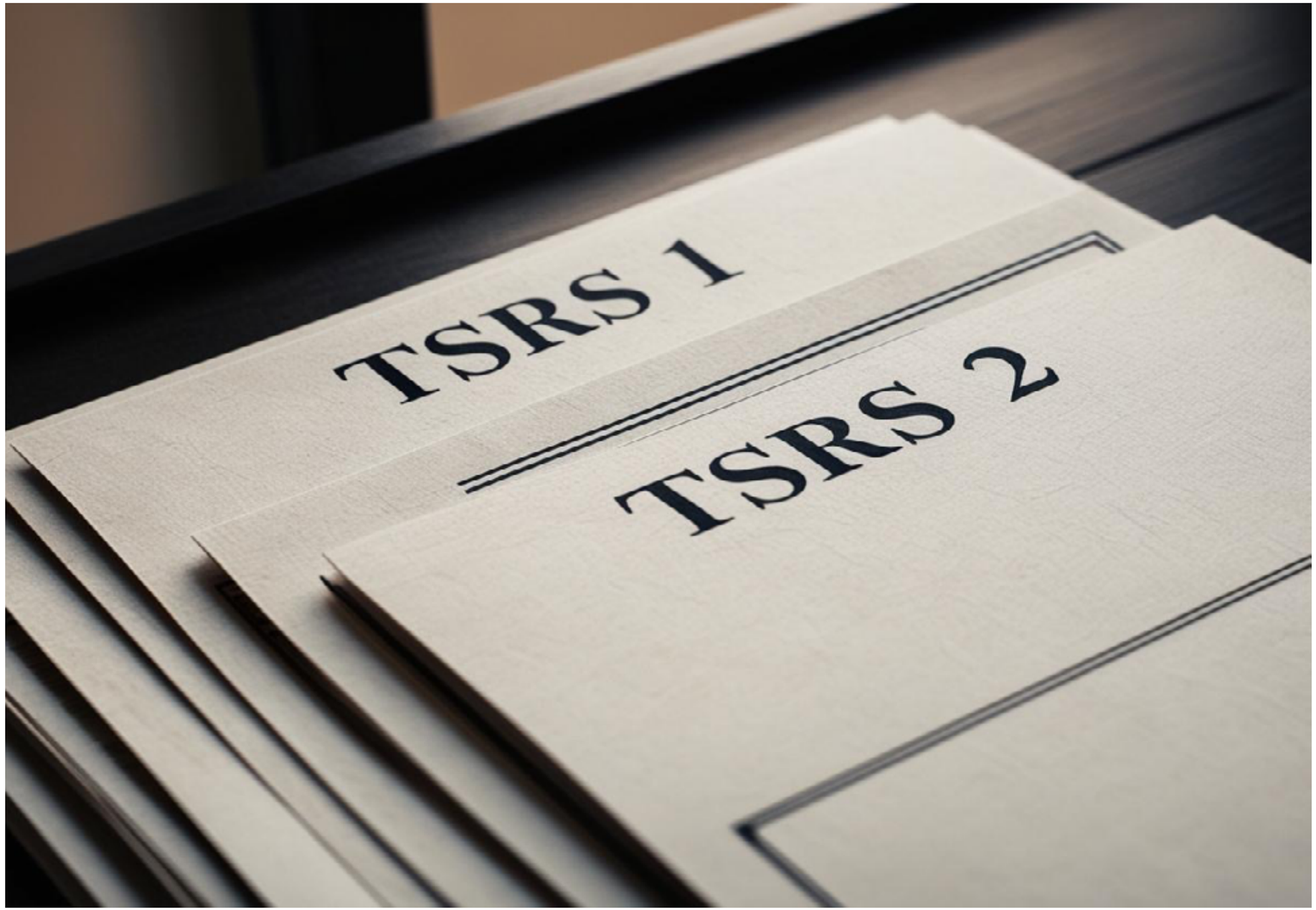
AKÇANSA



ALIGNMENT WITH TURKISH SUSTAINABILITY REPORTING STANDARDS (TSRS)

Akçansa Çimento Sanayi ve Ticaret A.Ş. ("the Company") Integrated Annual Report has been prepared in accordance with the Turkish Sustainability Reporting Standards (TSRS) issued by the Public Oversight Accounting and Auditing Standards Authority and published in the Official Gazette dated December 29, 2023, numbered 32414(M). These standards include Turkish Sustainability Reporting Standard 1 – "General Requirements for the Disclosure of Sustainability-related Financial Information" and Turkish Sustainability Reporting Standard 2 – "Climate-related Disclosures." In addition, while preparing this report, reference has also been made to the disclosure topics outlined in the Sustainability Accounting Standards Board (SASB) standards as one of the guiding resources.

This Integrated Annual Report has been prepared specifically for the Company and should be read in conjunction with the Company's financial statements prepared in accordance with the Türkiye Financial Reporting Standards (TFRS). The report covers a 12-month period ending on December 31, 2024, and is aligned with the reporting period of the related financial statements.



SUSTAINABILITY GOVERNANCE

At Akçansa, the sustainability strategy and performance are **owned by the highest governing body, the Board of Directors.**

At Akçansa, the sustainability strategy and performance are governed at the highest level of management—the Board of Directors. The Board is responsible for defining and approving the company's sustainability vision, strategy, policies, risks, and opportunities in alignment with periodically reviewed priorities. All sustainability-related activities are overseen by the Corporate Governance Committee, which operates under the authority of the Board. The implementation and integration of the sustainability strategy into the broader corporate strategy are managed by the Sustainability Executive Committee, the Sustainability Committee, designated Working Groups, and the Sustainability Department. These bodies are tasked with ensuring the effective execution of Akçansa's sustainability strategy and aligning it with the company's long-term objectives. The Board of Directors, as the highest level of sustainability governance, not only sets the sustainability vision, strategy, risks, and opportunities, but also approves related policies and frameworks. It convenes biannually to review and discuss critical environmental, social, and governance (ESG) issues.



Akçansa's sustainability performance is reviewed and evaluated by Borsa Istanbul Sustainability Index and international ESG rating agencies.

Updates on sustainability matters are regularly reported to the Board by the responsible committees and working groups throughout the year.

Chaired by the General Manager and composed of Executive Committee members, the Sustainability Executive Committee develops sustainability policies, submits them for Board approval, and prepares related business plans. It carefully reviews and approves sustainability goals, initiatives, projects, and investments. The Committee also assesses sustainability-related risks and opportunities, which are then incorporated into strategic decision-making. In doing so, economic, environmental, and social impacts, as well as associated trade-offs, are considered.

These risk and opportunity assessments are discussed in regular committee meetings. Key topics such as international and national developments, global sustainability standards, industry trends, new technologies, and digitalization are thoroughly analyzed. Stakeholder expectations, changes in regulatory frameworks, and market dynamics are also reviewed and incorporated into decision-making. This approach ensures the proactive management of risks while identifying long-term opportunities.

Akçansa has established a comprehensive set of policies to support its sustainability governance structure. The effectiveness of the sustainability management system is evaluated through internal audits and annual external assessments. These audits ensure the alignment and impact of sustainability policies and practices. Furthermore, Akçansa's sustainability performance is tracked via the Borsa Istanbul Sustainability Index and other international indices.

Meeting four times a year, the Sustainability Executive Committee regularly monitors ESG goals, associated roadmaps, and performance.

Led by the Vice General Managers of Operations and Human Resources, the Sustainability Committee is responsible for managing Akçansa's operational sustainability efforts. The Committee sets goals, monitors progress, forms working groups for implementation, and promotes sustainability awareness across all stakeholders. It convenes six times a year to assess performance and progress toward objectives.

Working groups, aligned with the company's strategy, handle specific focus areas and regularly update progress. These groups are tasked with executing sustainability projects and reporting outcomes. The results are analyzed by the Sustainability Department and integrated into strategic planning. These analyses serve as essential resources for developing action plans. Akçansa advances its sustainability efforts based on transparency and efficiency to meet strategic goals.

To understand and respond to stakeholder expectations, Akçansa applies various engagement mechanisms.

These include regular meetings, workshops, and surveys to gather feedback from a diverse group of stakeholders such as employees, customers, communities, and suppliers. Feedback channels are actively used to maintain continuous engagement, and local partnerships and social responsibility projects are leveraged to directly address community needs.

» More information about Akçansa's sustainability strategy and goals can be found here.

DECISION-MAKING PROCESS

ORGANIZATIONAL STRUCTURE	BOARD OF DIRECTORS	CORPORATE GOVERNANCE COMMITTEE	SUSTAINABILITY EXECUTIVE COMMITTEE	SUSTAINABILITY COMMITTEE	SUSTAINABILITY WORKING GROUPS
SCOPE	Defines the sustainability vision, strategy, risks, and opportunities. Approves policies and frameworks.	Ensures the implementation and oversight of sustainability policies and frameworks.	Develops sustainability policies and frameworks, presents them to the Board of Directors for approval. Reviews and approves sustainability plans, goals, projects, and investments. Evaluates sustainability-related risks and opportunities.	Sets sustainability plans, goals, and tracks progress. Regularly reports on progress. Establishes and coordinates working groups. Tracks project implementation. Plans activities to raise sustainability awareness among company stakeholders.	Includes three different working groups: Biodiversity Working Group, Circular Economy Working Group, and Water Working Group. Develops action plans to improve sustainability performance. Responsible for the implementation, monitoring, and necessary updates of projects. Reports on progress with projects and performance indicators.
MEETING FREQUENCY AND AGENDA	Twice a Year Discussion and reviewing of progress on critical ESG issues, strategy, risks, and opportunities. Approval of relevant policies and frameworks.	Four Times a Year Reviewing of critical ESG issues and guidance on these topics by the Sustainability Executive Committee.	Four Times a Year Reviewing of critical ESG goals and performance. Review and approval of roadmaps towards goals. Annual progress review.	Six Times a Year Reviewing of target status, ongoing projects, and implementations. Preparation of Mid-Year and Annual Sustainability Progress Report presented to senior management.	Monthly Monitoring and reporting on project status and progress. Providing guidance on project implementation. Preparation of 6-Month Action Plan Progress Report for presentation to the Sustainability Committee.
MEMBERS	Board Members	Corporate Governance Committee Members	**Chairperson:** General Manager **Members:** One Board Member, Executive Committee Members, Sustainability Manager	**Chairs:** Vice General Manager of Operations, Vice General Manager of Human Resources **Members:** Vice General Manager of Finance, Vice General Manager of Procurement, Sales Director, Consultant Members, All Managers **Coordinator:** Sustainability Manager	**Coordinator:** Sustainability Manager Working Group **Coordinators:** Focus Area Leaders **Members:** Group/Factory Managers, Directors, and Managers

REPORTING PROCESS

EXTENDED EXECUTIVE COMMITTEE MEMBERS



CORPORATE RISK MANAGEMENT

The Three Lines of Defense model **enhances the effectiveness of risk management.**

At Akçansa, we manage risks identified under our corporate risk management methodology by applying global recognized standards and best practices. We adopt a holistic approach to risks spanning environmental, social, governance, operational, strategic, financial, and compliance domains- regularly assessing, monitoring and reporting those deemed of high significance.

In line with Article 378 of the Turkish Commercial Code No. 6102, our Early Risk Detection Committee evaluates risks that could impact company's existence, development, and continuity, ensuring timely actions aligned with our corporate risk appetite. We provide regular presentations and updates to this committee on identified risks and the measures taken.

The Corporate Risk Management Department which reports to the Early Risk Detection Committee composed of independent board members, is responsible for compiling risk management reports and offering strategic recommendations.

The committee reviews the prepared risk reports, provides recommendations on necessary measures, regularly evaluates the risk management processes, and ensures that the practices within the responsible units aligned with the committee's decisions.

To establish and enhance our risk management and internal control systems, we adopt the Three Lines of Defense approach. In this model, each line plays a distinct role, strengthening the overall effectiveness of risk management and control processes across the organization.

In this model, each line of defense assumes a distinct role, enhancing the effectiveness of risk management and control processes across the organization.

1

FIRST LINE

The first line comprises the internal and management controls of operational units that assume and manage risks. This line is executed by operational management, who are the direct owners of the risks. Operational management includes the responsible managers at our factories, ready-mixed concrete plants, ports, and terminals.

2

SECOND LINE

The second line supports the first by assessing its effectiveness and monitoring risks. It also develops management strategies and procedures, while providing training and guidance. This line includes departments such as financial control, risk management, compliance, IT, system security, internal control, physical security, occupational safety, cybersecurity, information security, legal compliance, human resources, supply chain controls, and quality assurance.

3

THIRD LINE

The third line independently evaluates the organization's entire risk management processes and controls. The internal audit function provides independent and objective assurance and advisory services by assessing the effectiveness of the first and second lines and offering improvement recommendations. It contributes to enhancing risk management processes throughout the organization by delivering assurance to senior management and the audit committee.

As part of our risk management framework, we identify and define risks, assess their impact and likelihood, calculate risk scores, determine appropriate mitigation measures, and continuously update our records by monitoring risks. We ensure the effectiveness of our risk management efforts using various analytical techniques and reporting tools.

We approach our corporate reporting through an integrated lens, encompassing both ESG and sustainability dimensions. We simultaneously assess the risk and opportunity potential of topics such as transitioning to a low-carbon economy, evaluation of production activities, environmentally responsible operations, efficient use of natural resources, impacts on water and marine resources, biodiversity and ecosystems, investor relations, gender equality, and a human-centered management culture. We manage all identified sustainability-related risks and opportunities by integrating them into Akçansa's existing corporate risk management framework.

As a signatory to the Task Force on Climate-related Financial Disclosures (TCFD), we monitor climate risks and other ESG-related risks by integrating them into our corporate risk management, business continuity, and crisis management frameworks. In line with this approach, we enhance transparency and accountability by regularly disclosing our progress on carbon emissions and climate-related risks through CDP reporting. Our risk management processes leverage a wide array of data sources to identify, evaluate, prioritize, and track sustainability-related risks. These include internal data—such as operational metrics from production processes, and environmental indicators like carbon emissions, air pollutant levels, waste management, water usage, and energy consumption. Financial analysis further supports this framework by incorporating indicators such as energy costs, product revenues and expenditures, sustainability investments, and operational profitability.

We adopt a holistic approach to managing risks across environmental, social, governance, operational, strategic, financial, and compliance areas.

Additionally, we utilize external sources such as Turkish Statistical Institute (TÜİK) data, World Bank reports, international climate projections, and industry-specific studies to anticipate and assess sustainability risks.

We assess sustainability risks across all business lines and plants using both qualitative and quantitative methods to determine the nature, likelihood, and magnitude of potential impacts. We classify significant financial and strategic risks as critical, identifying them as potential threats to the company's overall operations. Significant risks at the corporate level are defined as follows:

- Quantitative: Risks exceeding 500,000 USD or 17,610,000 TRY[9] annually are deemed significant. The 500,000 USD threshold has been set based on approximately 1% of the net profit in USD from the last year, taking into account our financial position
- Qualitative: Risks considered to pose a strategic threat to our core business model and continuity, identified through risk categories and calculated using our Risk Assessment Methodology. These are evaluated not only in terms of direct financial losses but also through potential operational disruptions, reputational damage, regulatory pressures, and long-term impacts on business continuity.

We conduct plant-specific assessments based on location, taking into account each site's unique environmental and social dynamics, and analyze operational impacts across diverse geographies. Compared to the previous reporting period, no changes have been made to this process; we continue to implement our risk management approach within the framework of existing policies and methodologies. Nevertheless, we remain committed to enhancing our data analytics capabilities and continually improving our processes for more effective sustainability risk monitoring.

9 The amount is calculated based on the exchange rate of 35.22 USD/TRY, as announced by the Central Bank of the Republic of Türkiye on 31/12/2024.

We are continuously enhance our processes to identify and assess the financial impacts of sustainability risks and opportunities, with a primary focus on climate-related risks and opportunities.

In assessing our sustainability risks and opportunities, we refer to the disclosure topics defined in the Construction Materials industry appendix of the Sustainability Accounting Standards Board (SASB). Accordingly, in alignment with TSRS, our report discloses the identified sustainability risks and opportunities across sections including Climate Change, Air Quality, Resource Use and Circularity, Water Management, and Biodiversity and Land Use.

Among these, climate change and water-related risks and opportunities currently have the highest potential to impact our organization. Accordingly, we provide in-depth analysis in these areas. Although risks arising from air quality and biodiversity are actively managed, our evaluations indicate that these do not pose material risks to Akçansa's operations or financial performance. Further details on risks and opportunities regarding resource use and circularity are covered in the corresponding section of our report, with cross-references to related climate risks addressed under the Climate Change section. Based on our assessments, we conclude that sustainability risks and opportunities are not expected to result in significant modifications or adjustments to the carrying values of assets and liabilities reported in the financial statements for the upcoming reporting period.

We are continuously developing our capabilities to quantify the financial impacts of sustainability risks and opportunities, with a primary focus on climate-related risks and opportunities. For this reporting period, we identified and disclosed the financial impacts of climate and water-related risks in the Climate Change and Water Management sections of our report.

The financial figures presented are not subject to a high degree of measurement uncertainty. For risks where uncertainty is higher, financial impact assessments are ongoing. Due to data limitations—both external and internal—and measurement uncertainties, we are continuing to evaluate the financial impacts of sustainability issues including resource use, waste management, air quality, and biodiversity. As data quality improves through national and international developments, we aim to integrate these dimensions into future financial reporting.

» For more detailed information regarding the risks and opportunities related to climate change, please refer to the Climate Change section of our report.

» For more detailed information regarding the risks and opportunities related to water and marine resources, please refer to the Water Management section of our report.

» For more detailed information regarding the risks and opportunities related to air quality, please refer to the Air Quality section of our report.

» For more detailed information regarding the risks and opportunities related to resource use and waste management, please refer to the Resource Use and Circular Economy section of our report.

» For more detailed information regarding the risks and opportunities related to biodiversity and land use, please refer to the Biodiversity and Land Use section of our report.



Business Continuity Management

In alignment with the ISO 22301 Business Continuity Management System Standard, we apply a comprehensive business continuity framework across the organization to ensure the operational sustainability at an acceptable level in the event of potential disruptions. We develop crisis management and business recovery plans, and conduct regular reviews to continuously improve their effectiveness.

We integrate disaster preparedness and operational resilience efforts into all of our processes, with a focus on minimizing the potential impact of risks.

To strengthen our risk management culture, we prioritize enhancing employee awareness of risks and continuously reinforce this awareness through regular training programs on Corporate Risk Management, Crisis Management, Business Continuity, and Insurance.

CLIMATE CHANGE

We enhance our climate change mitigation and adaptation efforts through **active participation in national and international sectoral initiatives.**

At Akçansa, we recognize climate change mitigation and adaptation as one of our top strategic priorities and act with a strong sense of responsibility in this regard. Due to the carbon-intensive nature of our industry, we play a critical role in global efforts to reduce emissions. In this context, we embrace the United Nations Sustainable Development Goals (UN SDGs) and the Paris Agreement, shaping our climate strategy in alignment with these international frameworks to create value for all our stakeholders.



We integrate climate-related risks and opportunities—identified in accordance with the recommendations and guidelines of the Task Force on Climate-related Financial Disclosures (TCFD)—into our strategic management processes, managing them through short-, medium-, and long-term targets. We closely monitor global and national regulations and continue our initiatives in support of the United Nations Global Compact (UNGC), of which we have been a signatory since 2014.

Our climate change mitigation and adaptation efforts are further enhanced through active participation in national and international sectoral initiatives. While leveraging opportunities associated with the transition to a low-carbon economy, we continuously improve our operational processes through performance-enhancing practices and strategic partnerships. In our pursuit to minimize our carbon footprint, we conduct holistic analyses across our entire value chain and accelerate our decarbonization journey through circular economy initiatives and sustainable product transformation efforts.



The Akçansa Board of Directors holds the highest level of responsibility for all sustainability matters.

Governance

Oversight and Responsibilities of the Board of Directors

At Akçansa, the Board of Directors holds ultimate accountability for all sustainability-related issues, including climate strategy, associated risks, policies, and opportunities. The Chairperson of the Board receives regular updates from the CEO on behalf of the Sustainability Executive Committee, ensuring alignment across our sustainability vision, strategy, and risk management framework. The Board also approves policies, targets, and action plans, further reinforcing our sustainability commitments. The Vice Chairperson plays a key role in defining sustainability priorities and tracking progress, receiving reports from the Sustainability Manager on a monthly basis or more frequently when needed. Other Board members oversee sustainability-driven operations, help steer the company's strategic direction, and ensure our progress toward achieving the 2030 Sustainability Targets.

Climate-related issues are addressed within our sustainability governance framework, which is integrated with risk management, strategic decision-making, and financial planning processes.

To enhance the climate-related expertise of the Board of Directors, the following mechanisms are in place:

- Regular consultations with internal working groups composed of subject-matter experts.
- Periodic engagements with external stakeholders and environmental experts.
- Inclusion of environmental expertise in the Board nomination process.
- Ongoing environmental training sessions for Board members and the dissemination of best practice guidance (e.g., TCFD, SBTi).



The Role of the Executive Team in Climate Governance

Chaired by the General Manager (CEO) and composed of Executive Committee members, the Sustainability Executive Committee is responsible for developing sustainability policies, submitting them to the Board for approval, and turning them into actionable business plans. In addition, specific senior executives have clearly defined roles related to climate governance:

- CEO: Oversees all climate-related activities and ensures the integration of the climate strategy into the company's broader corporate strategy. Leads emission reduction initiatives, R&D efforts, and the development of low-carbon products, allocates necessary resources, and monitors the implementation of the climate transformation roadmap.
- CFO: Oversees climate-related investments, sustainable finance projects, and budgeting processes for carbon reduction initiatives. As secretary of the Corporate Governance Committee, the CFO prepares reports in line with TCFD recommendations and communicates climate-related risks and opportunities to investors.
- Sustainability Manager: Reporting directly to the CEO, the Sustainability Manager collaborates with relevant departments to define climate-related goals, works with the Risk Manager to assess climate risks, plans mitigation efforts, and monitors innovation initiatives. The Manager provides regular reports to the Chairperson and Vice Chairperson of the Board.

» For more detailed information on our sustainability governance structure, please refer to the Sustainability Governance section of this report.

Sustainability performance is supported through financial incentives provided to relevant managers upon the achievement of annual targets.

Integration of Climate Performance into Incentive Mechanisms

At Akçansa, we apply a target-oriented performance management system, with goals set progressively from the corporate level down to the individual level. For senior management, 20% of performance-based incentives are directly tied to sustainability objectives. Accordingly, performance criteria for the CEO and Executive Committee members include climate-focused indicators such as CO_2 emission reduction, alternative fuel usage, energy efficiency, clinker ratio reduction, and occupational health and safety. When annual targets are achieved, financial incentives are granted to the respective executives to reinforce sustainability performance. The process begins with setting corporate KPIs and the General Manager's targets, followed by defining targets for Assistant General Managers, and finally cascading down to individual employees.

Across all levels, performance targets encompass a broad range of sustainability KPIs, including CO_2 emission reduction, alternative fuel usage, biomass share in alternative fuels, raw material efficiency, environmental contributions of digitalization, energy management, biodiversity goals, water efficiency, renewable energy use, emissions control improvements, and resource efficiency.

Employees who achieve their individual targets and contribute to the company's broader objectives become eligible for financial incentives. CO_2 reduction is one of the key performance indicators and applies universally across the organization.



The main climate-related performance indicators and incentive mechanisms for the CEO, Executive Committee members, and Sustainability Manager at Akçansa are as follows:

- **General Manager:** Receives performance-based bonuses linked to targets such as greenhouse gas emissions reduction, decarbonization project implementation, use of alternative fuels, and clinker ratio reduction. These targets are aligned with the annual reduction goals in the company's climate transition plan, and bonus amounts are calculated based on the achievement level.
- **Executive Committee Members:** Receive bonuses based on annual Scope 1 and Scope 2 emission reduction goals, execution of decarbonization projects, and targets for alternative fuel usage. In addition to corporate sustainability targets, each executive has individual climate-related objectives.
- **Sustainability Manager:** Responsible for implementing the sustainability roadmap, facilitating coordination across the Executive Committee and employees, reducing GHG emissions, and advancing the green transformation plan. Personal incentives are calculated based on the achievement of these targets, assessed through annual performance reviews.



We closely follow the European Green Deal and Türkiye's Green Deal Action Plan developed to align with this process.

Strategy

As climate change increasingly impacts our industry and value chain, Akçansa continues to refine its strategic actions toward a sustainable future. We assess climate risks and opportunities through an integrated lens and adapt our business model in alignment with global and local regulations.

We closely monitor the European Green Deal and Türkiye's Green Deal Action Plan developed for alignment. By analyzing sector-specific developments, we harmonize our operations with the EU and other global frameworks. With strong senior leadership support, our Sustainability, Strategy, and Finance teams develop action plans and engage actively with industry associations. We also maintain communication with regulators and public institutions, contributing to climate-related legislation both directly and indirectly. This enables us to dynamically align with transitions in Türkiye and our international markets.

In 2024, we advanced our climate mitigation efforts through innovative processes and product solutions, leveraging guidance from sources such as the "Low Carbon Roadmap for the Turkish Cement Sector" (prepared by the Turkish Ministry of Industry and Technology and EBRD) and the "2050 Net Zero Concrete Roadmap" published by the Global Cement and Concrete Association (GCCA).

In line with our parent companies Sabancı Holding and Heidelberg Materials' Net Zero 2050 targets and the Paris Agreement's 1.5°C objective, we remain fully committed to limiting global warming.

International Partnerships in Climate Action

At Akçansa, we believe in the power of collaboration and collective intelligence to tackle climate change. We report our operational climate impacts transparently and participate in a range of voluntary initiatives, supported by leaders and employees across all levels. Highlights include:

- Since 2011, we have reported our climate-related risks and opportunities under the CDP Climate Change program.
- We have reported to the CDP Water Security program since 2016.
- In 2024, we submitted detailed disclosures on Climate Change, Water, Biodiversity, and Plastics to CDP, covering risks, opportunities, impacts, and dependencies. The 2024 CDP report is available on our website.
- We maintained an A- leadership score in the 2024 CDP Climate Change program and retained a B score in the CDP Water Security program.
- On the LSEG (formerly Refinitiv) platform, we increased our score to 86 and ranked 2nd among 126 global construction materials companies as of December 2024.
- As a UN Global Compact (UNGC) signatory since 2014, we reaffirm our commitment to its 10 principles and have completed all reporting under the updated Communication on Progress (CoP).
- In 2024, we participated in COP29 held in Baku.
- Also in 2024, we became a signatory of the UNGC CEO Water Mandate.

We joined the Science Based Targets initiative (SBTi) in 2022 and committed in 2023 to align with a 1.5°C scenario. Our goal is to submit our targets and finalize our 2030 roadmap by Q1 2025, with SBTi validation expected in Q2 2025. This will officially align Akçansa with the Paris Agreement. Our current 2030 targets are fully in line with expectations set by SBTi.

We also held task force meetings under the TCFD framework, identifying climate risks and refining our roadmaps. We closely follow the EU Carbon Border Adjustment Mechanism (CBAM), and as of 2024, we report emissions from our exports to Europe, ensuring compliance with CBAM regulations.

Our Environmental Product Declarations (EPDs) for cement and ready-mix concrete transparently disclose product environmental impacts. We successfully completed third-party audits conducted by the Turkish Ready-Mix Concrete Association's Quality Assurance System (KGS) and earned the Responsible Use of Resources Certification from the Concrete Sustainability Council (CSC).

Our Çanakkale and Büyükçekmece plants earned the highest scores in Türkiye in the CSC Gold certification category. Our Bursa Aggregate Plant became the first in Türkiye to be awarded CSC Platinum certification.



Akçansa Climate Transition Plan

As part of our transition to a low-carbon economy, Akçansa has developed a climate transition plan aligned with the 1.5°C pathway. This plan outlines our emission reduction strategies, low-carbon product development processes, and financing approaches, all aligned with our long-term sustainability goals.

Our transition plan prioritizes the reduction of carbon emissions through decreased fossil fuel consumption. Key components of our strategy include expanding the use of alternative fuels, reducing clinker usage, decommissioning or modernizing inefficient equipment, and investing in low-carbon cement production. We also aim to increase the use of renewable energy across all our plants and advance carbon capture, usage, and storage (CCUS) technologies. In line with our commitment to the Science Based Targets Initiative (SBTi), we continue progressing toward science-based emission reduction targets. Additionally, we are developing market strategies to promote low-carbon cement and ready-mix concrete products.

The climate transition plan is reviewed regularly by our Board of Directors and closely monitored by representatives from Sabancı Holding and Heidelberg Materials. Progress updates are reported at least quarterly. Annual emission reduction targets set under the plan are monitored at the plant level.

At the 2024 Climate Change Conference (COP29) held in Baku, Türkiye announced its interim goals, sector-specific targets, and strategies to achieve net zero by 2053. Akçansa's climate transition plan is aligned with Türkiye's Long-Term Climate Strategy as disclosed at COP29. While Türkiye targets a 30% reduction in cement sector emissions by 2040 and a 93% reduction by 2053, Akçansa's current targets are even more ambitious.

Our sustainable finance strategy is focused on securing alternative funding sources to support low-carbon investments and green transitions. We invest in sustainable projects by utilizing sustainable and green finance instruments, and optimize our cost management strategies in line with carbon pricing mechanisms.

Through this comprehensive transition plan, Akçansa aims to lead the sector's alignment with a net-zero economy while supporting long-term sustainable growth. We will continue to inform our stakeholders through transparent reporting.

Climate Risks and Opportunities

We systematically assess how climate change may impact our business model, operations, and value chain, integrating these insights into our strategic decision-making. In this context, we follow the SASB Construction Materials Standard to identify both risks and opportunities. Scenario analyses and impact assessments are used to effectively reduce risks and maximize opportunities. Our business model is shaped in response to evolving market dynamics, regulatory changes, technological advances, and climate policy developments, aligned with financially material sustainability factors outlined by SASB.

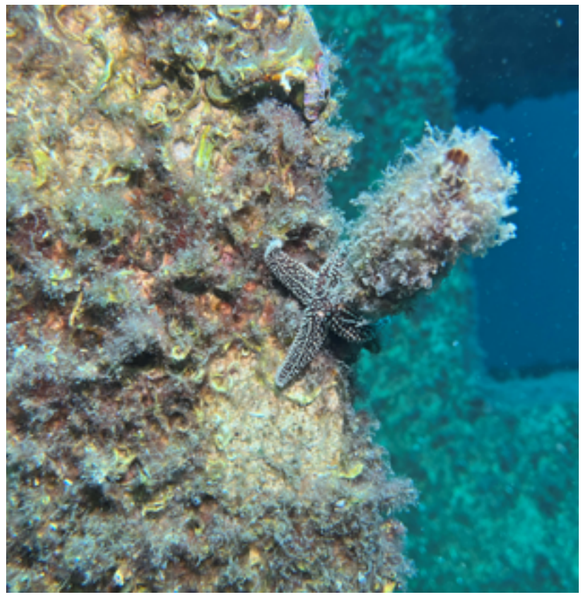
We identify physical and transition risks and climate-related opportunities, assessing their likelihood and potential impacts, and taking proactive mitigation actions. These issues are managed as an integral part of our business strategy.

To manage physical risks, we evaluate the impacts of extreme weather events—such as landslides, floods, fires, and water scarcity—on our production operations and take actions to reduce potential disruptions. To address transition risks, we are advancing low-carbon production models and incorporating renewable energy, alternative raw materials, and circular economy principles into our operations to comply with emissions regulations.

SASB's Construction Materials Sectoral Guidance recommends reducing carbon footprints, increasing energy efficiency, and adopting low-carbon energy to mitigate transition risks. Material recycling and waste management improvements are also essential for advancing sustainability performance. In line with these objectives, we are increasing the use of low-carbon energy, optimizing production, and refining emissions management.

By adhering to SASB and TSRS standards, we identify sector-specific risks and opportunities and take steps to mitigate climate-related impacts on operations. We also aim to enhance resource efficiency by expanding recycling and strengthening waste management in line with circular economy principles. To capture climate-related opportunities, we develop low-carbon, sustainable material solutions aligned with green building certification requirements, strengthening our competitive edge. In doing so, we aim to create long-term value aligned with SASB's material sustainability factors.

Based on our assessment, no material risk has been identified that would require adjustments to the book value of assets or liabilities reported in financial statements for the upcoming period.





We define the time horizons for climate-related risks and opportunities as follows:

Short term	Medium Term	Long Term
0-5 years	5-10 years	Over 10 years

At Akçansa, short-term strategic plans cover a 5-year period and are revised as needed. Medium-term plans span 5–10 years and are defined under 5-Year Master Plans, while long-term goals are addressed through 10-Year Master Plans.[10] These planning horizons are fully aligned with our approach to climate risk and opportunity assessment. Milestone years for our climate strategy include 2030—aligned with the UN Sustainable Development Goals—and 2050, as the target year under the Paris Agreement.

10 At Akçansa, there are 5- and 10-year strategic roadmaps in place for various ESG-related issues. These roadmaps are internally referred to as the "Master Plan.



2024 Scenario Analysis Studies

In 2024, under the guidance of the Task Force on Climate-related Financial Disclosures (TCFD), we conducted a comprehensive analysis to enhance the resilience of our strategy and deepen our scenario analysis work. We assessed the potential impacts of water stress, rising prices of alternative fuels and raw materials, and carbon pricing mechanisms. The analysis considered two climate scenarios: one aligned with the Paris Agreement, limiting warming to below 2°C (<2°C), and another with rapid emissions growth resulting in 3.5–4°C warming.

Study Methodology and Assessment Process

We applied a detailed methodology to evaluate the financial implications of climate risks across the scenarios. We first reviewed internal and external documents to identify risks. Through workshops with Akçansa teams, we identified three primary climate risks for the scenario analysis: water stress, price volatility in alternative fuels and raw materials, and carbon pricing systems.

To model their financial impacts, we collected operational data, reviewed market trends, and used assumptions based on international climate scenarios. The evaluation followed TCFD methodology, considering both physical and transition risks.

The modeling framework considered three key factors: the severity of the risk, Akçansa's vulnerability, and the level of exposure. For both climate scenarios, we developed forward-looking financial projections and identified potential adaptation strategies to strengthen our risk management.

We used various assumptions and analytical methods to evaluate financial impacts, including cost increases, operational disruptions, and regulatory compliance. Each of the three risks was assessed under both climate scenarios.

Scenario analysis was conducted using two timeframes: 2030 and 2050. The 2030 outlook focused on short- to mid-term impacts, while 2050 provided insight into long-term resilience and strategy alignment.

In the short term, we evaluated changes in operational costs and supply chain processes. For the medium to long term, we considered emission regulations, water resource sustainability, and strategic shifts toward energy transition.



Risk Information	Risk Description	Impact of Risk on Financial Position, Performance and Cash Flow	Estimated Financial Impact and Calculation Method	Actions Taken	Financial Materiality
PHYSICAL RISKS					
Risk Type Acute Physical – Floods and flows **Term** Long **Probability** More likely to occur (51–100%) **Magnitude of the Impact** Medium-low **Financial Impact** Loss of income due to reduced production capacity	The frequency and intensity of extreme weather events are increasing in the regions where Akçansa operates. In particular, floods caused by heavy rainfall may temporarily or permanently interrupt operations at our plants. Climate projections indicate that the occurrence and intensity of these events will further increase in the coming years. According to our 2022 analysis using the Munich Re Location Risk Intelligence tool, 25% of Akçansa's plants are exposed to medium to high levels of risk in the long term.	Severe weather events and flood-related physical climate risks can disrupt Akçansa's production and operations, potentially leading to revenue losses and financial strain. Extreme conditions may cause physical damage to plants, resulting in high repair costs and reduced profitability. Production disruptions can stress working capital, and additional investments in infrastructure may tighten cash flow. Repeated disruptions can also drive up supply chain management complexity and insurance costs, posing long-term threats to Akçansa's financial stability. These risks may be reflected in the financial statements through impacts on revenues, capital expenditures, and operating expenses. Additionally, revenue losses caused by severe weather events in 2024 have already affected the revenue line items in our financial statements.	Based on analyses conducted using the Munich Re Location Risk Intelligence tool, the potential financial impact is estimated to be between 0.11% and 0.13% of Akçansa's total revenue. These figures were calculated under RCP 2.6, 4.5, and 8.5 climate scenarios. High-risk plants were identified and modeled accordingly. The calculations considered the time required for affected sites to return to pre-disruption production levels and the resulting production losses.	A Business Continuity Management System has been established, and crisis management procedures have been defined. Insurance policies have been updated, and emergency response plans have been developed for high-risk plants. Insurance expenses are reported under "Other Expenses from Operating Activities" in the financial statements.	**TSRS +** **ESRS +** **GRI +**
Risk Type Chronic Physical – Sea level rise **Term** Long **Probability** More likely to occur (51–100%) **Magnitude of the Impact** Medium-high **Financial Impact** Increased operating costs	Analysis conducted using the Munich Re Location Risk Intelligence tool indicates that global temperature increases could lead to a long-term sea level rise of 1 to 4 meters in the regions where we operate. This presents a significant risk to our Çanakkale and Büyükçekmece plants, as well as associated ports and terminals, potentially causing operational disruptions or necessitating plant relocation over the long term.	The anticipated sea level rise poses a long-term risk to Akçansa's financial position, performance, and cash flows, particularly impacting coastal plants. An increase of 1 to 4 meters may lead to temporary or permanent disruptions, requiring extensive protective measures or, in extreme cases, the relocation of affected plants. The risk of physical damage could result in substantial repair and reconstruction costs, increasing operational expenses and adversely affecting profitability. Investments in flood protection measures or potential plant relocations may place additional pressure on financial resources, leading to increased capital expenditure requirements. This risk is expected to have a direct impact on financial statements, particularly in revenue, repair and maintenance costs, operating expenses, and capital investments. Furthermore, asset impairment risks may arise, which could necessitate additional financing and increase overall financial liabilities.	To assess the potential financial impact of this risk, our analysis considered direct costs associated with infrastructure damage and potential operational downtime. Based on these assessments, the financial impact of sea level rise on Akçansa's revenue is estimated to range between 0.23% and 0.26% of total turnover. This calculation also includes potential damage costs and revenue losses associated with the risk.	As part of our risk mitigation strategy, we have updated insurance policies and are evaluating infrastructure investments to enhance the resilience of high-risk plants to sea level rise. Insurance expenses are reported under the 'Other Expenses from Operating Activities' section in the financial statements.	**TSRS +** **ESRS +** **GRI +**

The "+" symbol in the table indicates that the calculated impact of the related risk is financially material.

Risk Information	Risk Description	Impact of Risk on Financial Position, Performance and Cash Flow	Estimated Financial Impact and Calculation Method	Actions Taken	Financial Materiality
TRANSITION RISKS					
Risk Type Policy Risk - Emission Trading System (ETS) to be implemented in Türkiye **Term** Short, medium and long **Probability** Almost certain (99-100%) **Magnitude of the Impact** High **Financial Impact** Increased operating costs	Following Türkiye's ratification of the Paris Agreement, efforts to develop the Emissions Trading System (ETS) have accelerated in line with the 2053 net-zero target. Under the ETS, the cement sector is expected to be subject to carbon pricing. This may result in increased operational costs for Akçansa and potential shifts in product pricing, which could lead to a loss of competitive advantage. This risk has been identified as one of the most material internal risks in the context of sustainability and climate-related challenges	The implementation of the ETS is expected to cause a notable increase in Akçansa's operational costs. The introduction of carbon pricing could generate additional costs in the production process, which may negatively impact cash flow in the short term. If not properly managed, these costs could reduce operational profitability and erode competitive advantage over the medium and long term. Delays in implementing the necessary carbon reduction investments to comply with the ETS may lead to an increase in operating expenses that are not aligned with sustainability targets, along with additional cost pressures to meet regulatory requirements. Furthermore, transferring carbon costs to product pricing may cause fluctuations in customer demand, creating uncertainty in revenue streams. This risk may be reflected in future financial statements under operating expenses, production costs, and capital expenditures. Carbon costs arising from the ETS could also lead to an increase in cost of sales, thereby negatively affecting gross profit margins. Moreover, passing carbon costs onto product prices may result in decreased sales volume due to price increases.	With the Climate Law expected to come into effect in 2025, regulatory efforts related to the Green Taxonomy and the Emissions Trading System (ETS) Regulation are also ongoing. In this context, Akçansa has assessed potential financial impacts based on assumptions regarding free allocation rates and carbon pricing. According to the calculations, under a potential national ETS to be established in Türkiye, Akçansa may face a short-term cost increase equivalent to approximately 0.34% to 1% of its total revenue. These calculations are based on assumptions of free allocation rates of 97.5% in the first year, 95% in the second year, and 90% in the third year, with a carbon price of €7 per ton of CO_2e. The assumptions for free allocation rates were developed in alignment with the benchmarks used in the European Union ETS. For further details on scenario analyses conducted in relation to carbon pricing risks, please refer to the Climate Resilience and Scenario Analysis section.	Akçansa prioritizes projects that support the transition to a low-carbon economy to mitigate the potential risks associated with the ETS. In line with our 2030 Sustainability Targets, all R&D and innovation investments are managed with a strong focus on sustainability, as guided by our Low-Carbon Roadmap and the Low-Carbon/Low-Clinker New Product Development Plan. As part of our commitment to the Science Based Targets Initiative (SBTi), we are pursuing initiatives such as energy efficiency improvements, kiln process optimizations, and the substitution of alternative fuels and raw materials. Site-specific roadmaps have been developed for each plant, including decarbonization and CO_2 reduction investments, while R&D efforts continue to focus on the development of low-carbon products.	**TSRS +** **ESRS +** **GRI +**

The "+" symbol in the table indicates that the calculated impact of the related risk is financially material.

Risk Category	Risk Description	Time Horizon	Actions Taken	Financial Materiality
MARKET RISKS				
Transition to low-carbon economy	Rising demand is driving up the costs of alternative raw materials, energy, and fuels, potentially leading to increased operational expenditures	Long	In line with industrial symbiosis practices, efforts are being made to contribute to the circular economy by utilizing by-products from other industries, construction debris, and other alternative raw materials or fuels in production development. Ongoing investments and collaborations are being assessed to ensure a continuous and reliable energy supply.	**TSRS +** **ESRS +** **GRI +**
Preference of funders for low-carbon investments	With the development and expansion of fund eligibility criteria, access to sustainable finance sources has become more challenging. According to the 2023 Joint Report on Multilateral Development Banks' Climate Finance, mitigation finance allocated to the industrial sector remains at just 4%. However, the industrial sector holds a significant share in global emissions, and this imbalance in financing distribution is slowing down the transformation process. As also noted in the same report, development banks are shaping their portfolios predominantly around climate finance.	Short	Akçansa is actively working to align its current roadmap with the Paris Agreement's 1.5°C scenario, including initiatives such as the Net Zero Commitment, 2030 Sustainability Targets, rehabilitated mining sites, and energy efficiency projects.	**TSRS +** **ESRS +** **GRI +**
Substitution of existing products and services with low-carbon alternatives	The substitution of current products and services with low-carbon alternatives may result in a decrease in profit margins, due to customer preference for traditional products.	Long	The existing Sales Technical Support Team provides technical assistance to customers regarding low-carbon alternatives and promotes sustainable products.	**ESRS+** **GRI +**
TECHNOLOGY RISKS				
High investment costs required for technological transformation	The need for investments in the development of new technologies required for the decarbonization of the cement industry and the potential cost increases resulting from R&D activities carried out for this purpose.	Medium	R&D and innovation initiatives, along with internal entrepreneurship activities, are being carried out. Multi-stakeholder projects are being implemented by fostering collaborations.	**TSRS +** **ESRS +** **GRI +**
Failure to complete planned technology investments focused on sustainability with the expected performance	Testing new technologies during the transition to a low-carbon economy and their failure to succeed in the market	Long	Within the scope of the transition to a low-carbon economy, evaluations regarding technology and investments have been carried out through consultancy support. In this context, technologies with a high level of technological maturity have been prioritized, and implementation is progressing in line with the established plans.	**ESRS +** **GRI +**
REPUTATION RISKS				
Inability to effectively manage increasing stakeholder sensitivity regarding climate issues	Potential concerns or sensitivities among stakeholders arising from possible adverse impacts at raw material quarries and in the regions where we operate	Short	Environmental, Social, and Governance (ESG) performance is continuously improved by responding to sustainability and climate-related indices, thereby enhancing stakeholder trust. Effective stakeholder engagement is carried out through various initiatives such as neighbor councils and press site visits.	**ESRS +** **GRI +**
Inability to achieve sustainability goals	Failure to achieve the expected performance on time or to meet sustainability targets may lead to negative feedback from certain stakeholders, potentially resulting in reputational damage to the company.	Medium	Performance indicators aligned with sustainability goals have been defined, and 2030 sustainability targets have been set for each indicator. Roadmaps have been developed to support the achievement of these targets. Annual action plans are prepared for each performance indicator, and progress is monitored at regular intervals.	**ESRS+** **GRI +**
The potential negative impact on the company's brand perception among current and potential employees due to high carbon emissions caused by the industry.	Challenges in attracting new talent due to the public's perception of the sector as having a weak environmental profile.	Short	The company participates in university promotion days to raise awareness about the industry and its own operations, as well as the measures taken and improvements implemented. Collaborations with universities enable the integration of the company's sustainability initiatives into academic programs. Internship opportunities are provided to students, with compensation and additional benefits offered to those supported.	**ESRS+** **GRI +**
The potential decline in market value due to investors shifting towards low-emission sectors	The loss of investors resulting from the potential decrease in market value caused by the shift towards low-emission sectors	Medium	Regular dialogues are held with investors to gather their expectations and priorities, which are then addressed through corresponding actions. In line with the company's transparency principle, plans and investments for transitioning to a low-carbon economy are regularly reported to stakeholders.	**ESRS+** **GRI +**

The metrics and targets related to the risks and opportunities identified by our company in addressing climate change are available in the Metrics and Targets section of our report.

The "+" symbol in the table indicates that the calculated impact of the related risk is financially material.

Climate Resilience and Scenario Analysis

Scenario Analysis Studies

To better understand the risks and opportunities presented by climate change and to shape our long-term strategies, we conduct science-based scenario analyses. Both in 2023 and 2024, we carried out both qualitative and quantitative assessments based on the International Energy Agency (IEA) 2°C Scenario (2DS) and the IPCC's RCP 2.6, RCP 4.5, and RCP 8.5 physical risk scenarios.

These analyses provide insights into the resilience of our business model and strategic planning in the face of climate-related risks and opportunities. Our scenario analysis approach is guided by the following principles:

- Company-wide assessments cover all operational sites.
- We consider both transition and physical risks, aligned with the latest international climate frameworks.
- We conduct scenario analyses over different time horizons—short-term (2030), medium-term (2050), and long-term (2100).
- Macroeconomic trends, climate policies, technological advancements, energy dynamics, and local factors are incorporated into our analysis.



Transition Risk Scenario Analysis (IEA 2DS)

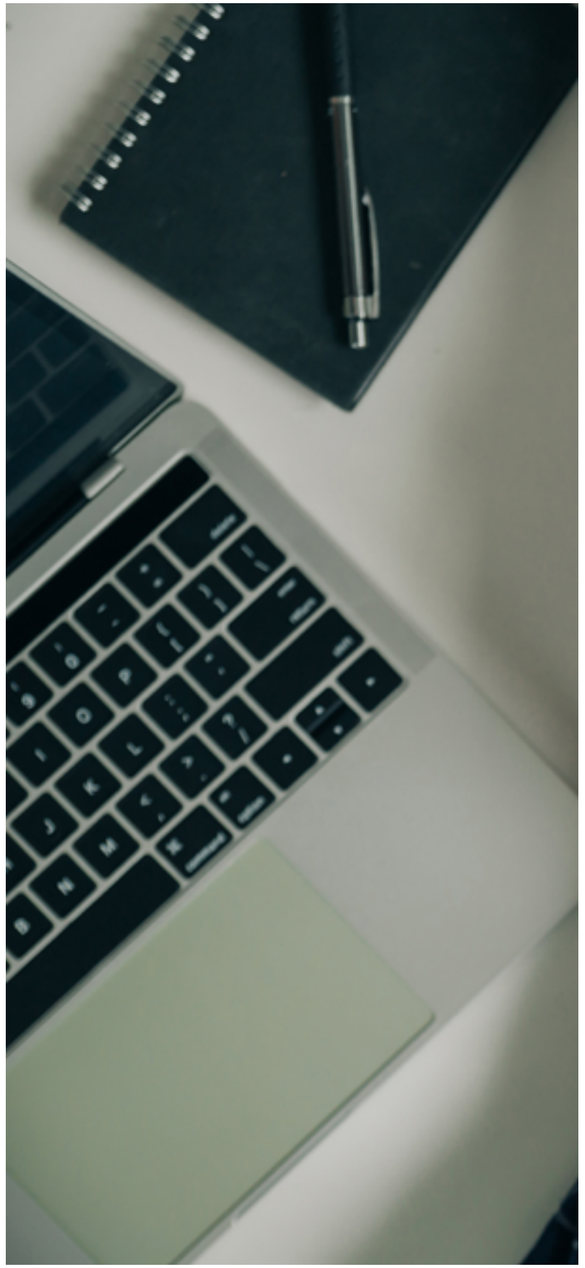
The IEA 2°C Scenario (2DS) presents a decarbonization pathway that limits global temperature rise to below 2°C relative to pre-industrial levels. As part of this scenario, we assessed market risks and opportunities, carbon pricing implications, and prospects for low-carbon products. The assessment used 2021 as the baseline year and extended projections through to 2060.

Our analysis evaluated the Reference Technology Scenario (RTS), Nationally Determined Contributions (NDCs), and the 2DS scenario for the global cement sector. While recognizing the importance of transforming the energy sector, the 2DS scenario emphasizes that reducing emissions in non-energy sectors is also crucial. Global GDP is expected to more than triple by 2060, with most growth concentrated in emerging markets by 2030.

- **Key Assumptions:**
  - » Global economic growth triples by 2060.
  - » Fossil Fuel Usage declines, and the energy sector reaches net-zero emissions.
  - » Carbon pricing mechanisms (e.g., EU ETS) become widespread.
  - » Carbon capture, usage, and storage (CCUS) technologies scale up.
  - » Sustainable technologies like alternative fuels and clinker reduction are broadly adopted.

- **Rationale for Scenario Selection:**
  - » The 2DS scenario serves as a reference point for global climate policies and focuses on reducing CO_2 emissions not only in the energy sector but also across other industries. It emphasizes the importance of innovative solutions and technological advancements on the path to decarbonization. At the same time, this scenario aligns with our strategy of developing low-carbon products and investing in sustainable operations.

- **Scenario Outcomes and Impacts:**
  - » New regulations and carbon pricing are likely to drive emission reductions across the industry.
  - » Rising demand for low-carbon products will support market expansion.
  - » Decarbonization will require integrated, multi-faceted investment strategies.





Physical Risk Scenario Analysis (RCP Scenarios)

We analyzed the long-term physical climate risks to our operations using the IPCC's RCP 2.6, RCP 4.5, and RCP 8.5 scenarios. These analyses assessed both acute and chronic physical risks, including water stress, flooding, extreme rainfall, wildfires, heatwaves, and sea level rise. All operational plants were evaluated using location-specific risk models.

Projections were based on a hybrid of CORDEX regional climate models and CMIP5 global models. Tropical cyclone and flood risks used Munich Re models, while heat, precipitation, and fire risks relied on ERA5 reanalysis data. The baseline period was 1986–2005, and projections were modeled using 20-year averages for robustness.

- **Key Assumptions:**
  - » RCP 2.6: Aggressive mitigation keeps temperature rise below 2°C by 2100.
  - » RCP 4.5: Moderate mitigation limits warming to 2–2.4°C.
  - » RCP 8.5: Unchecked emissions drive warming beyond 4°C, triggering severe impacts.
- **Rationale for Scenario Selection:**
  - » RCP 2.6: Represents an ambitious but achievable mitigation pathway.
  - » RCP 4.5: Reflects moderate policy success on carbon reduction.
  - » RCP 8.5: Stress-tests operational resilience under extreme risk conditions.
- **Scenario Outcomes and Impacts:**
  - » Flooding, heavy rainfall, and wildfire risks are rated medium to high.
  - » Water stress across Türkiye necessitates investment in water efficiency, particularly at high-risk sites.
  - » Heatwaves may raise energy demands and occupational health risks.
  - » Sea level rise poses a limited direct risk but reinforces the need for enhanced climate adaptation.

General Results of 2023 Scenario Analysis and Strategic Implications

We incorporate climate scenario analyses into our strategic planning, financial decision-making, and risk management frameworks. These analyses provide valuable insights for identifying investment priorities, improving water and energy efficiency initiatives, and implementing climate-resilient operational strategies in alignment with our net-zero ambitions.

- Regulatory pressures and new policies are expected to shape the industry. We are developing strategic plans based on scenario analyses to adapt to these changes.
- We are investing in areas such as the use of alternative fuels, energy efficiency, and reduction of clinker ratios.
- We are expanding our sustainable product portfolio in response to the increasing demand for low-carbon products.
- We have set our emission reduction targets for 2030 through financial impact assessments conducted under different regulatory scenarios.
- We are evaluating the feasibility of implementing Carbon Capture, Usage, and Storage (CCUS) technologies.
- We are reinforcing water management strategies and implementing preventive measures against extreme weather risks.

Carbon Pricing Scenarios

Global carbon pricing is gaining traction as a key climate mitigation tool. In Türkiye, the Climate Law, expected in 2025, is set to introduce a national Emissions Trading System (ETS). This development is projected to increase compliance costs, especially for energy-intensive sectors.

- **<2°C Scenario:** Tighter regulation and rising carbon prices could significantly impact cost structures. Akçansa aims to mitigate this risk by advancing its decarbonization roadmap, including investments in renewable energy, alternative fuels, and efficient technologies.
- **3.5–4°C Scenario:** While slower regulatory adoption may ease short-term pressures, delayed action could result in higher long-term costs due to tightening policies. Near-term competitive advantage may be offset by increased transition risk in the future.

CLIMATE-RELATED OPPORTUNITIES

Opportunity Information	Opportunity Description	Impact of Opportunity on Financial Position, Performance and Cash Flow	Estimated Financial Impact and Calculation Method	Strategy for Capturing the Opportunity
Opportunity Type Energy source- Transition to low-carbon energy sources **Term** Medium **Probability** Almost certain (99-100%) **Financial Impact** Reduction of direct costs **Magnitude of the Impact** Medium-high	Given the carbon-intensive nature of the cement industry, transitioning to low-carbon energy sources presents a significant opportunity to reduce operational costs. Increasing the share of alternative fuels, such as biomass and other sustainable resources, contributes to lowering carbon emissions while improving cost efficiency. By integrating more alternative fuels into the fuel mix, energy costs can be significantly reduced, enhancing Akçansa's competitive advantage.	Akçansa's above-industry-average alternative fuel substitution rate has already led to notable reductions in energy costs, positively impacting the company's financial performance. By reducing dependence on traditional fossil fuels and incorporating cost-effective and sustainable fuels like biomass, the company has also lowered indirect operating costs. This transition has not only improved profitability and increased gross profit margins but has also enhanced cash flow stability by mitigating exposure to volatile conventional fuel prices. Additionally, as regulatory frameworks increasingly promote low-carbon practices, Akçansa's rapid adoption of alternative fuels positions the company to benefit from future financial incentives, improved market competitiveness, and a more resilient long-term financial structure. The reduction in energy costs achieved through a higher alternative fuel usage rate directly contributes to improved financial performance. Moreover, the company may benefit from future carbon credits or government incentives, which could lead to new revenue streams.	This opportunity has the potential for a high long-term financial impact. Current projections indicate that the shift toward a low-carbon economy could generate a potential annual financial impact equivalent to 0.39% of Akçansa's total revenue. The calculations focus on cost savings from reducing fossil fuel consumption and increasing alternative Fuel Usage, which directly contributes to lower operational expenses. With alternative fuel usage surpassing industry averages, this opportunity has already positively influenced financial results for the relevant reporting period. Plant-based cost analyses conducted within alternative fuel committees reveal that, in 2024, the company achieved a total cost reduction of TRY 42.5 million, representing 0.2% of total revenue.	In alignment with our 2030 Sustainability Targets, Akçansa is implementing a comprehensive Alternative Fuel Master Plan, which targets achieving an alternative fuel usage rate of 35%. The plan outlines the strategic and operational measures necessary to increase alternative Fuel Usage. Further information on the strategy and its implementation is available in the Alternative Fuel Usage section of this report.
Opportunity Type Products and services- Development of new products through R&D and innovation **Term** Medium **Probability** Very high (90-100%) **Financial Impact** Increase in revenue due to growing demand **Magnitude of the Impact** Medium-high	The cement sector is considered a significant contributor to global CO_2 emissions. However, Akçansa has transformed this challenge into an opportunity by expanding its sustainable and low-carbon product portfolio. Committed to reducing the carbon footprint of its cement products, Akçansa aims to cut CO_2 emissions by 20% and double the share of low-clinker products by 2030. With growing demand for sustainable building materials, the company is well-positioned to capitalize on this shift.	Investments in low-carbon products and services have enabled Akçansa to address the rising demand for sustainable construction materials through alternative raw materials and low-clinker cement-based products. By allocating R&D resources to low-carbon solutions, Akçansa has not only diversified its revenue streams but also enhanced its market differentiation, attracting environmentally conscious customers. This strategic transformation has driven sales growth and revenue expansion, particularly in markets where climate-conscious purchasing decisions are on the rise.	While a detailed market study to quantify the financial impact of this opportunity is yet to be conducted, preliminary calculations estimate a 1% increase in revenue driven by the rising demand for Akçansa's low-carbon products. Based on this assumption, the financial impact is projected to range between 1.07% and 1.34% of total revenue.	Aligned with its 2030 Sustainability Targets, Akçansa is intensifying efforts to increase the market share of high-value, green products. The company is accelerating R&D and innovation initiatives for low-carbon solutions, with TRY 25.8 million invested in R&D and innovation in 2024, representing 0.12% of total revenue. The detailed strategies and initiatives supporting this transition can be found in the Sustainable Product s section of the report.

Opportunity Information	Opportunity Description	Impact of Opportunity on Financial Position, Performance and Cash Flow	Estimated Financial Impact and Calculation Method	Strategy for Capturing the Opportunity
Opportunity Type Products and services-changes in customer preferences **Term** Medium **Probability** Likely (66-100%) **Financial Impact** Increase in revenue due to growing demand **Magnitude of the Impact** Medium	Customers' environmental awareness continues to grow, leading to an increasing demand for products aligned with green building certifications such as LEED and BREEAM. Akçansa aims to meet this demand through its sustainable product portfolio, offering new and environmentally friendly products to support revenue growth. This trend, combined with the growing regulatory focus on green certifications and sustainable construction materials, presents a significant opportunity for Akçansa in the medium term.	Akçansa's strategy focuses on expanding its range of green and sustainable products to meet this increasing demand and capitalize on the growth of the eco-conscious construction market. This transformation is expected to increase demand for Akçansa's sustainable products and drive revenue. Additionally, the demand for certified green building products such as those with LEED and BREEAM certification is expected to rise Furthermore, Akçansa's proactive compliance with evolving green construction regulations enables the company to align with market trends, potentially reducing regulatory risks and associated costs.	Due to the lack of sufficient and reliable data, along with high measurement uncertainty, the direct financial impacts of this opportunity have not yet been calculated.	We utilized the GCCA's life cycle assessment and calculation tool to create self-declared Environmental Product Declarations (EPD) for 26 concrete products, leveraging our internal resources. In response to customer requests, we transparently share the required data with stakeholders for green building investments and communicate the environmental impacts of our products across their life cycle. Since the process was carried out entirely using internal resources, no additional investment or budget was required, and the opportunity was realized without incurring extra costs.
Opportunity Type Resource efficiency - Recycling **Term** Medium **Probability** Almost certain (99-100%) **Financial Impact** Reduction in direct costs **Magnitude of the Impact** Medium	The use of alternative fuels and raw materials ensures efficient resource usage, reducing operational costs and supporting the principles of a circular economy. The reduced reliance on traditional raw materials and energy sources lowers production costs, positively impacting financial performance.	Akçansa's shift towards a circular economy, driven by the increased use of alternative fuels and raw materials, has optimized resource usage, resulting in reduced operational costs and enhanced cost efficiency. By minimizing dependence on traditional raw materials and energy sources, production costs have been reduced, directly improving the company's financial performance. These cost savings contribute to strengthening profit margins and positively impacting cash flow.	The financial benefit to be gained from this opportunity, driven by the increased use of alternative fuels and raw materials, has been estimated to range between 0.6% and 0.67% of Akçansa's total revenue. The estimates are primarily based on the use of alternative raw materials that reduce the consumption of natural resources, which in turn leads to cost savings. Scenario analyses conducted to better understand the risks and opportunities associated with alternative fuel and raw material usage can be found in the Climate Resilience and Scenario Analyses section of the report.	Our 2030 Sustainability Targets also include increasing the use of alternative raw materials. As part of the strategy, KPIs have been established to guide the path towards the circular economy component. The relevant strategy and implementations can be found in the Alternative Fuel Usage and Alternative Raw Material Usage sections of the report.



As part of the global combating against climate change, the implementation of **carbon pricing mechanisms is expected to become more widespread.**

Climate-Related Risk Management

We manage our risks in accordance with our corporate risk management methodology, adhering to established standards and best practices. We address environmental, social, governance, operational, strategic, financial, and compliance risks through a holistic approach. The Early Risk Detection Committee ensures that preventive measures are taken against risks that could impact the company's existence, development, and continuity.

At Akçansa, we manage the identification, assessment, and monitoring of climate-related risks as an integrated part of our corporate risk management processes. Within this scope, climate risks and opportunities are assessed across operations and the supply chain using both qualitative and quantitative analysis methods. Their probability and impact are calculated, prioritized based on financial and operational implications, and updated regularly through annual review processes. No changes have been made to our climate risk management processes compared to the previous reporting period.

» For further details on our risk management processes, please refer to the Risk Management section of the report.

As part of climate risk management, we monitor long-term sectoral and global risks and evaluate innovative technology opportunities in line with the International Energy Agency (IEA) Low-Carbon Technology Roadmap, the Global Cement and Concrete Association (GCCA) Roadmap, and the CEMBUREAU strategic framework.

We evaluate climate-related risks and opportunities using qualitative and quantitative methods to assess their impact. These evaluations cover all Akçansa operations and are based on both international data sources and internal company data.

We also conduct internationally recognized climate scenario analyses to assess the resilience of our organization against various climate scenarios. In this context, we test and report the climate resilience of our strategy across multiple time horizons—2030, 2040, 2050, and 2100—based on IEA and IPCC transition and physical climate scenarios.

» For more information on climate-related risks, opportunities, and scenario analyses, please refer to the Climate Change – Strategy section of the report.

Climate-Related Policies and Actions

At Akçansa, our Environmental and Energy Policy and Sustainable Supply Chain Policy guide our mitigation and adaptation actions regarding climate change. These policies encompass key areas such as reducing greenhouse gas emissions, lowering air pollutant levels, optimizing water consumption, managing waste, increasing the use of alternative fuels, reducing clinker content in cement, using alternative raw materials, and implementing circular economy practices. We extend these policies to all our suppliers by incorporating sustainability principles into our contractual agreements.

In addition, we have established the Sustainability Declaration and the Sustainability Management Procedure to strengthen our climate change mitigation efforts. These documents outline our initiatives to increase the use of alternative fuels, develop circular economy practices, and reduce the clinker ratio in cement products.

» For more information on our climate-related policies, strategies, and actions, please refer to the Energy Management, Alternative Fuels, Sustainable Products, and Alternative Raw Material Usage sections of the report.

Investments and Expenditures Related to Climate Risks and Opportunities

In line with our strategic priorities, we allocate financial resources to support climate change adaptation and the transition to a low-carbon economy. While increasing our investments to promote sustainable growth, we aim to create long-term value through innovative financing models. Below is a summary of our current allocations and future financing plans:

Financial Metrics Aligned with Climate-Related Opportunities

As part of our sustainable growth strategy, we prioritize investments that align with environmental opportunities. In 2024, our R&D and innovation investments with a sustainability focus totaled TRY 25,882,718.

CAPITAL EXPENDITURES

In 2024, TRY 289,385,997 has been allocated for climate adaptation-related investments. These expenditures are reported under cash outflows for tangible and intangible assets in our year-end financial statements.

R&D AND INNOVATION INVESTMENTS

A total of TRY 25,882,718 has been earmarked for 2024 to support low-carbon production and product development, with a plan to maintain this investment level over the next five years.

REVENUE FROM LOW-CARBON PRODUCTS

In 2024, revenue from sustainable products reached TRY 7,156,782,201, representing 33.11% of total revenue. This figure is reported under the revenue section of our financial statements. We aim to increase this share to capitalize on climate-related opportunities

In line with our 2030 Sustainability Targets, we manage our investment process through our CO_2 Roadmap and Low-Carbon / Low-Clinker New Product Development Plan. Our investments in energy efficiency, low-carbon technologies, and product innovation continue to generate added value for both our company and the sector.

Impact of Climate Risks and Opportunities on Our Business Strategy

We expect demand for low-carbon products and services to rise significantly in the coming years. Accordingly, we view the market demand for low-carbon products as a significant opportunity in the medium term (by 2030). While the transition to low-clinker products offers considerable potential in the cement industry, failure to adapt represents a significant risk, as clinker production is the primary source of carbon emissions in cement manufacturing. Reducing clinker content and incorporating mineral additives can directly lower carbon emissions.

In this context, we are expanding and diversifying our product portfolio with low-clinker cement formulations, incorporating mineral and secondary materials such as slag and fly ash sourced from other industries. In line with our 2030 Sustainability Targets, we have defined clear targets under our "Innovation" focus area to drive low-carbon product development. We are accelerating R&D efforts to develop cement and concrete with reduced clinker content. Accordingly, we have created a Product Transition Plan and planned the necessary production line investments. This structured approach defines our medium- to long-term strategy for phasing out unsustainable products.

We have established our Product Transition Plan aimed at promoting cement and concrete products with reduced clinker content and increased use of additives.



To classify and recognize our sustainable and low-carbon products, we have established a sustainable product portfolio based on the EU Taxonomy and other globally recognized frameworks, covering both existing and new cement products.

For more information on our sustainable product offerings, please refer to the Sustainable Products section of this report.

These strategic actions reflect our strong commitment to managing climate risks while seizing low-carbon product opportunities. Aligned with our sustainability goals, we continue to lead industry transformation by developing products with a lower carbon footprint, enhanced water efficiency, and improved circularity.

The Impact of Climate Risks and Opportunities on Financial Planning and Performance

Environmental risks and opportunities have a substantial influence on various aspects of our financial planning. These include assets, capital allocation, revenues, capital expenditures, direct and indirect costs, and access to capital. Climate-related issues—creating both risks and opportunities—play a central role in shaping our financial strategy and investment priorities.



Financial Statement Item	The Impact of Climate-Related Issues on Financial Planning and Performance
Capital Expenditures	To prepare for a low-carbon future, we are investing in alternative fuels such as dried sewage sludge (DSS), waste oils, tire-derived fuels (TDF), and fuels sourced from non-recyclable waste (RDF, SRF). As part of this transition, we are implementing process modifications to reduce clinker content and produce low-carbon products. We are also focused on increasing the use of biomass-rich alternative fuels. Planned capital expenditures through 2030 include R&D initiatives and production line upgrades, aligned with investments supporting alternative raw materials and new product development.
Revenues	The increasing use of alternative fuels and raw materials contributes to lowering direct production costs, which enhances profitability. We also anticipate strong medium-term growth in demand for low-carbon products, presenting a strategic opportunity to increase revenue through differentiated and sustainable offerings.
Direct Costs	Replacing conventional fossil fuels such as coal and petroleum coke with alternative fuels results in lower direct costs and improves our cost structure. This shift contributes to a more resilient and sustainable financial model by reducing reliance on high-emission energy sources.
Capital Allocation	Transitioning to alternative fuels has strengthened our operational cash flow, allowing for more targeted and efficient capital allocation. Enhanced financial planning supports investment in decarbonization technologies and operational optimization.
Indirect Costs	Although using lower-cost alternative fuels reduces operating expenses, upcoming regulatory mechanisms—such as the Emissions Trading System (ETS)—may increase indirect costs through carbon pricing. We are proactively planning for these changes to mitigate their financial impact and maintain competitiveness.
Access to Capital	Climate-related risks and opportunities improve our access to low-interest financing and enable participation in government-backed incentive schemes and climate-focused funds. We also integrate carbon trading models (e.g., cap-and-trade) into our financial projections to anticipate and manage potential costs under future carbon regimes.
Assets	We assess all assets for climate-related risks and apply appropriate risk mitigation and insurance strategies. In addition, we have activated decision-making processes to strengthen the resilience of our assets through structural enhancements and climate-adaptive improvements.

Metrics and Targets

At Akçansa, we are fully aware of our responsibility in combating climate change. Accordingly, we set our climate targets in alignment with international standards and science-based goals. In 2024, we updated these targets to reflect our continued commitment. Our objectives and performance regarding energy management and the use of alternative fuels are detailed in the relevant sections of the report. We calculate our greenhouse gas emissions in tons of CO_2 equivalent, based on the TS EN ISO 14064-1:2018 standard—which provides guidelines for calculating and reporting greenhouse gas emissions at the organizational level—as well as the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004). In our emission calculations, we use actual service metrics including energy consumption, purchased raw materials, fuel usage, sales, travel, and more.

We adopt a control-based approach to emissions reporting. This means we report all greenhouse gas emissions resulting from activities under our operational control. This approach ensures that we assume 100% responsibility for managing and reporting emissions within our operational boundaries. As we have full authority to implement emission reduction policies, we are able to manage our carbon footprint effectively

We measure Scope 1 emissions from all of our operational activities and business units. These calculations include emissions from natural gas, fuel oil, petroleum coke, alternative fuels, R22 refrigerants, cooling gases, fire suppression systems, as well as process-related emissions—based entirely on actual data and measurements.

For Scope 2 emissions, which result from our consumption of grid electricity, we calculate both location-based and market-based values. In 2024, we reported market-based emissions as zero, thanks to our purchase of I-REC and YEK-G certificates.

2050

NET ZERO EMISSION TARGET YEAR

We have assessed all Scope 3 emissions categories based on their significance, and have included the following in our calculations: Category 1: Purchased Goods and Services, Category 3: Fuel- and Energy-Related Emissions, Category 4: Upstream Transportation and Distribution, Category 6: Business Travel, Category 7: Employee Commuting, Category 9: Downstream Transportation and Distribution, and Category 10: Processing of Sold Products.

All of our Scope 1, 2, and 3 emissions have been verified through limited assurance services, details of which can be found in the Assurance Statement in Appendices section.

In line with Türkiye's 2053 Long-Term Climate Strategy and the net-zero commitments of our key stakeholders, Akçansa is committed to achieving net-zero emissions by 2050. We have also established 2030 interim targets and milestones to guide us in this journey.[10]

In 2024, our Scope 1 net emission intensity rose by 0.57% compared to the previous year, reaching 705 kg of CO_2e/ton of cementitious material, while our Scope 1 gross emission intensity decreased by 0.81%. The product-specific Scope 3 emission intensity saw a 15% increase compared to the 2023 baseline year.

10 We do not have any legally required emission reduction targets to meet under current laws or regulations.

Performance Indicator	Unit	2023	2024	2030 Targets
Scope 1 CO_2 emission intensity - net	kg CO_2e/ton cementitious	701	705	585
Scope 1 CO_2 emission intensity - gross	kg CO_2e/ton cementitious	742	736	626
Scope 2 Emissions (Market-based)	ton CO_2e	0	0	0
Product-specific Scope 3 CO_2 emission intensity and emission reduction (relative to 2024 base year)	ton CO_2e/ton production[11]	0.103	0.103	0.08(-25%)
Clinker use ratio	%	87.5	85.8	75

11 Total production includes all cementitious products, concrete products, and aggregate products produced during that year.

Greenhouse gas emissions[12]	Unit	2022	2023	2024
Scope 1 Emissions (Gross)	ton CO_2e	5,533,084	5,309,000	5,484,834
Scope 1 Emissions (Net)	ton CO_2e	5,276,965	5,011,227	5,259,903
Scope 2 Emissions (Location-Based)	ton CO_2e	301,672	300,057	296,562
Scope 2 Emissions (Market-based)	ton CO_2e	138,070	0	0
Scope 3 Emissions	ton CO_2e	1,457,047	1,718,887	1,758,743
Total Greenhouse Gas Emissions	**ton CO_2e**	**7,128,201**	**7,027,887**	**7,243,577**

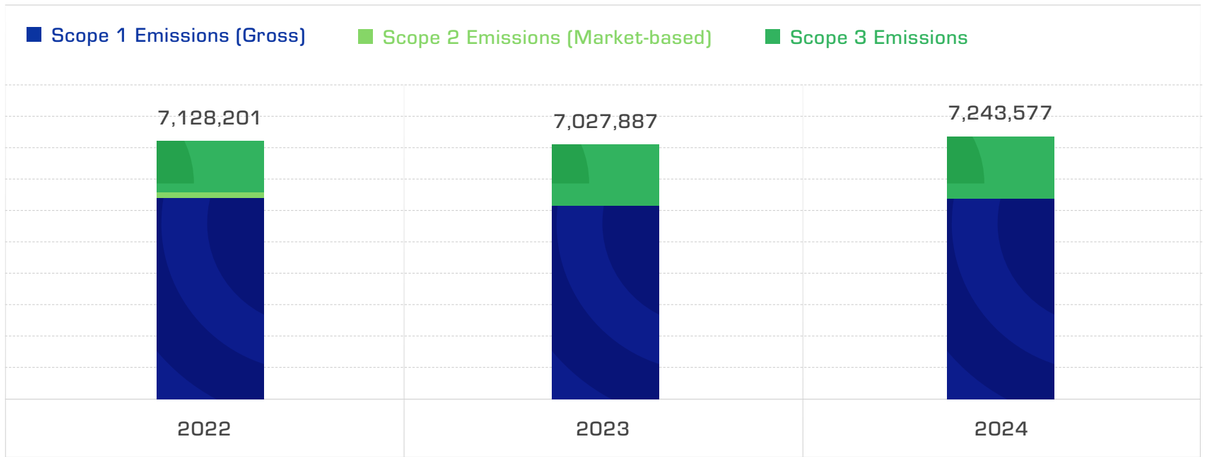
12 The greenhouse gas emission data is provided for the group included in Akçansa's financial consolidation. There are no associates, joint ventures, or unconsolidated subsidiaries mentioned under TSRS 2 29 (a)(iv)(2). Emission data for the companies included in the long-term financial investment item presented in the annual report have not been included.

We have aligned our 2030 greenhouse gas (GHG) intensity reduction targets with the Paris Agreement and the Science-Based Targets Initiative (SBTi). In the first quarter of 2025, we plan to submit our SBTi target and finalize our emissions reduction roadmap covering the period through 2030. Our 2030 and 2050 targets encompass all Akçansa operations and geographical regions. Compared to 2023, our gross Scope 1 emissions increased by 3.3% and net Scope 1 emissions increased by 4.96% in 2024. Scope 3 emissions also rose by 2.3%. Consistent with the previous reporting period, we have neutralized our market-based Scope 2 emissions for 2024 through the purchase of I-REC and YEK-G certificates.

In 2024, Akçansa did not have any gross Scope 2 greenhouse gas emissions subject to emission-limiting regulations or programs aimed at directly restricting or reducing emissions. However, with the anticipated implementation of the Emissions Trading System (ETS) Regulation in Türkiye, we expect Scope 2 emissions to fall under this regulatory framework in upcoming reporting periods.



GREENHOUSE GAS EMISSIONS BY YEARS (TON CO_2E)



Carbon Credit Usage

In 2024, no carbon credits were purchased. In future periods, we may consider purchasing carbon credits as part of our efforts to reduce emissions beyond our value chain. However, we have not yet established a clear framework regarding how and to what extent carbon credits will contribute to achieving our net greenhouse gas emission targets. Our primary focus is to minimize our operational emissions. Carbon credits are considered a complementary mechanism to offset any residual emissions. We plan to finalize our carbon credit strategy and implementation approach in the near future. Furthermore, with the anticipated enactment of the Climate Law in Türkiye in 2025, we plan to evaluate the use of carbon credits within offsetting mechanisms, depending on our company's CO_2 emission performance.



Internal Carbon Pricing

To strengthen decision-making mechanisms during the transition to a low-carbon economy and ensure preparedness for regulatory requirements, we apply the shadow pricing method. Our decarbonization projection, developed in 2023 and 2024, incorporates potential carbon prices that may arise with the implementation of an Emissions Trading System (ETS) in Türkiye.

Our internal carbon price is set within the range of EUR 5–10 per ton of CO_2, with an anticipated annual increase of 20%. In determining this price, we consider EU ETS price levels, global ETS trends, and Türkiye's free allocation mechanisms.

Internal carbon pricing is applied as a mandatory evaluation criterion, particularly in investment decisions. It is used as a decision-support mechanism in operational energy efficiency and carbon reduction investments, in prioritizing low-carbon products and sustainable innovation projects within product development and R&D processes, and in assessing the financial impact of carbon costs in risk management and financial planning. We use simulation models to analyze the impact of carbon pricing and evaluate its effect on EBITDA.

We have evaluated the sector-specific metrics outlined in the Construction Materials appendix of the TSRS 2 Sector-Specific Guidance. Accordingly, relevant data is disclosed in the Energy Management, Air Quality, Water Management, and Waste Management sections of this report, as well as in the Environmental Performance Indicators tables in the Appendices. Additionally, the SASB Disclosure Table in the Appendices specifies where the corresponding metrics are reported.

We use the shadow pricing method to strengthen decision-making processes during the transition to a low-carbon economy and to ensure preparedness for regulatory requirements.

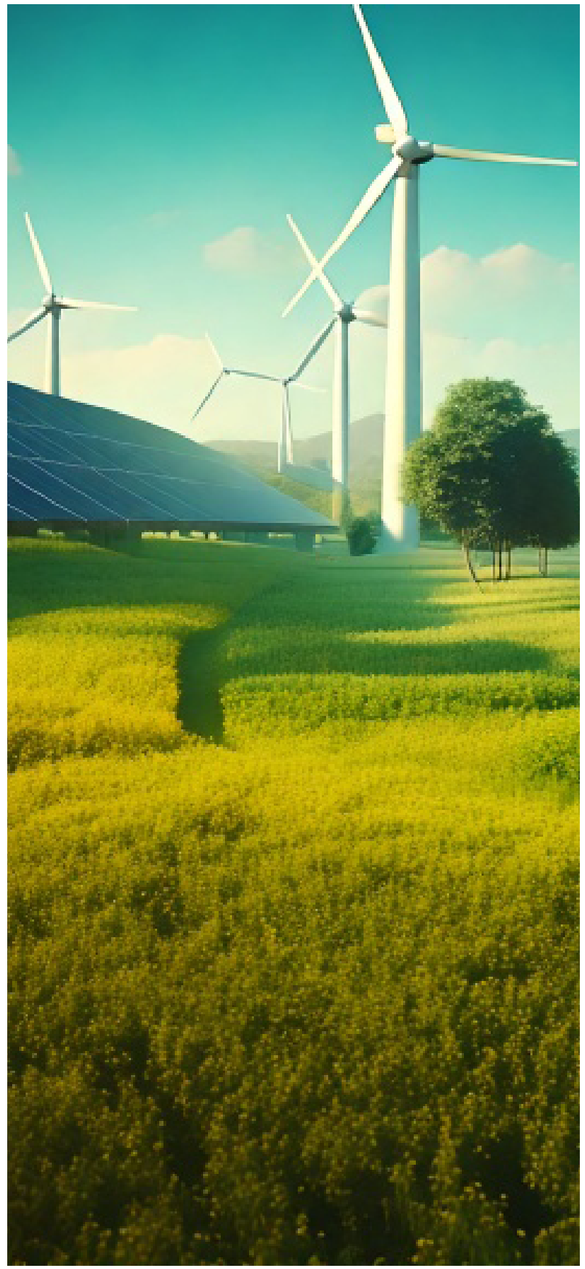
ENERGY MANAGEMENT

At Akçansa, we consider energy management as a critical priority both for the efficient use of natural resources and for achieving our carbon reduction targets.

At Akçansa, we consider energy management a critical strategic priority, both for the efficient use of natural resources and for achieving our carbon reduction targets. All of our cement plants operate under the ISO 50001 Energy Management System, through which we maintain a continuous focus on reducing energy consumption and enhancing efficiency. In this context, we carry out equipment upgrades, process optimization projects, and modernization investments that result in significant savings across our production processes. In 2024, our energy efficiency initiatives yielded a total energy saving of 32,523 GJ.

32,523 GJ

TOTAL AMOUNT OF ENERGY SAVED THROUGH ENERGY EFFICIENCY PROJECTS IMPLEMENTED IN 2024



We adopt energy-efficient solutions not only in our production processes but also in the buildings where we carry out our operations.

We are expanding our renewable energy investments to meet our energy needs through clean energy sources. At our Çanakkale Plant, we generated 8.6% of Akçansa's total electricity consumption from our own renewable sources via a 15 MW waste heat recovery system and a 2.5 MW wind turbine. In 2023, we sourced 100% of our electricity from renewable energy, supported by I-REC (International Renewable Energy Certificate) and YEK-G (Renewable Energy Resource Guarantee Certificate) certifications. Continuing this approach in 2024, we maintained a 100% renewable electricity usage rate, thereby avoiding approximately 296,562 tons of CO_2e in Scope 2 emissions.

To improve the efficiency of our waste heat recovery systems, we collaborated with specialized consultancy firms in 2023 to develop a set of new actions and a roadmap. As part of the first phase of the roadmap, we made modifications to the AQC1 and AQC2 boiler inlet pipes during scheduled kiln revisions. The second and third phases are planned for future years and will be included in our CAPEX investment plans. With these investments, we aim to increase the efficiency of our WHR systems and recover more energy. In 2025, we plan to carry out turbine and general system maintenance as part of this roadmap.

In addition to our production operations, we also adopt energy-efficient solutions in the buildings where we conduct our activities. We prefer high-efficiency technologies in lighting and HVAC systems to reduce the environmental footprint of our operations. In 2024, our Akçansa Port Office project located at the Ambarlı Port in Istanbul was awarded the LEED v4 Silver Certification. Throughout this process, we integrated sustainability principles into both the design and construction phases, creating a modern and environmentally conscious workplace.

TOTAL ENERGY CONSUMPTION (MWH)



ENERGY INTENSITY (MWH/ TON CEMENTITIOUS)



In 2024, our total energy consumption increased by approximately 2.5% compared to the previous year, reaching 7.2 million MWh. This rise was primarily due to an improved calculation methodology that now includes energy consumption from logistics operations. Despite this increase, our energy intensity per unit of production remained consistent with 2023 levels. Moving forward, we aim to expand our energy efficiency initiatives and continuously improve our performance.

Through the 15 MW waste heat recovery plant and the 2.5 MW wind turbine installed at our Çanakkale Plant, we met 8.6% of Akçansa's total electricity demand from our own renewable energy sources.

ALTERNATIVE FUEL USAGE

Considering the high energy demand of the cement industry, we focus on reducing our fossil fuel consumption and minimizing the environmental impact of our production processes.

22,000 ton

TOTAL AMOUNT OF BIOMASS WASTE CONVERTED INTO ENERGY IN 2024

We are focused on reducing fossil fuel consumption and minimizing the environmental impact of our production processes, recognizing the cement industry's high energy requirements. During clinker production—a key phase in cement manufacturing—the thermal energy demand is traditionally met through fossil fuels. However, by using alternative fuels derived from waste, we reduce both carbon emissions and environmental impact.

Alternative fuels not only lower fossil fuel dependency but also contribute to improved waste management by enabling the recovery of difficult-to-dispose materials. This approach limits landfill use, helping to prevent greenhouse gas emissions and pollution associated with waste storage. Since combustion takes place at 1,500°C, no additional pollutant gases are generated during the process.

According to the Low Carbon Pathway for the Turkish Cement Sector[13] report published by the Republic of Türkiye's Ministry of Industry and Technology, the share of alternative fuels in the sector's total fuel consumption reached 10.6% in 2023. Recognizing their vital role in tackling climate change, we aim to increase our use of alternative fuels, consistently surpassing the industry average to support the transition to a low-carbon economy.

In 2024, our alternative fuel usage rate was 20.3%, down by 3 percentage points from 23.3% the previous year. This decline was primarily driven by fluctuations in global fuel prices, inflationary pressures, and limited access to waste materials. Our plant-specific usage rates were 19.3% at Büyükçekmece, 19.1% at Çanakkale, and 33.1% at Ladik.

At our Büyükçekmece plant—the first in Türkiye to obtain an alternative fuel license—we continue to convert sewage sludge from Istanbul's Advanced Biological Wastewater Treatment Systems into energy. In 2024 alone, we recovered approximately 64,000 tons of domestic sewage sludge for energy generation.

13 Low Carbon Pathway for the Turkish Cement Sector, 2024

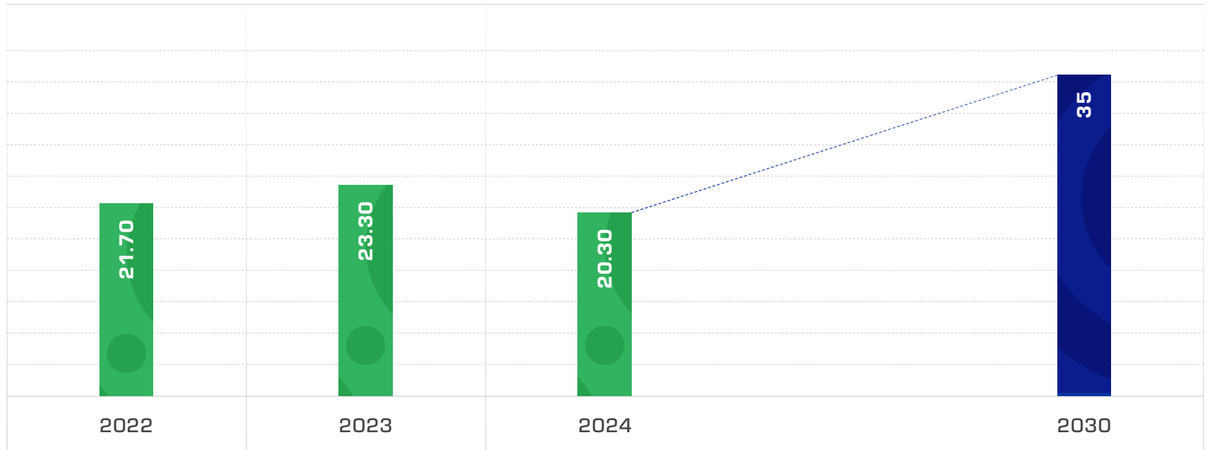
Our alternative fuel portfolio includes industrial waste, sewage sludge, liquid waste collected from ships, and end-of-life tires. These sources enable us to replace fossil fuels while also conserving natural resources. In 2024, we utilized 248,000 tons of waste as alternative fuel, contributing to the circular economy.

We also advanced our efforts in biomass-based alternative fuels in 2024. At our Çanakkale plant, we converted 22,000 tons of biomass waste into energy, contributing to a reduction in fossil fuel usage and carbon emissions. Additionally, we launched a project to develop a shredded tire feeding system at our Ladik plant.

We aim to increase our alternative fuel usage rate to 35% by 2030. In line with this target, we are focusing on high-biomass-content fuel sources to further reduce fossil fuel consumption and accelerate our transition to low-carbon production.



ALTERNATIVE FUEL USAGE (%)



SUSTAINABLE PRODUCTS AND SOLUTIONS

At Akçansa, we continue to develop innovative, high-efficiency, and environmentally friendly products through cutting-edge technologies.





At Akçansa, we continue to develop environmentally responsible, high-efficiency, and innovative products by leveraging advanced technologies. Through this approach, we aim to add value to the cement and ready-mixed concrete industries while reducing the environmental impacts of our production activities, thereby contributing to a more sustainable future. With our sustainable product range, we not only support the industry but also maximize customer satisfaction through our commitment to superior quality.

In line with our 2030 Sustainability Targets, our R&D department continued its efforts in 2024 to develop low-carbon cement and concrete products. By 2030, we aim to make all our cement and concrete products sustainable, reduce the carbon emissions of our domestically sold cement products by 20%, and decrease our carbon emissions by 120 kg per ton of cement through the production of new cement types.

Our Sustainable Product Initiative, launched in 2022, enabled us to bring together our low-impact cement and concrete products under the “Green Formulation” concept.

In this context, we categorize our sustainable cement products under “Green for Cement” and our low-carbon concrete products under “Green for Concrete.”

Under the “Green for Cement” category, we offer Actioncem, a low-carbon cement with reduced CO_2 emissions; Solidcem, a solution with enhanced resistance to environmental factors; and Duocem, a product that provides high durability. Within the “Green for Concrete” category, we offer Ecocrete, a new generation of ready-mix concrete that targets the lowest possible carbon footprint through the use of sustainable technologies. In addition, we continued to offer innovative solutions in 2024 through our specialized ready-mix concrete products—Performix, Solidmix, Hidromix, A+Beton, 100+Beton, Yolbeton, and TunnelMix—which are developed to meet specific customer and project requirements, and stand out with their sustainability and long service life.

In 2024, the sales volume of our sustainable products reached 33.11%, reflecting a 23% increase compared to the previous year. Additionally, sustainable ready-mixed concrete products accounted for 34% of our total ready-mix sales. These products are produced under the Ecocrete brand and have a carbon footprint that is at least 15% lower than standard reference products.

We aim to strengthen our trust-based relationships with stakeholders by transparently sharing the environmental impacts of our products throughout their entire life cycle. Through our life cycle assessment (LCA) project launched in 2020, we prepared the first Environmental Product Declarations (EPDs) in Türkiye’s ready-mixed concrete sector. Furthermore, in 2022, we published EPDs certified by The International EPD® System for our ASTM C150 Type I/II Portland cement and ASTM C595 Type IL Portland-limestone cement products. In 2023, we updated the EPDs for all our ready-mixed concrete products. These documents help our customers better understand the environmental impact of the concrete they use and provide advantages in green building certification processes such as LEED, BREEAM, and Green Star.

In 2024, our Büyükçekmece, Ladik, and Çanakkale plants took an important step in line with the Regulation on Promotion of the Use of Green Cement with Low Carbon Emissions in Public Procurement Contracts, published that year. Accordingly, we obtained green cement certification for our cement products that fall within the scope of the regulation.

CEMENT

Sustainable Products

ACTIONCEM

ActionCem contains 35–50% mineral additives and features a low clinker ratio and reduced carbon footprint, contributing to the reduction of greenhouse gas emissions. It exhibits high resistance to harmful environmental conditions, particularly in sulfate-rich environments. With excellent characteristics such as easy workability and long-term strength development, it provides practical advantages to applicators.

SOLIDCEM

Solidcem is a fine ground cement ideal for ground reinforcement (injection) applications. It does not foam during injection and offers resistance to sulfates and alkali-silica reactions. It has an optimal setting time, low heat of hydration, and a reduced risk of thermal cracking. Containing 21–35% mineral additives, it results in approximately 15% fewer greenhouse gas emissions during production. Its high durability, especially in sulfate-rich conditions, along with its ease of application and long-term performance, makes Solidcem a low-emission, user-friendly product.

DUOCEM

Duocem contributes to sustainability with its stable performance, high fineness (void-filling effect), improved workability and slump retention, and low heat of hydration—particularly suitable for mass concrete and hot weather applications. With up to 20% mineral additives, Duocem has a 10% lower carbon footprint than traditional Portland cement. This makes it both environmentally friendly and effective in supporting emissions reduction.

Custom Products

1803 CEMENT

High Durability Cement for Long-Lasting Structures

1803 Cement is a specially engineered product for the 1915 Çanakkale Bridge project. It is a low-alkali (LA) CEM I 52.5 N cement with strict limits on C3A, MgO, and soluble chloride content. Produced at the Çanakkale plant, it was used in conjunction with slag in the production of 1803 Concrete, designed to meet a minimum service life of 100 years for the project.

100+ CEMENT

High Durability Cement for Long-Lasting Structures

100+ Cement was developed specifically for the Yavuz Sultan Selim Bridge project. It is a low-alkali (LA) CEM I 52.5 N cement with limited C3A, MgO, and soluble chloride levels. Manufactured at the Büyükçekmece plant, it offers long-term durability and was used with slag in the production of 100+ Concrete, designed for a minimum 100-year service life.

PRACTICAL CEMENT

Economic and Environmentally Friendly Practical Cement

Practical Cement is a packaged retail product (CEM I 42.5 R) sold in 5 kg bags at building supply stores. It is suitable for household repairs, renovations, wall and floor repairs, plastering, bricklaying, and ceramic applications. Designed to reduce waste from unused cement, it offers an environmentally conscious alternative for small-scale use.

READY-MIX CONCRETE

Sustainable Products

ecocrete®

Ecocrete
Ecocrete is a low-carbon ready-mix concrete developed under our "Green for Concrete" initiative. It incorporates eco-friendly and low-carbon cement types and mineral additives to reduce clinker content. A part of the next-generation concrete family, Ecocrete reduces carbon emissions by at least 15% while maintaining high durability and performance. It is designed to replace traditional CEM I cement with more sustainable alternatives such as fly ash, ground granulated blast furnace slag, and microsilica.



READY-MIXED CONCRETE

Custom Products

A+ Concrete
A+ Concrete is a high-quality, low-carbon concrete developed for sustainable and eco-friendly buildings. It is produced by replacing a minimum of 35% of cement with ground granulated blast furnace slag (GGBFS), significantly reducing its carbon emissions. Manufactured with advanced technology and containing recycled materials, it is ideal for green buildings due to its durability, efficiency, and resilience to environmental impacts.

HydroMix
HydroMix is a specialized concrete designed to ensure structural waterproofing for applications requiring low water permeability. It incorporates a proprietary water-repellent chemical additive and custom mix design, minimizing water penetration depth. It also self-heals early-stage cracks, preventing the ingress of water and harmful chemicals

Solidmix
Solidmix is a high-performance concrete resistant to sulfate attacks from groundwater and subsoil water. It is formulated with varying raw materials depending on sulfate ion concentration in the environment. Tailored for specific project needs, Solidmix ensures durability and longevity in aggressive sulfate conditions.

100+ Concrete
Developed for the Yavuz Sultan Selim Bridge, 100+ Concrete is a specialized concrete designed for structures requiring a 100+ year service life. Made with low-alkali cement and mineral additives, it enhances sustainability by reducing material use and maintenance costs. Its pumpability up to 330 meters set a national record in Türkiye.

Yolbeton
Yolbeton is a durable and cost-effective roller-compacted concrete developed under the Betonsa brand as an alternative to asphalt roads. It uses equipment such as heavy vibratory rollers and specialized concrete finishers. Yolbeton offers similar strength to conventional rigid pavements and provides long-term, low-maintenance performance comparable to asphalt.

Performix
Performix is a next-generation fiber-reinforced concrete produced at Betonsa plants using macro and micro synthetic fibers. It eliminates the need for steel mesh in reinforcement, reducing labor costs and installation time by up to 40%, depending on the application. By replacing steel mesh entirely, it also supports reduced steel consumption.

READY-MIXED CONCRETE

Custom Products

Smart Beton
Smart Beton is an innovative solution that enables real-time monitoring of concrete strength using embedded digital sensors and a mobile app. It eliminates the need for sample extraction and testing by measuring in-situ concrete strength development.

WinterMix
WinterMix is a specially formulated product for cold weather concreting. It protects against frost in low temperatures and ensures fast setting and strength development, even during sudden temperature drops. Produced at Betonsa plants, Wintermix maintains product quality and avoids delays, enhancing overall durability.

Pratikbeton
Pratikbeton is a flexible concrete solution developed by Betonsa for sites where standard pumping is not feasible. It uses long-distance flexible piping systems to deliver concrete to difficult-to-access areas, improving application speed and efficiency.

Tunnelmix
Tunnelmix is designed for infrastructure projects, enabling supply from existing plants without the need for new plants. It reduces clinker content by incorporating ground granulated blast furnace slag and meets XS2 environmental exposure class standards. Achieving 35% of its final strength in 5.5 hours at 60°C and 95% humidity, it facilitates fast and problem-free application.

ViskoBeton
ViskoBeton is a self-compacting concrete compliant with TS EN 12350, designed for high-strength (C40/50 and above) and structural strengthening applications. Despite its high flowability, it fills reinforcement zones without segregation or vibration. Its impermeable structure removes the need for plaster, enhances longevity, and supports resource efficiency. It also reduces noise exposure on-site, contributing to occupational health and safety.

Green Screed
Yeşilşap is an eco-friendly, lightweight screed with up to 35% lower CO_2 emissions thanks to mineral additives. Air-entraining chemical admixtures reduce weight by 25% compared to traditional screeds and improve thermal insulation. This supports energy efficiency and seismic performance while reducing labor costs during application.

CIRCULAR ECONOMY AND INNOVATION

We are shaping a sustainable economy by using resources efficiently and transforming our business practices with innovative solutions.

AKÇANSA



RESOURCE USAGE AND CIRCULAR ECONOMY

In line with our 2030 Sustainability Targets, **we are working to optimize resource usage, integrate circular economy principles into our production processes, and reduce natural resource consumption.**

We improve our waste management processes by increasing the use of alternative raw materials and fuels in both cement and ready-mix concrete production. Through waste reduction strategies and higher recycling rates, we implement an effective waste management approach.

To enhance resource efficiency, we implement practices aimed at reducing raw material consumption, promoting the use of alternative materials, and supporting circular economy principles. Our priorities include integrating alternative raw materials, utilizing recycled materials, and adopting a zero-waste approach. Our resource management and circular economy policies are aligned with the UN Sustainable Development Goals and the Paris Climate Agreement.

In this context:

- We aim to increase the share of alternative raw materials to reduce natural resource consumption.
- We minimize environmental impact by lowering clinker use in cement through the incorporation of fly ash, slag, and other mineral additives.
- We focus on increasing the use of recycled aggregates and other secondary raw materials in ready-mix concrete production.
- Across all production processes, we apply a waste management system that emphasizes source reduction and supports recycling.





Risks, Opportunities and Management Process

To identify risks and opportunities related to resource use and circular economy, we conduct life cycle assessments, regular environmental impact evaluations, and stakeholder feedback processes. We continuously review actual and potential risks, impacts, and opportunities by analyzing resource flows throughout our operations and value chain. This process is supported and updated by consistent data analysis, stakeholder input, and process improvements.

To assess risks, we classify waste in accordance with the coding system defined by the Turkish Ministry of Environment, Urbanization, and Climate Change and evaluate these with our Environmental Directorate. We also investigate the source of the waste and its interactions with nearby sources. In addition, our Production, Quality, Environment, and Procurement departments evaluate the environmental impact — including potential emissions such as flue gases — that may result from waste usage. During opportunity analysis, we assess the potential of circular economy-derived materials to substitute conventional inputs. If the evaluation, including cost-benefit and environmental impact analyses, indicates feasibility, necessary approvals are obtained and disposal is managed accordingly.

The primary short-, medium-, and long-term risks we monitor in the area of resource use and circular economy include:

- **Natural resource scarcity:** Declining reserves and access issues for essential raw materials such as limestone, clay, and aggregates may cause supply chain disruptions, potentially leading to higher costs, lower efficiency, and revenue loss.
- **Regulatory compliance risks:** New national and international regulations, including carbon taxes and sustainability standards, require operational changes. These include increased use of alternative raw materials and low-clinker cement. Non-compliance could result in penalties and reputational risks.
- **Alternative raw material availability and price volatility:** Supply uncertainties and price fluctuations for key materials such as fly ash and slag may hinder effective cost control.
- **Alternative fuel availability and pricing risk:** Market volatility related to end of life tire, biomass, and other alternative fuels may limit their use in cement production.
- **Waste management challenges:** Inefficient disposal and recycling of production waste can raise operational costs and reduce process efficiency.

To mitigate these risks, we implement sustainable supply chain strategies, promote the use of alternative raw materials, and invest in product development aligned with circular economy principles. We also support risk management through investments that enhance resource efficiency and strengthen waste minimization policies.

The main opportunities we monitor across short, medium, and long terms are:

- **Cost advantages through alternative raw materials:** The use of fly ash, slag, and recycled aggregates in cement and concrete production can reduce raw material costs and provide financial gains.
- **Revenue generation through improved waste recycling:** Reusing production by-products and waste in other sectors can offer new revenue streams.
- **Competitive advantage via low-carbon, sustainable products:** Rising demand and regulatory momentum toward low-carbon and recycled content products support the expansion of our sustainable product portfolio, boosting competitiveness and potential revenue.

To leverage these opportunities, we continue to increase the use of alternative raw materials, invest in low-carbon production processes, and align our waste management with a zero-waste approach.

In 2024, we organized a workshop on alternative fuels and raw materials involving Procurement, Production, Environmental, and Sustainability teams. Future roadmaps were created based on the current situation.

We also explore collaborations with industrial producers of large-scale waste to support circular economy practices by incorporating these waste materials into our operations. This not only reduces our environmental impact but also helps our partners lower operational costs.

In 2024, we recovered 31,447 tons of aggregate through recycling units at our ready-mix concrete plants.

Recycling in Ready-Mix Concrete Plants

In our ready-mix concrete plants, we apply circular economy practices to recover waste materials. The recycling process occurs in two main ways: by reclaiming unused concrete — typically returned due to over-ordering — and through waste generated during mixer and mobile pump cleaning processes. As of 2024, 23 out of 26 plants are equipped with recycling units, with one more under installation and scheduled for completion in 2025. Returned concrete is washed, converted into aggregate, and reused in production. Additionally, we plan to increase the number of filter presses from 8 to 9 in 2025. Filter presses separate solids from wash water, enabling the reuse of recovered water in concrete production. In plants without recycling units, we continue efforts to convert returned concrete into aggregate with mineral additives.

23

CONCRETE PLANT WITH RECYCLING UNIT

8

CONCRETE PLANT WITH FILTER PRESS UNIT

WASTE MANAGEMENT

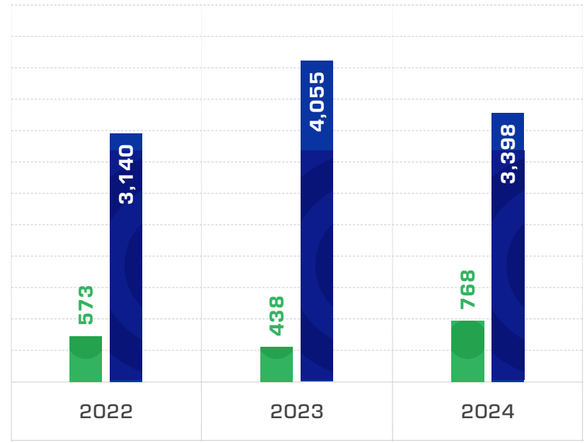
As Akçansa, in line with our sustainability strategy, we aim to efficiently reintegrate waste generated from our operations into the economy through our circular economy and waste management practices. Through waste disposal collaborations and recycling projects, we contribute to the circular economy and evaluate waste generation across all production processes in accordance with the ISO 14001 Environmental Management System standard.

By complying with Zero Waste requirements, we manage all waste generated during our operations and regularly report to the Ministry of Environment, Urbanization, and Climate Change of the Republic of Türkiye through the Zero Waste Information System. We ensure that all hazardous and non-hazardous waste generated during production is recovered through recycling or energy recovery, and we develop integrated solutions for the use of waste in recycling and energy generation. To minimize waste generation at the source, we implement operational improvements and process optimizations while continuously monitoring and enhancing our waste management practices.

We continue to strengthen our sustainable production model by minimizing waste generation and integrating circular economy principles into our operations.



WASTE AMOUNTS BY YEAR AND TYPE (TON)



WASTE RECOVERY RATE (%)



In 2024, our overall waste recovery rate reached 95%. At Akçansa, we send all waste—excluding domestic waste—for recycling or recovery, and we aim to maintain this rate in the coming years by continuously improving our waste management processes. In 2024, the total volume of hazardous and non-hazardous waste generated was 4,166 tons. Of this total, 82% consisted of non-hazardous waste and approximately 18% of hazardous waste. All hazardous waste, excluding e-waste, is recovered for energy generation or recycled. No hazardous waste is sent to landfill.

ALTERNATIVE RAW MATERIAL USAGE

As Akçansa, increasing the alternative raw material usage rate has been identified as one of our key priorities in line with our 2030 sustainability targets.

As part of our 2030 Sustainability Targets, increasing the use of alternative raw materials is one of Akçansa's strategic priorities. By expanding the use of alternative raw materials and mineral additives in cement production, we aim to reduce the consumption of natural resources, lower clinker usage, and minimize carbon dioxide emissions. As part of our efforts to increase alternative raw material usage, we have integrated various materials into our production processes, including foundry sand, grit, marble chips, concrete waste, industrial sludge, excavation soil, fly ash, pyrite ash, and copper flotation waste. This approach contributes to the circular economy while also reducing waste generation through the effective use of industrial by-products.

In 2024, we established a strategic collaboration with ODAŞ to incorporate fly ash from the Çan2 Thermal Power Plant into our cement production processes. This initiative aims to reduce the consumption of virgin raw materials while supporting circular economy practices. As part of this partnership, we plan to use approximately 2 million tons of fly ash in cement production, thereby significantly lowering our environmental footprint.

To expand our alternative raw material capacity, we completed silo and feeding system investments at our Çanakkale and Büyükçekmece plants to support fly ash integration. These investments have enabled us to increase the proportion of fly ash used in blended cement, reducing dependence on clinker and conserving natural resources.

We also continue to conduct research and industrial-scale trials to identify new raw material sources that can further reduce greenhouse gas emissions and promote more efficient use of natural resources in clinker and cement production.

Alternative Fuel and Raw Material Scenarios

The use of alternative fuels and raw materials is a cornerstone of our carbon reduction strategy. However, as the global transition to a low-carbon economy accelerates, demand for these resources is rising, altering supply dynamics and potentially increasing long-term costs.

As refuse-derived fuels (RDF) and industrial by-product-based raw materials gain broader adoption, intensified competition may lead to higher prices. This trend is directly linked to strengthened decarbonization policies across the cement and other energy-intensive sectors.

Under a <2°C scenario, global net-zero targets are expected to drive rapid growth in demand for alternative fuels and raw materials, which may lead to supply constraints and cost pressures. In contrast, under a 3.5–4°C scenario, where regulatory pressures are relatively weaker, demand growth is likely to be slower. Nevertheless, over time, the scarcity of key resources may inevitably result in price increases.



Metrics and Targets

We are committed to increasing the share of alternative raw materials in our cement and concrete products by aligning with global best practices. Within the scope of our 2030 goals, we aim to raise the use of alternative raw materials in both cementitious products and concrete production.

In 2024, the alternative raw material ratio in our cementitious products was 5.1%.

In ready-mix concrete production, we continued our efforts to expand mineral additive use, utilizing 93,714 tons of fly ash and 14,999 tons of slag—resulting in a total of 108,203 tons of mineral additives.

This allowed us to optimize cement and clinker content while producing more durable and environmentally friendly concrete.

Compared to the previous year, we achieved a 21% increase in the use of alternative raw materials in cementitious products and a 12% increase in concrete products. By 2030, we aim to reach a 10% alternative raw material usage rate in both product groups.

In 2024, we diverted 679,902 tons of waste used as alternative resources from landfilling and reintegrated them into the economy.

Performance Indicator	Unit	2023	2024	2030 Targets
Ratio of alternative raw material usage in cement products	%	4.2	5.1	10
Ratio of alternative raw material usage in concrete products	%	3.4	3.8	10

» For more detailed information regarding the raw materials we use, please refer to the Environmental Performance Indicators section in the Appendices of this report.

R&D AND INNOVATION

Through our R&D and innovation efforts at Akçansa, we aim to reduce our environmental impact while creating value for both our company and the industry.

At Akçansa, through our research and development and innovation efforts, we aim to reduce our environmental impact by integrating advanced technologies into our production systems, and to contribute to both our company and our industry in line with the principle of "growing together." We optimize our business processes in line with customer needs and market expectations, and develop innovative and value-added products without compromising the fundamental performance parameters of production and quality.

We carry out activities such as new product development and optimization, pre- and post-sales technical support, lectures and seminars on cement and concrete technologies at universities, technical site visits for university students, support for research conducted at universities on cement and concrete, and national/international scientific publications, in cooperation with universities, public institutions, industry associations, and the Heidelberg Materials Global Research and Development unit.

In line with our principle of responsible work for the future, we prioritize actions that support the transition to a low-carbon economy. All our research and development and innovation investments are managed through the lens of sustainability, guided by our 2030 Sustainability Targets, our Carbon Dioxide Roadmap, and our Low-Carbon / Low-Clinker New Product Development Plan.

In 2024, we conducted research into the applications of carbon capture, usage and storage technologies in the field of construction materials. We also focused on predicting quality control parameters in cement and concrete production using advanced data analytics, and completed these studies successfully. Additionally, we evaluated the potential of using construction and demolition waste in concrete production and construction applications, which yielded positive results in our analyses.

Moreover, in our ongoing research and development projects, we focus on the use of alternative mineral additives in cement and concrete production and investigate low-carbon production technologies. We are also studying the potential use of construction and demolition waste as a carbon-capturing material through upcycling methods in cement and concrete production, and conducting feasibility analyses for the use of hydrogen and oxygen in fuel blends.



Our **"CIRCULATE"** project, which aims to convert construction and demolition waste into construction materials, was selected among the top 10 projects and successfully completed the CFA Türkiye program in 2023. Following this, we continued with detailed feasibility studies in collaboration with Yıldız Technical University and the Istanbul Environmental Management Industry and Trade Corporation. As part of the study, we collected samples from two different regions representing construction and demolition waste expected from the urban transformation process in Istanbul and completed their characterization. We also concluded the laboratory phase of our research and development project focused on separating concrete waste from construction debris and using it in cement and concrete production through upcycling. The results were highly successful, and the project will now proceed with industrial-scale trials.

TRY 25.9 million
Total R&D expenditures

TRY 7.2 billion
Revenue from sustainable products and services

25
Number of sustainable products and services

33.11%
Share of sustainable products and services in total revenue

TRY 25.9 million
Sustainability-focused R&D and innovation investments

6
Number of new brand registrations

56
Total registered brands



Completed R&D Projects

Projects Conducted Under TÜBİTAK TEYDEB Support

- Investigation of the use of mineralizers in clinker production
- Determination of usage criteria for products recovered from construction and demolition waste
- Investigation of the use of microalgae as co-fuel and carbon dioxide capturing agent in cement production

Projects Conducted in Collaboration with Universities

- Investigation of hydration reactions and effects in cement – Sabancı University
- Use of activated natural materials (calcined clay) as cement substitutes – Sabancı University
- Roller-compacted concrete road project with macro synthetic fibers – Boğaziçi University and Kordsa
- Evaluation of construction and demolition waste in concrete production and construction applications – Yıldız Technical University



Projects Conducted as Part of Mega Projects

- Development of high-performance and long-lasting cement and concrete products for the Yavuz Sultan Selim Bridge Project (“100+ Cement” and “100+ Concrete”)
- Development of high-performance cement and concrete products with a minimum service life of 100 years for the 1915 Çanakkale Bridge Project (“1803 Cement” and “1803 Concrete”)
- Real-time digital monitoring of concrete strength using smart sensors in the “Smart Concrete” product developed for the 1915 Çanakkale Bridge Project



Product Development and Optimization Projects

- Development of high-workability and high-performance cement and concrete products for large-scale infrastructure projects
- Development of high-workability and high-performance concrete products for high-rise buildings
- Design of cement and concrete products with improved thermal properties
- Development of highly durable concrete products to meet sulfate resistance and longevity requirements of infrastructure projects (“Solidmix”)
- Development of waterproof concrete products (“Hydromix”) to meet structural waterproofing requirements as defined in water insulation regulations



Process-Oriented Projects

- Life cycle assessments and acquisition of Environmental Product Declarations for standard and special ready-mix concrete products
- Monitoring of quality control parameters in cement production through the E-Factory Quality Application
- Prediction of quality control parameters in cement and concrete production using advanced data analytics
- Development of a tool for calculating the load-bearing capacity and equivalent reinforcement of macro synthetic fiber-reinforced ground concrete (“Kratosbeton”)
- Monitoring of concrete samples using Radio Frequency Identification tagging in collaboration with Ankaref and Vuruşkan
- Performance analysis of cement grinding additives
- Investigation of the applications of carbon capture, usage, and storage technologies in the field of construction materials under the Sabancı X-Teams project



Ongoing Major R&D Projects

- Investigation of the use of alternative mineral additives (pozzolans) in cement and concrete production and low-carbon / low-clinker production technologies
- Investigation of the use of construction and demolition waste as a carbon-capturing material in cement and concrete production through upcycling (in collaboration with the Technology Development Foundation of Türkiye and Özyeğin University)
- Feasibility analysis for the use of hydrogen and oxygen in fuel blends (within the South Marmara Development Agency Hydrogen Valley Platform)
- Research on the use of hydrogen in combination with carbon dioxide from cement plant flue gas for ethanol/methanol production (in collaboration with the Turkish-German University within the Hydrogen Valley Platform of the South Marmara Development Agency)





University and NGO Collaborations

Akçansa became a stakeholder in the Sector on Campus Program initiated by the Turkish Construction Material Industrialists' Association and the Ministry of Industry and Technology's Directorate General of National Technology. Within this scope, Akçansa delivered lectures on cement and concrete technologies as part of the "Building Materials and Systems from Foundation to Roof" course offered jointly by Bahçeşehir University and Izmir Institute of Technology in the 2023–2024 spring term. In another course titled "Sustainability and Life Cycle Assessment in Construction Materials" at Uludağ University's Civil Engineering Department, Akçansa presented on the sustainability of cement and concrete products.

In addition, for 14 consecutive years, Akçansa has collaborated with Istanbul Technical University's Chemical Engineering Department in the Chemical Technologies course, where our experts meet with students to share insights on cement and concrete production processes and Akçansa's work in research and development and innovation.

We also supported the "Management Guide for Debris Waste Arising from Urban Transformation, Earthquakes, and Potential Disasters," a publication initiated by the Business Council for Sustainable Development Türkiye, aimed at holistically managing debris waste that may result from natural disasters. The guide seeks to support pre- and post-disaster preparedness, strengthen resilience, and contribute to the management of waste in line with the United Nations Sustainable Development Goals and the principles of circular economy in the Turkish construction sector.

Innovation Management

We continue to enhance our culture of innovation by integrating it into our corporate strategy, aiming to strengthen the innovation competencies of our employees and raise the maturity level of our innovation management systems. In this regard, we launched the "İnovasyol" program two years ago to implement value-adding innovation initiatives. In the first round, we organized awareness and strategy workshops with the participation of 120 employees and 100 managers. Out of nearly 40 ideas collected, five projects were selected and developed to prototype or MVP level through a 10-week pre-acceleration program. Three of these projects were included in a 14-week acceleration phase following presentations during the Demo Day event.

In 2024, the second round of the program included three continuing projects from the first round and three new generative artificial intelligence projects selected through Sabancı Holding's X-Teams Round 8. These six projects participated in a new 14-week acceleration cycle. Winning teams received a total of TRY 250,000 in prizes. In future cycles of the İnovasyol initiative, we will continue collecting, prioritizing, and rewarding new ideas.

120

TOTAL NUMBERS OF PARTICIPANTS IN THE INNOVATION AWARENESS WORKSHOP

100

NUMBER OF PARTICIPATING MANAGERS IN THE INNOVATION STRATEGY WORKSHOP

DIGITAL TRANSFORMATION

We invest in digital transformation projects and contribute to the development of this field through our membership in the 'Türkiye Artificial Intelligence Initiative'.

We aim to create a culture of transformation that is innovative, increases efficiency, and improves employee experience by integrating digital technologies into our business processes. In this direction, we are strengthening data-driven decision-making processes and developing digital solutions to enhance operational excellence.

Within the framework of the Industry 4.0 approach, we are investing in digital transformation projects. Through our membership in the “Manufacturing Working Group” under the “Türkiye Artificial Intelligence Initiative,” we contribute to civic platforms in this field. To manage our digital transformation processes within a systematic framework, we have adopted the “Digital Transformation Operating System” methodology. This methodology is built on three core phases: the “Issue Pool,” the “Project and Innovation Phase,” and the “Operational Phase.”



AKÇANSA

Digital Transformation Strategy

Our Long-Term Strategic Objectives in the Field of Digital Transformation

To actively monitor and communicate strategy and performance in a transparent and digital manner	To develop new services and products for customers and sales channels in line with our goal of market differentiation	To ensure the effective use of data through data lakes, business intelligence, and advanced analytics	To empower employees to transform their own work experiences by supporting the digitalization of operations, automation, and the development of new competencies

DIGITAL TRANSFORMATION OPERATING SYSTEM

Issue Pool

At Akçansa, key topics and challenges across the company are systematically recorded and evaluated through detailed business analyses. If a matter is clarified and potential solution approaches can be developed, it is carried over to the next phase. In 2024, we focused on areas such as ready-mix concrete recipe optimization and process analytics in cement production, continuing our business analyses accordingly.



Project and Innovation Phase

For prioritized topics, we apply a structured project management model and promote innovation to support the development of internal competencies. As of 2024, the following projects have been implemented:

- **digiFabrika Project:** As part of the productization and commercialization of the eFabrika platform and its associated applications, interface improvements were completed and the transition to a cloud infrastructure was finalized.
- **Pro-Cure AI Project:** This project, which involves the use of generative artificial intelligence technologies in procurement processes, completed its MVP phase and has been made available for internal use.
- **Ready-Mix Concrete CRM Project:** The initial analysis phase of this customer relationship management project, aimed at more effectively managing ready-mix concrete sales and customer interactions, was completed, and the project has moved into the implementation phase.
- **digiFabrika S&OP - Planner Project:** Designed to enable integrated planning and alignment tracking of cement production processes, the project completed its MVP phase and was launched internally.
- **AI Optimization in Rotary Kilns Project:** Energy efficiency-focused process optimization studies continue at the second rotary kiln in the Çanakkale plant, utilizing artificial intelligence technologies.

Operational Phase

We standardize processes to ensure our digital products and applications generate sustainable value. All our digital solutions are managed under the “Product Owner” model, and their development areas are monitored on a quarterly basis using the “OKR – Objectives and Key Results” methodology.

Through the eFabrika quality application, we monitor the quality processes of all cement plants from a single platform. The eFabrika shift log application improves communication between shifts while enabling retrospective tracking of events. With the eFabrika quarry application, we organize raw material homogenization activities to better align with quality goals, extend quarry lifespan, and increase material quality stability. The eFabrika meter application allows us to continuously monitor consumption meters in our production plants and accelerate reporting processes. Using the Expert Optimizer system, we activate autonomous production processes, improving both production output and maximizing process efficiency and energy savings.

In 2024, we enhanced the scope of existing applications by introducing the following new features:

eFabrika Shift Log Application
- Periodic Reporting

eFabrika Meter Application
- Hierarchical Loss Management
- Hourly Reporting
- Integration of Billing Meters

eFabrika Quality Application
- Automated transfer of quality data from devices to Expert Optimizer systems

IoT Data Infrastructure
- Version updates
- Performance improvements
- MQTT integrations with cloud services

INFORMATION TECHNOLOGIES

Through our investments in digitalization and information technologies, **we continuously enhance our operational excellence.**

At Akçansa, we continuously enhance our operational excellence through sustained investments in digitalization and information technologies. Since the implementation of our Enterprise Resource Planning (ERP) systems in 1998, we have consistently modernized and strengthened our technological infrastructure. We remain committed to maintaining and expanding these investments. By restructuring our Information Technology (IT) and Operational Technology (OT) systems, we ensure that processes across both domains are aligned, integrated, and efficient.



Business Continuity

Ensuring business continuity to protect our corporate reputation and maintain operational resilience during emergencies or extraordinary circumstances is one of our top priorities. In this context, we upgraded our OT servers, data storage, and network systems in 2022, establishing an infrastructure capable of backing up OT systems at our production sites in real time with three redundant copies. A portion of this data is securely stored in our primary data center, while the remainder is protected at our Disaster Recovery Center (DRC). In parallel, we increased data communication speeds tenfold and boosted backup speeds by 40 times, significantly improving data access efficiency for our users. To support the IT/OT transformation process, we formed a dedicated team of automation engineers and delivered targeted training to ensure uninterrupted service. We continue to enhance our IT infrastructure by increasing our storage and processing capacity in line with Akçansa's five-year growth projections.

10x

DATA COMMUNICATION SPEED INCREASE RATE



Cyber Security

Cybersecurity is not only a necessity for a company like Akçansa—with its extensive operational and technological infrastructure—but also a critical component in ensuring operational continuity and safeguarding our corporate reputation. In response to rising geopolitical and regional risks, we have implemented comprehensive cybersecurity protocols on the OT side, aligning them with IT standards. To advance our cybersecurity maturity level, we regularly conduct penetration tests, proactively identify vulnerabilities, and reassess user devices in line with evolving needs. In addition, we have modernized our wireless network infrastructure to further improve performance and strengthen network security.

Through these measures, we have brought our OT services in line with global IT standards. According to information security maturity assessments conducted by independent auditors, our IT and OT systems exceed the cybersecurity benchmarks of both Türkiye and the global manufacturing industry.

40x

DATA BACKUP SPEED INCREASE RATE

A MORE SUSTAINABLE NATURE AND ENVIRONMENT

We create healthier living areas for future generations through practices that protect and preserve biodiversity.

AKÇANSA



ENVIRONMENTAL MANAGEMENT

At Akçansa, while carrying out our operations, **we consider reducing our environmental footprint as our primary goal** within the framework of our sustainability strategy, guided by our key focus areas of climate leadership, nature, and environmental stewardship.

At Akçansa, we consider reducing our environmental footprint as a fundamental objective, guided by our sustainability strategy and core focus areas of Climate Leadership and Nature & Environment. In this context, we strive to maximize energy efficiency across all our plants, increase the use of alternative and clean energy sources, reduce greenhouse gas and pollutant emissions, ensure the efficient use of water resources, and minimize freshwater consumption by securing alternative water supplies. We also continue our efforts to mitigate negative impacts on biodiversity and restore ecosystems.

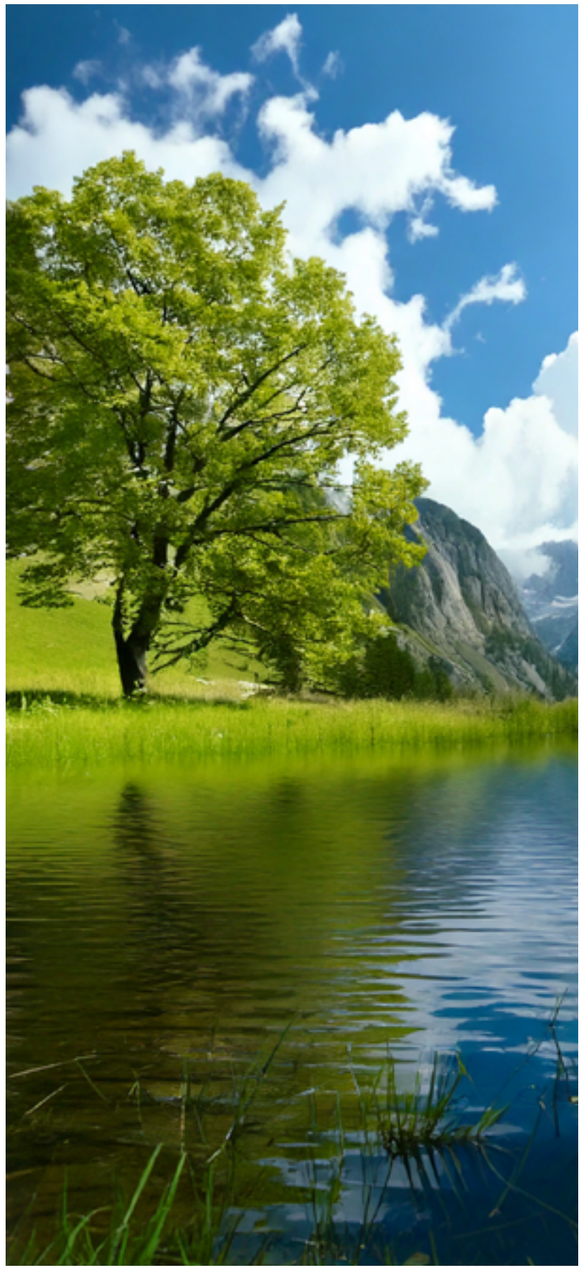
We manage environmental practices across all plants in accordance with both national and international best practices and in full compliance with the ISO 14001 Environmental Management System standard. At our cement plants, we additionally apply the ISO 50001 Energy Management System requirements. We incorporate stakeholder expectations into our environmental compliance processes and uphold a transparent reporting approach. Within this framework, we regularly monitor environmental risks and opportunities and prioritize them through our management systems.

» You can view Akçansa's Environment and Energy Policy here.

We regularly calculate, monitor, and report our Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. In 2024, we continued to verify our emissions data through independent audits. While we have been verifying Scope 1 and Scope 2 emissions annually, this year we verified our Scope 3 emissions for the first time. To mitigate the effects of climate change, we continue developing emission reduction projects and updating our roadmaps in line with sectoral developments. We aim to keep our pollutant air emissions below the limits set by legal regulations, and we strengthen our impact reduction efforts through technological solutions such as NOx reduction and dust suppression projects.

Adopting a zero-waste approach across our operations, we implement an effective waste management hierarchy and prioritize the reintegration of waste into the economy. In 2024, we continued to process all waste in accordance with this hierarchy, generating both environmental and economic benefits.





We develop biodiversity-sensitive projects to contribute to the sustainability of ecological balance. In this context, our work on Biodiversity Management Plans for two of our mining sites is ongoing, and we aim to complete the reports by 2025. Within the scope of our water management plans, we effectively monitor and manage our water consumption. In 2024, we are continuing to implement our Water Master Plan, focusing on efficient water use, conservation at the source, and the sourcing of alternative water supplies. Through wastewater recovery, we aim to reduce pressure on natural water resources.

In line with our goal to reduce environmental impacts, we continued our noise prevention efforts at our Büyükçekmece plant in 2024. We carried out sound insulation works at various points to reduce noise levels and completed the replacement of relatively high-noise-emitting equipment with more efficient and modern alternatives. Additionally, we established a roadmap for our future actions in this area and will continue to move forward accordingly in the coming year.

We regularly monitor and audit our environmental compliance. In 2024, we repeated our evaluations of the environmental consultancy firms serving our Quarry, Terminal, Port, and Ready-Mixed Concrete operations, and successfully completed all environmental permit renewal processes. We also continue to enhance our environmental performance by sharing audit findings and corrective-preventive actions with all our employees through electronic systems.

As of 2024, we have made environmental and climate-related investments amounting to TRY 289 million within the scope of our sustainability targets. Through these investments, we have implemented projects to improve energy efficiency, accelerated our transition to renewable energy, and deployed sustainable production technologies. As a result of these efforts, we achieved a CO_2e emission reduction of 182.5 thousand tons and saved 9 million kWh of energy within the same year. The total financial savings from these efforts were calculated as TRY 144.2 million, while our total environmental expenditures reached TRY 84.9 million.

Based on the progress of our current initiatives, we have developed projections for how our financial outlook will evolve in the short, medium, and long term in line with our strategy for managing sustainability-related risks and opportunities. In the short term, we aim to increase our sustainability-focused investments by prioritizing energy efficiency projects. In the medium term, we plan to expand our portfolio of sustainable products and services, enhance revenue diversification, and promote sustainable business models across the company. In the long term, our goal is to establish a production model aligned with a low-carbon economy.

Pollution Prevention

At Akçansa, we approach pollution prevention holistically, considering air, water, and soil pollution together and evaluating our environmental impacts accordingly.
Air pollution represents one of the most significant environmental impacts of our cement production processes. To manage dust and pollutant gas emissions, we implement comprehensive policies and advanced technological solutions. However, we do not have high-risk activities in terms of soil and water pollution. A large portion of the wastewater generated in our cement production plants is domestic and does not contain industrial-sourced pollutants. Since industrial water use is provided by closed-loop systems, a large portion of the consumption evaporates and returns to nature.

In terms of soil and water pollution, our operations are considered low-risk. The majority of the wastewater generated at our cement production plants is domestic in nature and does not contain industrial pollutants. As industrial water use is managed through closed-loop systems, most of the water consumed returns to nature through evaporation. Regarding soil contamination, our activities fall within a low-risk category. We store only limited quantities of chemicals and do not work with hazardous substances. As such, we are not subject to the scope of Substances of Very High Concern (SVHC), which include carcinogenic, mutagenic, persistent, bioaccumulative and toxic (PBT), or very persistent and very bioaccumulative (vPvB) substances, as defined by the European Chemicals Agency (ECHA). Akçansa does not use or produce any of these high-risk substances in its operations.

Following evaluations by the Ministry of Environment, Urbanization, and Climate Change of the Republic of Türkiye, all our locations have been classified as out-of-scope for the contaminated land notification system. As such, our primary focus in pollution prevention remains on air quality, and we continue to invest in this area as part of our sustainability strategy.

AIR QUALITY

As Akçansa, we consider reducing the environmental impacts of our operations and enhancing air quality as one of our key priorities.



At Akçansa, improving air quality by minimizing the environmental impact of our operations is one of our top priorities. To reduce combustion gases and dust emissions generated during cement production, we employ advanced technologies, digital monitoring systems, and continuous improvement strategies. All our processes are conducted in alignment with the ISO 14001:2015 Environmental Management System standard, and we ensure full compliance with all applicable environmental regulations and legislation.

Impact, Risk and Opportunity Management

Through our air quality improvement policies, we adopt sustainability principles across all production processes, aiming to maintain emissions well below regulatory thresholds. These efforts are implemented under the guidance of Akçansa's Environment and Energy Policy.

We closely monitor the risks associated with non-compliance with air quality regulations, which could result in both financial penalties and reputational damage. Through our proactive efforts, we maintain air pollutant levels at a minimum and operate in full compliance with all applicable legislation. Accordingly, we do not anticipate any short-, medium-, or long-term impact on our financial performance or cash flows due to air-quality-related risks.

In our cement production operations, the combustion processes in six kilns result in the emission of gases such as NOx, SOx, CO, TOC, HF, and HCl. We minimize these emissions by optimizing combustion efficiency in our kilns.

In all relevant areas of operation, environmental impacts are evaluated within the framework of ISO 14001, and analyses are carried out by considering plant locations, operational data, physical conditions, and existing regulations and procedures. Furthermore, we ensure compliance with both local and international regulations, including the Industrial Air Pollution Control Regulation.





We regularly engage with local communities potentially impacted by our operations through Neighbor Council meetings. These meetings allow us to maintain open communication about the environmental impacts, risks, and opportunities of our activities. Feedback from stakeholders is assessed and incorporated into process updates and action plans.

Emissions from all process stacks are monitored 24/7 via Continuous Emission Monitoring Systems (CEMS), and real-time data is transmitted to the Ministry of Environment, Urbanization, and Climate Change's Continuous Monitoring Center (CMC).

We ensure legal compliance for dust and gas emissions through quarterly measurements conducted by accredited institutions. Additionally, every six months we report results for Heavy Metals, Polycyclic Aromatic Hydrocarbons (PAH), and Dioxins/Furans (D/F) to the Ministry. Ambient air quality parameters including PM10, NO2, SO2, and settling dust are measured biannually by accredited laboratories, and the results are reported accordingly.

We actively utilize technologies described under the Best Available Techniques (BAT) guidelines to reduce pollution. Each year, we prepare CapEx (Capital Expenditure) lists to identify investments in pollution reduction, dedusting, energy efficiency, and decarbonization. Based on the approved CapEx lists, we align our operations with BAT requirements and aim to fulfill the "Do No Significant Harm" criteria set out in the EU Taxonomy Regulation.

To enhance air quality and mitigate pollution generated from our activities, we have implemented the following applications within our production processes:

Non-Catalytic Selective Reduction (SNCR)
We reduce NOx emissions in flue gases using SNCR systems in our rotary kilns.

Bag Filter Systems
We utilize modern bag filter systems—classified as Best Available Techniques (BAT)—across all dedusting stacks. Filter monitoring systems are used to conduct regular maintenance and replacements.

Dedusting Master Plan
In 2024, we continued implementing the dedusting master plan developed in previous years, with a total investment of TRY 189 million.

Non-Stack Dust Management
We apply regular dust suppression (watering) systems in open or semi-open storage areas to improve air quality.

We regularly monitor dust and gas emissions from our process stacks in compliance with all legal requirements, **through quarterly measurements conducted by accredited organizations.**



Metrics and Targets

We regularly monitor and report all our emission sources. Through our Continuous Emission Monitoring Systems (CEMS), we track emission data in real-time, capturing minute-by-minute, hourly, and daily averages. Aligned with our 2030 targets, we aim to continuously reduce air emissions and prevent pollution by adopting best available techniques in all our operations.

Our 2030 air quality targets are:

- To keep NOx emissions below 400 mg/Nm³
- To keep SOx emissions below 50 mg/Nm³
- To keep particulate matter (PM) emissions below 10 mg/Nm³

In 2024, NOx emissions increased by approximately 11%, primarily due to the reduction in alternative fuel usage. Conversely, SOx emissions decreased by 14.5% compared to the previous year, as a result of utilizing fuels and raw materials with lower sulfur content. Total Organic Compounds (TOC)—which can increase with the use of alternative fuels—were reduced by 9% year-on-year thanks to our targeted optimization initiatives. Moreover, by enhancing the performance of our bag filter systems, we achieved an almost 50% reduction in dust emissions compared to the previous year. In line with our targets, we will continue to implement improvement initiatives to ensure that pollutant emissions remain well below the thresholds defined by international standards.

Pollutant Air Emissions	Unit	2022	2023	2024
NOx	tons	8,356	7,841	8,770
SOx	tons	142	84.43	72.18
Persistent Organic Pollutants (POP)	kg	0.000124	0.000071	0.000147
Total Organic Compounds (TOC)	tons	380	298.8	272.71
Hazardous Air Pollutants (HAP)[14]	tons	0.85	38.29	16.18
Particulate Matter (PM)	tons	162	120	63.26
Dust	mg/Nm³	9.23	7.8	3.93
NOx	mg/Nm³	477	509.9	544.71
SOx	mg/Nm³	8	5.5	4.48
TOC	mg/Nm³	22	19.4	16.94

14 As NOx and SOx emissions are reported separately, they are excluded from the category of hazardous air pollutants (TOC).



WATER MANAGEMENT

We assess our water-related risks, take actions to reduce water consumption, and **implement innovative solutions to increase water recovery rates.**



Water is a vital natural resource in our cement and ready-mix concrete production processes, playing a strategic role in ensuring operational continuity. Water scarcity is one of the most significant environmental risks, particularly for the industrial sector, where it can directly disrupt production. Given the high water demand of the cement industry, sustainable water management is a critical priority for Akçansa.

The conservation and efficient use of water resources are among our top priorities to strengthen the long-term resilience of our operations and minimize environmental impact. Accordingly, we assess water-related risks, take actions to reduce consumption, and implement innovative solutions to increase water recovery. Our water management strategy is integrated into our corporate risk management processes and includes concrete actions to ensure the protection of water and marine resources across our operations and supply chain.

The CEO Water Mandate, launched by the United Nations to address global water management challenges that pose risks to industrial sectors, the public sphere, local communities, and ecosystems, aims to drive improvements in corporate water stewardship through collaboration with governments, civil society, and other stakeholders. It also promotes knowledge and experience sharing. As Akçansa, we are proud to be the first company in Türkiye's building materials sector to sign the CEO Water Mandate—an initiative under the United Nations Global Compact (UNGC). In this regard, we aspire to lead the way in responsible water management among industry players in our country.

Our Water Management Policy

At Akçansa, we are committed to a strong policy for the protection and efficient use of water and marine resources. This policy aims to minimize our environmental impact, ensure the sustainable use of water, and reduce our dependency on water resources. In this context:

- **Efficient Resource Usage:** We aim to reduce water consumption and manage resources responsibly by harvesting rainwater and surface water and implementing recycling practices. In line with our water footprint reduction target, we integrate water recovery systems and digital monitoring technologies into our production operations. At our Çanakkale plant, we commissioned a real-time digital water monitoring system, which we plan to replicate across all cement operations.
- **Risk and Opportunity Management:** We evaluate water-related risks in accordance with the ISO 14001 Environmental Management System and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In the Marmara, North Aegean, and Yeşilırmak basins, we take proactive measures to manage risks such as water stress, drought, and scarcity. Through our "Water Management Plan" and the "Water Master Plan," which was approved by our Board of Directors in 2024, we are optimizing site-specific water management practices based on local conditions.
- **Operational Excellence and Responsible Water Stewardship:** To improve water efficiency and reduce consumption, we adopt Best Available Techniques (BAT) and apply a life cycle assessment (LCA) approach. We also recycle wastewater from production and evaluate opportunities for reuse. Our long-term roadmap for water management is aligned with the UN Sustainable Development Goals and the principles of the UN Global Compact.
- **Stakeholder Communication and Transparency:** We regularly report our key Environmental, Social, and Governance (ESG) indicators and maintain active communication with local communities, water authorities, and other stakeholders.

Through Neighbor Council meetings and additional sessions held upon stakeholder request, we maintain open dialogue with communities impacted by our operations. Feedback gathered from these interactions plays a pivotal role in shaping and refining our policies.

The protection and efficient use of water resources are among our key priorities to enhance the resilience of our operations and minimize our environmental impact.

Actions and Resources for Water and Marine Resource Management

At Akçansa, we take a proactive approach to ensuring the sustainable management of water and marine resources, while making effective use of our available assets. With the implementation of a digital water monitoring system at our Çanakkale plant, we are able to track real-time consumption. We aim to extend this system to all our cement plants by 2026. Additionally, through the use of closed-loop systems, we are increasing water recovery rates, thereby supporting operational efficiency.

At our Ladik plant we have implemented a surface water recycling system, allowing physically treated water to be used as an alternative source in cooling towers. At our Çanakkale plant, we completed the modernization of wastewater treatment systems, significantly improving treatment efficiency. In Büyükçekmece, where the risk of water stress is high, we continue to expand our infrastructure investments to access alternative water sources. Notably, we recover and utilize 81,000 tons of rainwater annually at the Büyükçekmece plant for dedusting purposes.

To ensure the effective execution of our water management strategies, we provide regular training to our on-site teams. These sessions raise awareness about water management technologies and monitoring systems. Financial and technological resources are allocated to projects identified under our Water Master Plan. We conduct risk assessments in line with ISO 14001 Environmental Management System standards and TCFD recommendations, and we keep our action plans continuously updated. By implementing best practices across our operations, we remain committed to reducing water consumption and achieving our sustainable water management objectives.

At our Ladik plant, we commissioned a surface water recycling system, which we use as an alternative water source in cooling towers through physical treatment.



Impact, Risk and Opportunity Management Related to Water and Marine Resources

At Akçansa, we adopt an integrated approach to identifying, evaluating, and managing risks and opportunities related to water and marine resources. Our risk management system is embedded into our broader corporate risk governance framework, covering environmental, social, and governance (ESG) factors. Plant managers, operations teams, environmental specialists, the risk management team, and the sustainability unit work together to identify, assess, and report risks.

In assessing water-related risks, we leverage international frameworks and tools such as ISO 14001, the WRI Aqueduct Tool, IPCC Climate Projections, Heidelberg Materials' Risk Management Guidelines, and the Ministry of Agriculture and Forestry's Sectoral Water Allocation Plans. Scenario analyses on climate-related water risks are conducted in alignment with TCFD recommendations, using RCP 2.6, RCP 4.5, and RCP 8.5 scenarios to assess risks across different time horizons.

To manage these risks effectively, we have developed site-specific Water Management Plans and a company-wide Water Master Plan, covering our three primary cement plants that account for 85% of total water use. Through digital monitoring, we closely track water consumption and take preventive actions to minimize losses and leaks.

We have developed Water Management Plans and a Water Master Plan to manage our water-related risks.

Our approach to water resource management involves active collaboration with local communities, regulatory agencies, customers, employees, suppliers, and water service providers. This collaboration strengthens our risk mitigation strategies and helps us capitalize on emerging opportunities.

Akçansa is exposed to different degrees of water stress risks depending on the characteristics of each operational region. Using the World Resources Institute's Aqueduct Tool, we assessed the level of water stress across our operational sites. The analysis revealed that 8 of our plants are located in high water stress areas (40–80%) and 13 are in extremely high water stress zones (over 80%). In response, we have tailored our water strategies to focus on increasing efficiency, improving water recovery, and enhancing wastewater reuse.

These risks are particularly concentrated in the Marmara, Northern Aegean, and Black Sea regions. As water is a critical input in cement production, we continuously refine our strategies to ensure water availability and optimize consumption. In high-stress regions, we implement projects focused on efficiency, reuse, and water recovery systems.

WATER RISKS

	Term/Probability/ Size	Financial Impact Channel	Risk Description	Risk Impact	Risk Response Strategy	Financial Materiality
Risk Type Chronic Physical - Water Stress **Location of Risk in the Value Chain** Direct Operations **Affected Region** Marmara and Northern Aegean Basins	**Term** Short, medium and long term **Probability** More likely to occur (51%-100%) **Magnitude of the Impact** Medium-high	Increased indirect (operating) costs	Based on our climate projections and scenario analyses, the Marmara Basin is expected to experience moderate drought stress in the short term, escalating to high or extreme levels over the long term. Additionally, the region is already classified as a high water stress area. These factors may result in insufficient water supply, posing a significant water scarcity risk for our Büyükçekmece plant. If current methods prove inadequate to meet water demand, securing alternative water sources will become necessary, leading to increased operational costs. Similarly, the Northern Aegean region, where our Çanakkale plant is located, is also vulnerable to water stress and drought risks. While water costs are currently nonexistent at our Çanakkale and Ladik plants, potential future pricing policies could introduce additional financial burdens in these areas.	Cost increases that Akçansa may face in the future have been evaluated using a base scenario (comparing 2022 price levels with projected future volumes). For example, significant cost increases are expected in Çanakkale due to rising water stress. However, since water usage in Büyükçekmece is already subject to charges, the plant is expected to be relatively less impacted by rising water costs. Even under pessimistic climate scenarios, the cost increase in Ladik is not expected to reach substantial levels. Cost increases due to water stress have been assessed across various climate scenarios. By 2030, Akçansa may face an annual cost increase equivalent to approximately 0.56% to 0.88% of its total revenue, with the majority of this impact originating from the Çanakkale plant. For more details on our scenario analysis regarding water stress, please refer to the Climate Resilience and Scenario Analyses section.	To mitigate water stress and related risks, Akçansa is implementing proactive initiatives to manage water stress across operations.The company is committed to lowering water consumption to enhance operational resilience in the future. Through Water Master Plans, covering the three cement plants that account for 85% of total water consumption, water stress risks are being effectively managed. In addition, industrial symbiosis practices are being adopted to minimize the potential impacts of water stress.	**TSRS +** **ESRS +** **GRI +**
Risk Type Acute Physical - Flood Risks **Location of Risk in the Value Chain** Direct Operations **Affected Region** Marmara and Northern Aegean Basins	**Term** Medium Term **Probability** More likely to occur (51%-100%) **Magnitude of the Impact** Medium-low	Negative impact on the company's assets	According to the quantitative risk assessment conducted in 2022 using the Munich Re Location Risk Intelligence tool, analyses based on RCP 2.6, RCP 4.5, and RCP 8.5 scenarios across different time horizons indicate that 25% of our plants are exposed to medium to high flood risk in the long term. The Büyükçekmece plant, along with several terminals, ports, ready-mix concrete, and aggregate plants located in the Marmara Basin, are classified as having moderate flash flood risk. Primary expected impacts include production and operational disruptions, as well as physical damage to plants and assets. In such scenarios, production downtime could lead to revenue losses.	The flash flood risk associated with the Büyükçekmece plant and other plants in the Marmara Basin represents a potential medium- to long-term challenge for Akçansa in terms of financial stability, operational performance, and cash flow management. Flash flood events may cause physical damage to infrastructure and halt production, resulting in reduced output and lost revenue. Moreover, the substantial costs of repairing such damage could exert financial pressure on profitability. In the event of recurrent or severe flooding, additional capital expenditure may be required to enhance infrastructure resilience. These risks could affect revenue, capital expenditures (tangible and intangible), and operating expenses in future reporting periods. Based on our financial impact assessments, the estimated cost of potential flood-related damage ranges between 0.11% and 0.13% of Akçansa's annual revenue.	Potential flood and flow risks are integrated into our corporate risk management framework. The primary financial cost of managing these risks stems from insurance premiums, which are designed to cover physical damage and associated indirect losses. Our principal strategy for mitigating flash flood risks is to ensure comprehensive insurance coverage for all operational plants. Additionally, in 2022, we initiated the establishment of a Business Continuity Management System. As part of this process, we developed and implemented emergency response plans, crisis management protocols, and business continuity procedures across our operations. The Sustainability Committee also plays an active role in setting sustainability targets, guiding projects, and embedding risk mitigation strategies into company-wide practices.	**TSRS: +** **ESRS: +** **GRI: +**

The risks we have identified related to sea level rise are addressed under the Climate Change section.

» For detailed information, please refer to the Climate Change section of the report.

The "+" symbol in the table indicates that the calculated impact of the related risk is financially material.

Water Stress Scenarios

We conducted a comprehensive water stress scenario analysis covering all our product groups and integrated cement plants. According to this assessment, irregularities in precipitation patterns caused by climate change—particularly prolonged dry periods and increased water demand—are identified as significant risk factors that may impact our operations. Our Çanakkale and Büyükçekmece plants are situated in regions with a high likelihood of experiencing water stress. Growing water scarcity may lead to disruptions in our production processes and cause a notable increase in water access costs.

In the <2°C scenario, tighter water management policies may encourage the adoption of more sustainable water use strategies. However, this could also result in increased water access costs and more stringent regulatory restrictions. Conversely, in the 3.5–4°C scenario, water resource depletion may become more severe, with prolonged droughts potentially causing operational disruptions.

Our analysis shows that water scarcity could exert considerable pressure on production efficiency—particularly at our Çanakkale plant. While the Çanakkale region currently experiences less water stress compared to other regions, the plant's high production capacity makes it the most vulnerable to potential revenue losses linked to water stress. At our Büyükçekmece plant, rising water prices and limited resource availability are expected to increase operating costs. Although there are currently no major risks foreseen at our Ladik plant, future changes in regional water management policies may also pose challenges for this site.

In light of these findings, we continue to implement actions aligned with our Water Master Plans to enhance our resilience to water stress.

» For more detailed information about our water management practices, please refer to the Water Management section of this report.



WATER OPPORTUNITIES

	Term/Probability/ Size	Financial Impact Channel	Opportunity Description	Opportunity Impact	Opportunity Evaluation Strategy
Opportunity Type Resource Efficiency-Recycling Usage **Place of Opportunity in the Value Chain** Direct Operations **Affected Region** Marmara Basin	**Term** Short term **Probability** Likely (66%-100%) **Magnitude of the Impact** Low	Declining Direct Costs	The long-term increase in water scarcity presents a significant risk to operational costs, especially for industries with high water usage. However, this challenge also creates a short-term opportunity for companies implementing water efficiency and conservation measures. At Akçansa, reducing freshwater withdrawal can ease the financial pressures linked to water scarcity, while boosting our operational resilience. To this end, our Water Management Plan is being executed to optimize water usage. The plan involves reducing reliance on freshwater sources, increasing water efficiency, and promoting the reuse of rainwater and treated wastewater. The Water Master Plan ensures that we are well-prepared for future water-related risks.	Cost savings generated through our water efficiency efforts help improve our financial flexibility, offering a competitive advantage and supporting capital allocation. These efforts also strengthen our margins and improve our positioning in a sector where sustainability and resource efficiency are becoming increasingly critical. In 2024, we plan to join the CEO Water Mandate, further reinforcing our commitments to water stewardship and expanding the scope of our efficiency initiatives. In the short term, these improvements are expected to support our operational sustainability, reduce costs at plants facing high water prices, and contribute to long-term resilience. The financial impact of enhanced water efficiency and recycling is estimated to account for approximately 0.06% of our annual revenue.	Although long-term water scarcity is expected to drive up operational costs, we see short-term opportunities in reducing consumption by applying water efficiency measures. We view this opportunity as a strategic advantage, enabling our operations to continue with lower water costs. This positions us more competitively while improving resource management. Any savings achieved are considered strategically important, as they enhance profitability and facilitate more effective capital planning.
Opportunity Type Products and Services - Development of New Products or Services Through R&D and Innovation **Place of Opportunity in the Value Chain** Direct Operations **Affected Region** Türkiye (nationwide)	**Term** Short term **Probability** Very Likely (90%-100%) **Magnitude of the Impact** Medium-Low	Revenue Growth Driven by Increasing Demand for Products and Services	Ensuring the continuity of sales of newly developed products aimed at mitigating the effects of extreme climate events represents a key opportunity for Akçansa. Products such as water-permeable concrete and high-strength concrete are particularly effective in helping prevent soil erosion during extreme weather events such as floods. Moreover, as climate change increases water-related risks, the demand for specialized construction materials that enhance infrastructure resilience is expected to rise.	The sales of our innovative products designed to mitigate the effects of extreme weather allow us to capitalize on growth opportunities in the specialized construction materials market. As demand for durable solutions grows, this trend is expected to improve our financial performance by supporting revenue growth and strengthening our market position. By diversifying our product portfolio, we also aim to enhance our financial resilience and reduce exposure to market volatility. Steady sales of these innovative products will help stabilize our cash flows and support our long-term strategic goals. In 2024, revenue from sustainable products and services accounted for 33.11% of our total sales. Our goal is for sustainable ready-mix concrete and cement products to represent 75% of category sales by 2030, contributing significantly to our financial sustainability.	With the increasing emphasis on climate adaptation and the rising demand for products that help mitigate the effects of extreme climate events, we anticipate sustained interest in resilient construction solutions. We consider this a strategic opportunity to expand our market share and strengthen our long-term financial stability. Ensuring the success of newly developed products is essential to enhancing profitability and capitalizing on market trends. Products such as water-permeable and high-strength concrete are expected to play a critical role in meeting these demands and are positioned as key products in our sustainability-driven portfolio.

Metrics and Targets

To protect water and marine resources and enhance our water management performance, our primary goal is to reduce freshwater consumption. In line with this objective, we aim to reduce our total water withdrawal per ton of production by 20% by 2030, using 2022 as the baseline year. The reduction rate, which stood at 6% in 2023, increased to 15% in 2024.

In 2024, a total of 2.2 million m³ of water was withdrawn, approximately 2.1 million m³ of which came from areas experiencing high or very high water stress. Compared to the previous year, total water withdrawal decreased by approximately 10%, while withdrawal from high water stress areas declined by 11%. Approximately 1.7 million m³ of water was reused in processes. As a result of our ongoing water recovery efforts, our water reuse rate reached 90% in 2024.

In 2024, our freshwater withdrawal decreased by 16% compared to the previous year and by 18% compared to 2022, amounting to 1.7 million m³. In accordance with international standards, we define freshwater as water with a total dissolved solids (TDS) concentration of 1,000 mg/L or less.

Water Withdrawal (m³)	2022	2023	2024
Mains Water	75,506	44,146	52,602
Surface Water	2,488	-	-
Groundwater (Well Water)	2,021,002	2,009,837	1,669,078
Rainwater	81,000	81,000	81,000
Water Used from Third-Party Sources (Purchased Water)	364,177	332,381	413,085
Total	**2,544,173**	**2,467,365**	**2,215,765**

Water Withdrawal in High Water Stress Areas (m³)	2022	2023	2024
Mains Water	75,506	44,146	52,602
Surface Water	-	-	-
Groundwater (Well Water)	1,953,815	1,918,442	1,563,050
Rainwater	81,000	81,000	81,000
Water Used from Third-Party Sources	364,177	332,381	413,085
Total Water Withdrawal in High Water Stress Areas	**2,474,498**	**2,375,969**	**2,109,737**



BIODIVERSITY AND LAND USE

At Akçansa, we implement a biodiversity strategy aligned with the **UN Sustainable Development Goals and the Kunming-Montreal Global Biodiversity Framework to reduce the impact of our operations on biodiversity and to preserve ecosystems. Within this framework, we aim to manage our activities with a nature-positive approach.**



Our Biodiversity Policies and Strategies

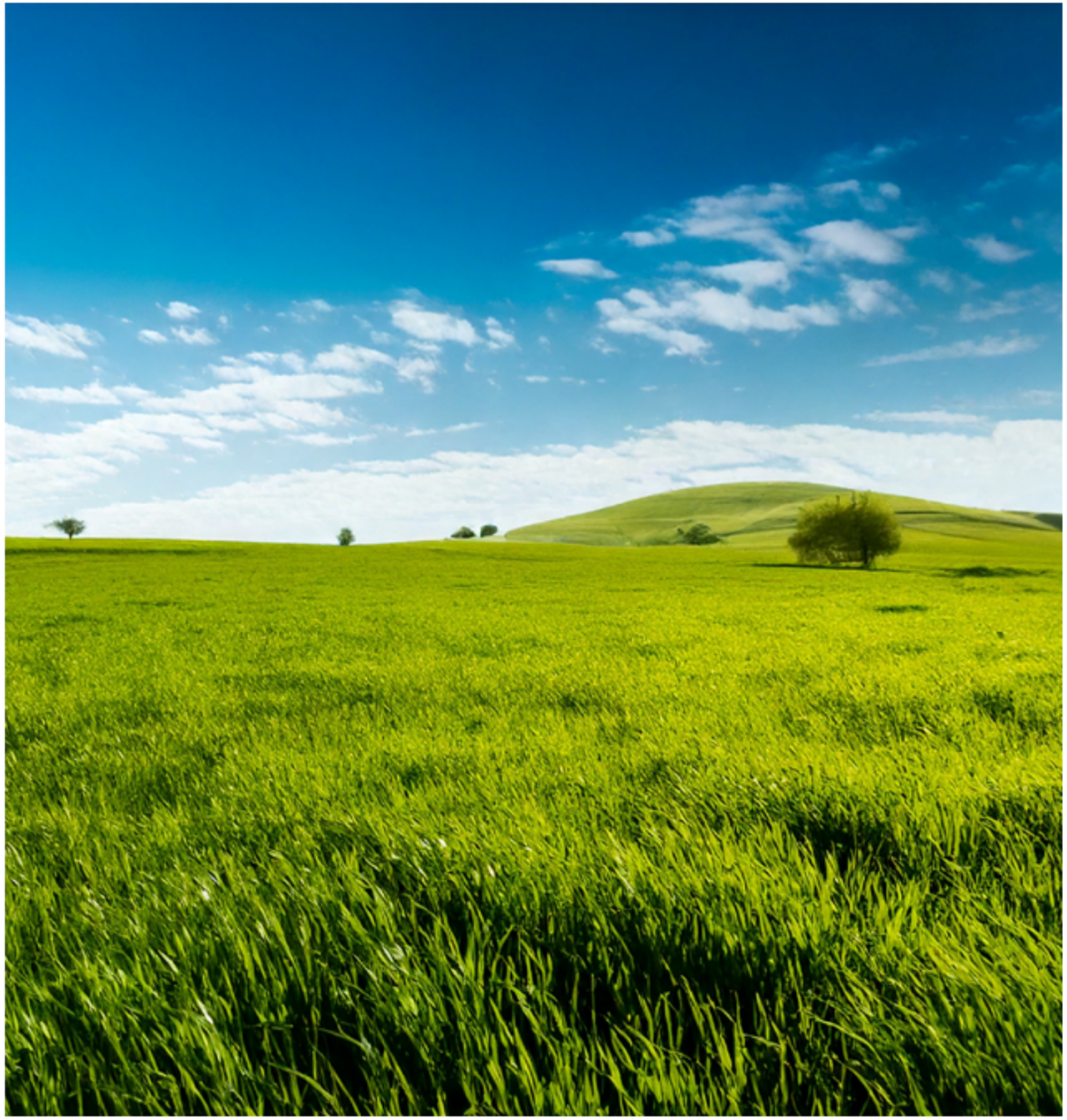
In all current areas of operation, as well as in areas we plan to develop, we obtain the necessary permits and conduct our activities based on scientific principles tailored to the region's unique environmental conditions. To prevent damage to biodiversity, we design region-specific projects.

We consider biodiversity management a fundamental part of our business strategy and take action to prevent biodiversity loss and protect ecosystems in line with our defined goals. In the areas where we operate and their surroundings, we conduct activities to reduce dust emissions, optimize water use, and transform quarries into carbon sink areas. We comprehensively analyze the impacts of our operations on biodiversity and develop risk management strategies accordingly.

Our biodiversity policy is governed by the Board of Directors and the Sustainability Committee, with progress monitored by the Sustainability Executive Committee chaired by the CEO.

» You can access our Biodiversity Policy here.

At Akçansa, we are committed to refraining from opening or exploring new sites in protected areas designated under UNESCO World Heritage and IUCN Categories I and III. In addition, we aim to prepare Biodiversity Management Plans (BMPs) for all our mining sites and implement them in line with our sustainability targets. We are aware of our responsibility to protect the biodiversity in the lands we operate and treat our operations' impact on biodiversity as a critical priority.



Impact, Risk, and Opportunity Analysis

Due to its nature, the cement industry has various impacts on biodiversity, particularly through land use, habitat loss, and land degradation. Mining operations place physical pressure on ecosystems during raw material extraction and cause lasting impacts on soil structure and vegetation. Furthermore, emissions from cement production affect air quality and ecosystem health. Therefore, monitoring and mitigating biodiversity impacts in the cement industry plays a vital role in achieving a sustainable future.

With this awareness, in 2023, we conducted comprehensive biodiversity impact assessments at our operational sites in collaboration with independent consultancy firms to better understand our influence on ecosystems. These assessments considered direct ecological impacts, proximity to water resources, and emission levels. As a result, we identified our priority biodiversity areas.

We began preparing Biodiversity Management Plans (BMPs) for our mining sites—two BMPs have already been developed as of 2024. We also published our Biodiversity Policy in 2024. Our goal is to prepare BMPs for additional sites in 2025 and to have BMPs in place for all mining areas by 2030, in line with our sustainability goals.

Although our operations do not result in desertification, land degradation can occur during mining activities. To mitigate these effects, we conduct post-operational land rehabilitation projects. We are committed to preparing forest areas for restoration and conduct afforestation activities annually in areas where reserves are depleted, aiming to return them to their pre-operational state.

Sensitive Areas and Materiality

To identify material locations for biodiversity management, we carried out a prioritization study based on ecological sensitivity and sector-specific importance. As a result, we identified five priority sites, which were classified as high ecological sensitivity areas with significant environmental impacts.

Criteria used during the prioritization process included:

- **Ecological sensitivity and legal conservation status of the area**
- **Risk of direct habitat loss due to operational activities**
- **Use of water and natural resources**
- **Impact of emissions and air quality**

Rehabilitation and Conservation Efforts

To reduce the ecological impacts of our mining operations, we implement various rehabilitation projects. In 2024, we rehabilitated 0.5 hectares of mining land, increasing our total rehabilitated area to 29 hectares. Our target is to rehabilitate 50 hectares by 2030.

In 2024, we also participated in the sixth edition of the "Quarry Life Award(QLA)" competition, organized by our parent company, Heidelberg Materials. This competition promotes awareness of biodiversity in raw material sites, fosters university-industry collaboration, and encourages students and academics to develop projects that enhance biodiversity. As part of this initiative, we conducted outreach at university departments and received 13 project proposals for five of our mining sites. Projects were scored in scientific and social impact categories based on criteria such as methodology, innovation, feasibility, stakeholder engagement, and contributions to science, community, and biodiversity. Six projects advanced to the finals. In 2025, these projects will be piloted at our mining sites and evaluated nationally and internationally, with the top projects receiving awards.



Metrics and Targets

Our goal is to rehabilitate 50 hectares of mining areas and develop Biodiversity Management Plans for all mining sites by 2030. To achieve these goals:

- We will continue rehabilitation and afforestation at our mining sites.
- We will expand our biodiversity management and action plans.
- We will foster innovative approaches through pilot-scale projects such as the QLA competition.

In line with our goals, in 2024, we conducted fieldwork at Bozalan Limestone and Çamlıca Taştepe quarries and prepared the first versions of their Biodiversity Management Plans.

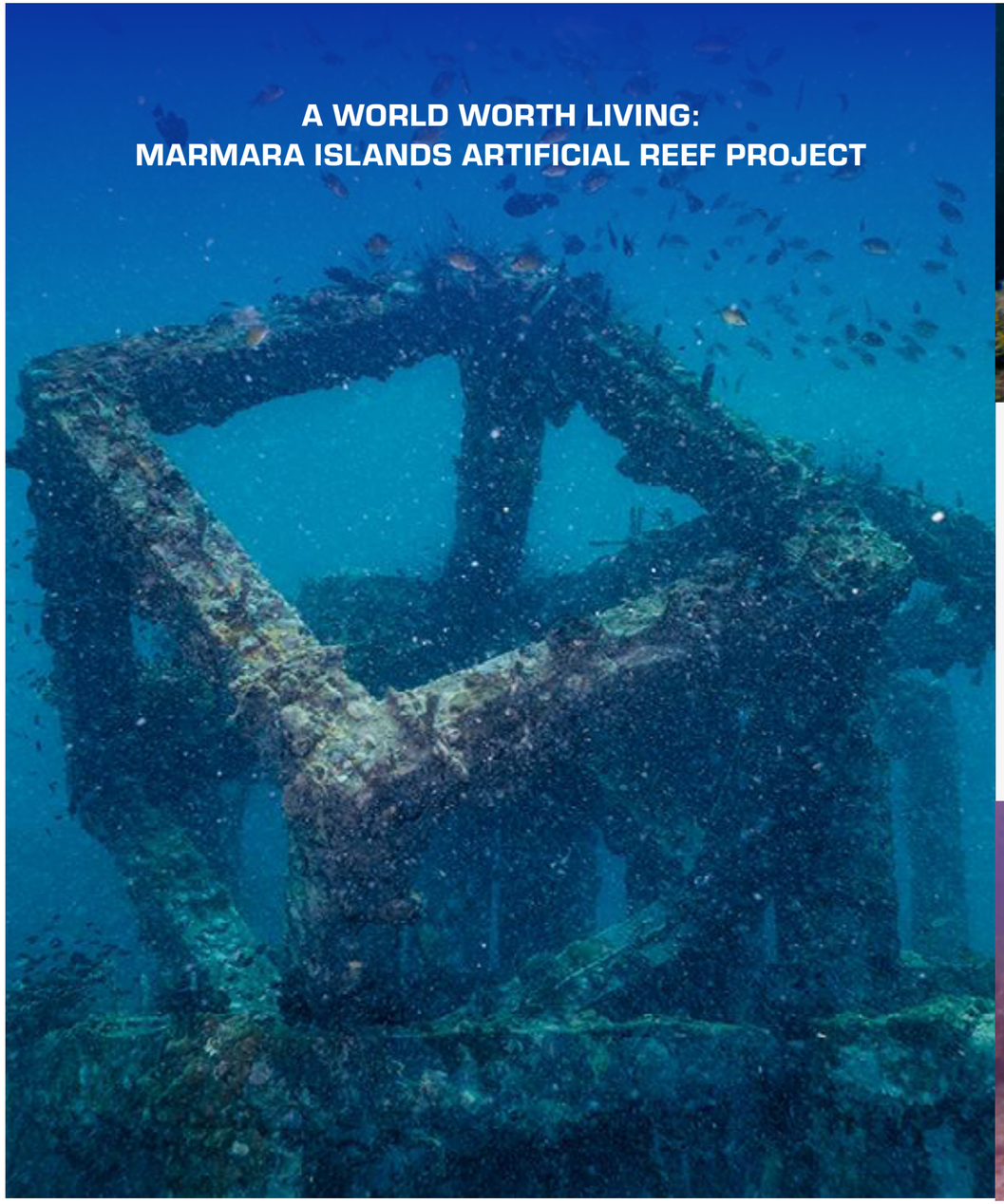
Number of Plants in Biodiversity Conservation Areas	2024
Legally Protected Regions	0
UNESCO World Heritage Sites	0
UNESCO Man and Biosphere Reserves	0
Ramsar Sites	0
Key Biodiversity Areas (KBAs)[15]	4
Other[16]	9

15 The KBA-related identification standard is based on the distance from the region to the KBA, with plants within <2.5 km considered "very close" and those within <5 km considered "close."

16 Nine of our mining sites are located on land classified as "forest" under the jurisdiction of the forestry administration and thus fall under protected areas. These sites are listed under "Other" in the table.



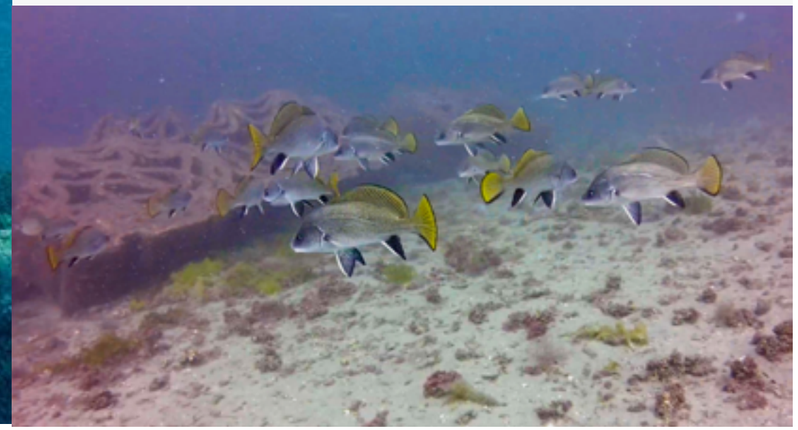
A WORLD WORTH LIVING: MARMARA ISLANDS ARTIFICIAL REEF PROJECT





DÜNYA Varmış

AKÇANSA



We launched the Marmara Islands Artificial Reef Project to support marine ecosystems and increase biodiversity. In collaboration with the Marmara Island Gündoğdu Village Development and Beautification Association, we benefited from the consultancy of Balıkesir University and Çanakkale Onsekiz Mart University in this project. With the approval of the Ministry of Agriculture and Forestry of the Republic of Turkey, Directorate General of Fisheries and Aquatic Products, we placed a total of 280 artificial reefs, 160 of which were produced with 3D printers, on the seabed of the Sea of Marmara.

Through this project, we aim to contribute to the sustainability of marine ecosystems in the Sea of Marmara, improve the habitats of marine life in the region, and support underwater life.

The first findings of our year-long study reveal that the reefs have begun to revitalize marine life. According to our first monitoring report, we identified a total of 33 different marine species, including 10 fish species. We observed an increase in the numbers of economically valuable fish species such as the common dentex (Diplodus vulgaris) and the meagre (Sciaena umbra). We also encountered the protected species of the Mediterranean spider crab (Maja squinado) and the critically endangered pen shell (Pinna nobilis), which is listed on the International Union for Conservation of Nature's (IUCN) Red List.

The pen shells support the health of marine ecosystems with their ability to filter 6 liters of seawater per hour and offer an effective solution to environmental issues such as mucilage. In the areas where our artificial reefs are located, we have observed improvements in the marine ecosystem, with the reefs becoming breeding and feeding grounds for fish and an increase in biodiversity.

SAFE AND INCLUSIVE VALUE CHAIN

We conduct our operations responsibly by respecting human rights and promoting the equal participation of all stakeholders.

AKÇANSA



EMPLOYEE-ORIENTED CORPORATE CULTURE

At Akçansa, we manage our human resources processes **based on a transparent, fair, and inclusive governance approach.**

At Akçansa, we manage our human resources processes with a transparent, fair, and inclusive approach. While upholding the rights of our employees, we consider enhancing employee engagement, satisfaction, and performance as strategic priorities. Accordingly, our human resources strategy is guided by the vision of becoming an employer of choice—fostering a distinctive work culture where employees feel valued and are continuously encouraged to learn and grow. To build a strong and sustainable organizational structure, we embrace an inclusive mindset across all aspects of the employee experience, from career development to working conditions.



EMPLOYEE DEMOGRAPHICS

We will continue to increasing women employment and strive to maintain performance above the industry average.

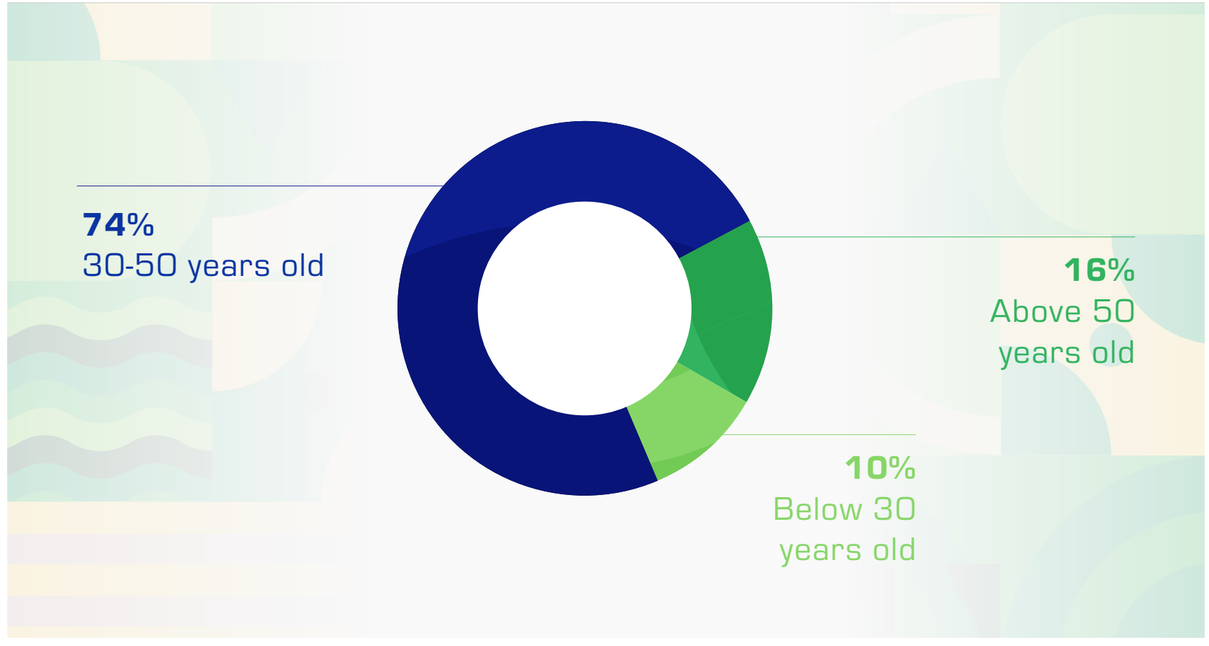
By the end of 2024, the total number of employees at Akçansa reached 1,007. Of our workforce, 61% are blue-collar employees and 39% are white-collar. While women represent 8.5% of our total workforce, this figure rises to 20.6% among white-collar employees. Although the industry average for women representation is 5.1%, Akçansa exceeds this benchmark. We remain committed to increasing women employment and will continue to deliver above-average performance in alignment with our diversity and inclusion goals.

The distribution of employees by education level reflects both the diversity and educational depth of our workforce. As of 2024, 28.2% of our employees hold a university degree or higher, 66.7% have completed high school or hold associate degrees, and 5.1% have primary school education. This distribution highlights Akçansa's inclusive employment approach, which embraces individuals from a wide range of backgrounds.

Number of Employees	2022	2023	2024	Women Employee Ratio (2024)	Male Employee Ratio (2024)
Blue Collar	622	609	613	0.8%	99.2%
White Collar	391	396	394	20.6%	79.4%
Total Employees	1,013	1,005	1,007	8.5%	91.5%

Employee Distribution by Education Level	2022	2023	2024	2024 (Education Level Distribution)
Elementary School	65	53	51	5.1%
High School (Including Associate Degree)	657	659	672	66.7%
University and Above	291	293	284	28.2%

EMPLOYEE RATIO BY AGE GROUP





At Akçansa, we invest in both young talent and experienced professionals in a balanced manner.

As of 2024, 74% of our employees are between the ages of 30 and 50, 16% are under the age of 30, and 10% are 50 or older. This distribution reflects our commitment to harnessing the dynamism of younger employees while benefiting from the knowledge and experience of our seasoned workforce.

At the same time, we are fully aware of our responsibility to protect and promote employee rights. We view collective labor agreements not merely as a legal requirement, but as a vital tool for safeguarding rights and enhancing job security. At Akçansa, employees are free to exercise their trade union rights.

During the reporting period, the provisions of the Group Collective Labor Agreement signed between the Turkish Cement, Ceramic, Earth and Glass Industry Workers' Union and the Cement Industry Employers' Union were in effect, covering the period from January 1, 2024, to December 31, 2025. As of 2024, 50% of our employees are covered by collective labor agreements. These agreements provide broad assurances ranging from economic to social rights, and they form the basis for initiatives that improve employee well-being and job satisfaction. We respect our employees' freedom of association and ensure that this right is protected in line with international standards and The International Labour Organization (ILO) conventions. Our employment contracts include no restrictions against union membership or participation in collective bargaining agreements.



Union Rights	2024
Number of Employees Covered by Collective Bargaining Agreement	504
Number of Employees Covered by Collective Labor Agreement	50%

We adopt the principle of joint responsibility for our subcontractor employees. As of 2024, the number of subcontractor employees has reached 1,340. At Akçansa, we regularly monitor the timely payment of wages and the fulfillment of social security obligations by subcontractor firms. We are committed to preventing any loss of employee rights by promptly evaluating feedback received from subcontractor workers.

Subcontractor	2024	Women Employee Ratio	Male Employee Ratio
Number of Subcontractor Employees	1,340	5%	95%

PERFORMANCE MANAGEMENT

In 2024, a total of 2,912 individual goals and 5,068 competency assessments were recorded in the Perf-x system for 476 employees.



At Akçansa, we have implemented a performance management system aimed at maximizing the individual potential of our employees and enhancing overall workforce productivity. This system translates our corporate strategies into individual goals and provides a structured approach to measuring employee contributions, built on the principles of transparency, fairness, and continuous development. Our performance management processes are aligned with our sustainability vision, encompassing both environmental and social targets, as well as initiatives that support career growth.

The performance management system is applied in two distinct ways for unionized (in-scope) and non-unionized (out-of-scope) employees. This differentiated approach enables flexibility tailored to employee needs while aligning personal goals with overall company strategy.

For out-of-scope employees, performance management is carried out via the Perf-x digital platform. At the beginning of each year, employees and their managers engage in goal-setting meetings, defining objectives and competencies that are derived from corporate strategies. These goals are uploaded into the Perf-x system and monitored throughout the year through structured feedback mechanisms.

At the end of the assessment period, employees and their managers evaluate performance based on individual goal cards and defined competencies. As part of our 360-degree feedback process for out-of-scope employees, feedback is also gathered from peers and business partners—making collaboration and team dynamics a key element of our performance model. At Akçansa, we also integrate sustainability-related performance indicators into the annual evaluation criteria for all white-collar and blue-collar employees. This integration strengthens company-wide awareness and accountability around environmental and social responsibilities.

For in-scope (unionized) employees, performance management is conducted in line with the procedures defined in the Collective Labor Agreement. Annual

2,912

OBJECTIVE DEFINITION

5,068

COMPETENCY ASSESSMENT

evaluation meetings are held in February, after which performance ratings are determined and effectively used in reward and career development decisions. Awareness activities are also carried out to encourage the participation of employees from our factories, ports, and ready-mixed concrete plants in the performance evaluation process.

Promotion processes at Akçansa are based on job performance, individual performance outcomes, and leadership potential. When filling open positions, we prioritize internal talent by posting job opportunities within the company and utilizing our succession planning framework. These succession plans are integrated with our performance management system and are designed to foster continuous professional development. As of 2024, we achieved a 90% succession rate among leadership positions, actively supporting the career paths of our key talent. At every stage, we provide feedback on strengths and areas for improvement, reinforcing a transparent model that promotes growth and development.

	2022	2023	2024
Succession Rate	96%	96%	90%

FOLLOWING OUR 2024 WEBINAR TITLED **'THE ART OF APPRECİATİON AND FEEDBACK,'** WE LAUNCHED OUR **'FEEDBACK WEEKS'** INITIATIVE, RESULTING IN 503 FEEDBACK ENTRIES SUBMITTED THROUGH THE SYSTEM.

Integration of Sustainability into Performance Management

Our performance management system goes beyond evaluating individual performance. We integrate social and environmental sustainability goals into the process to align our workforce with the company's long-term strategic objectives. In line with Akçansa's 2030 Sustainability Targets, the performance goals for the General Manager and Vice General Manager include the share of green product sales (such as green cement and green concrete) within total sales, the development of business models for advanced recycling opportunities in the construction and concrete sectors, implementation of dedusting plans, and the preparation of site-specific water monitoring and management plans. For the Vice General Manager of Human Resources and Corporate Communications, sustainability-related indicators include employee experience and engagement, as well as the integration of ESG KPIs into all employee performance scorecards.

CAREER PLANNING PROCESS

We support all our employees in **reaching their full potential.**

At Akçansa, we go beyond performance evaluations to support the long-term development of our employees. Our aim is to build a strong and sustainable framework that empowers each individual throughout their career journey. We offer a variety of programs and tools designed to nurture potential and enhance professional growth. Our key approaches in the career planning process:

Talent Management and Performance Evaluation
Through regular performance evaluation processes, we ensure that each employee's goals are aligned with our company's strategic priorities. These processes help us recognize individual accomplishments while identifying key strengths and areas for improvement.

Personalized Development Plans
We create customized career and development plans tailored to each employee, focusing on improving competencies, strengthening leadership capabilities, and preparing them for future roles.

Mentorship and Coaching
We support our employees throughout their career paths by pairing them with experienced leaders. Mentorship sessions provide valuable opportunities to share insights and experiences, helping employees stay focused on broader career aspirations.



TRAINING AND DEVELOPMENT

In 2024, the ESG training hours per employee reached approximately 22. As part of our 2030 sustainability roadmap, we aim to increase these training hours each year, with a goal of reaching 25 hours.

22

TOTAL ESG TRAINING HOURS

600+

TOTAL NUMBER OF TRAININGS BY AKÇANSA DIGITAL ACADEMY

At Akçansa, we view training and development as one of the cornerstones of organizational success, essential for preparing our workforce for the future of business. Guided by our "Development for the Future" philosophy, we implement a comprehensive training and development strategy aimed at supporting the professional and personal growth of our employees, facilitating their adaptation to an ever-changing world, and strengthening our culture of organizational learning.

We offer modular training content tailored to all levels—from new hires to experienced professionals—and include employees with leadership potential in Sabancı Holding's leadership development programs. Through our training programs, we aim to equip employees with both technical expertise and soft skills, preparing them for the evolving dynamics of the business world. We also foster a culture of peer learning through workshops, seminars, social clubs, and various interactive events.

To support our employees in adapting to the rapidly transforming work environment, our development initiatives are structured across a wide range of formats, including open digital platforms, classroom training, mentoring programs, hands-on field practices, and leadership development courses. In 2024, we launched the "Inspiring the Future Mentorship Program" specifically designed for women employees, in line with our commitment to diversity and inclusion. Through this initiative, women at Akçansa received individualized guidance, mentorship, and the opportunity to learn from a broad range of experiences.

The Akçansa Digital Academy plays a vital role in enabling continuous learning by offering up-to-date content accessible anytime, anywhere. The platform offers nearly 600 training modules across approximately 50 categories, covering areas such as personal development, sustainability, diversity and inclusion, and leadership.

In 2024, we continued our inspirational "Next+" seminar series, hosting subject matter experts to enrich our employees with fresh insights and broaden their perspectives. These seminars addressed topics such as healthy aging, gender equality, recognition and feedback culture, earthquake preparedness, risk management, and business continuity.



Many of the sessions were moderated by Akçansa employees, emphasizing the relevance of these themes within our corporate culture.

In alignment with our vision of "A Sustainable Future Together," we deliver extensive sustainability-focused training programs to enhance our employees' knowledge and awareness. Through our "Sustainability Leaders" Development Program, we provided up to 60 hours of training on 16 different themes—including carbon markets, sustainability trends and regulations, water management, and biodiversity—reaching more than 350 participants. This program addresses environmental, social, and economic dimensions of sustainability, equipping our employees with a deep and comprehensive understanding of the field. Furthermore, we enrich our learning environment through experiential programs such as the "A Day on the Farm – Sustainability and Ecological Living Workshop," offering opportunities to engage with nature and apply sustainability concepts in real-life contexts.

We support our employees with our "Development for the Future" approach.

Leadership Training

At Akçansa, we support the leadership development of our employees through a broad set of programs offered under the "Leaders" framework. These programs offer multifaceted learning opportunities, including competency-based classroom training, language courses, finance training for non-finance managers, simulations, individual mentoring and coaching, and group coaching sessions. We also provide both online and face-to-face seminars, workshops, and orientation programs to guide employees along their leadership journey. In addition to in-house development, we support the academic ambitions of our employees through higher education assistance.

In 2024;

229

ETHICS TRAINING (HOURS)

506

ENVIRONMENTAL TRAINING (HOURS)

1,233

SUSTAINABILITY TRAINING (HOURS)

22,353

ESG TRAINING (HOURS)

We support our employees' growth not only through skill-building but also by embedding ethics and human rights into Akçansa's organizational culture and corporate values. We deliver SA-ETİK (Sabancı Business Ethics Rules) training programs in accordance with Sabancı Holding's Code of Business Ethics, covering key ethical principles such as confidentiality, integrity, conflict of interest, and accountability. Through regular training on business ethics, anti-corruption, and human rights, we encourage employees to adopt behavior aligned with ethical principles. In addition, our sustainability training ensures that these core values are reinforced and applied within a broader framework, fostering a culture where ethical conduct and sustainability go hand in hand.

Training Hours by Gender (2024)

	Women	Male	Total
Blue Collar	171	37,183	37,354
White Collar	3270	8236	11,506



Through the "Sustainability Leaders" Development Program, we reached over 350 participants with 60 hours of training on 16 key topics, including carbon markets, sustainability trends, regulations, water management, and biodiversity.

In 2024, the average training hours per employee reached 48.5 hours.

Through our “Education Bridge” series, specifically designed for blue-collar employees, we provide detailed information on special products and mega projects within our Ready-Mix Concrete, Aggregate Sales, and Marketing functions. The program includes regular sessions aimed at transferring technical knowledge within the function and increasing employees’ industry expertise.

In addition to internal programs organized by Akçansa, our employees participate in development initiatives offered by our shareholders Heidelberg Materials and Sabancı Holding, as well as by our business partners, the Cement Industry Employers’ Union and the Turkish Confederation of Employer Associations.

To increase participation in training programs and ensure equal access for all employees, we implement a comprehensive communication and execution strategy. From the orientation phase onward, we promote development opportunities during field visits, individual development meetings, and collective announcements. Across all our locations, we increase visibility through posters, informational briefings, and digital communication tools. Pre-program experience-sharing sessions are held to encourage participation and foster an inclusive learning environment.

We monitor the impact of our training programs through participant feedback, training completion rates, and regular internal evaluations. We also utilize pre- and post-training tests, exams, certification processes, and training evaluation forms to assess effectiveness. Additionally, we gather insights via online survey tools to better understand employee experiences and suggestions. In externally supported programs, evaluation feedback from partner institutions significantly contributes to the continuous improvement of our processes.

At Akçansa, we also involve our external stakeholders, including subcontractors and suppliers within our value chain, in our training processes. Subcontractor employees are included in training sessions, the majority of which focus on occupational health and safety and environmental awareness at our operational sites.



Competency Matrix
At Akçansa, we have implemented an individual-based Competency Matrix training system to enhance the technical competencies of our blue-collar employees. This system evaluates employees’ current competencies and identifies areas for improvement, offering targeted development opportunities. The trainings, delivered by both internal and external instructors, not only strengthen individual skill sets but also promote the acquisition of cross-functional competencies across departments.

TALENT MANAGEMENT

In 2024, 46 women students joined the Akçansa family through the GençİZ Long-Term Internship Program.



The building materials industry stands out as a sector with technically demanding processes and challenging working conditions. At Akçansa, we turn these challenges into opportunities by adopting a talent management approach that maximizes the individual potential of our employees and supports their long-term career aspirations. Our talent management framework is built on an innovative structure that integrates sector-specific dynamics with employee development, all within a sustainable business model.

Our recruitment processes are designed with a strong focus on promoting diversity and inclusion. To meet the technical skill requirements of the building materials industry, we evaluate blue-collar candidates through technical assessments that measure their occupational health and safety awareness. For white-collar candidates, we apply objective evaluation methods such as case studies and assessment centers. All open positions are published on career portals, LinkedIn, and internal platforms, offering equal opportunities to both internal and external candidates. This approach not only forms the foundation of our talent management strategy but also contributes significantly to our organizational diversity and inclusion objectives. Through all these efforts, we aim to minimize the turnover rate of high-potential employees. In 2024, the turnover rate of high-potential employees decreased to 1.9%, showing improvement compared to the previous year. We define high-potential employees as those who, based on their competencies, performance, and development capacity, are capable of assuming critical roles within the company in the future.

HIGH POTENTIAL EMPLOYEE TURNOVER RATE (%)



Our Young Talent Programs

Through our programs designed to support the integration of young talents into the workforce, we aim to make long-term contributions to the industry.

GençİZ Long-Term Internship Program

This program, which places diversity and inclusion at its core, supports the integration of women and young talents into professional life. Over the past three years, the participation rate of women field employees in the program has increased by 46%, and in 2024, 46 women students joined the Akçansa family. To date, a total of 104 GençİZ interns have taken part in the program. With more than 11,000 applications received, it has become a powerful platform for supporting the entry of young women leaders into the building materials industry.

GençİZ Digital Academy Certificate Program

Launched to support the development of young women with leadership potential in the building materials sector, this program received over 7,000 applications in its first year. It equips participants with leadership skills, technical expertise, and digital competencies. The program not only promotes individual development but also aims to make a sustainable contribution to the future of the sector.

First Step on the Field Training Program

Designed to train qualified human resources for technical roles in production sites, this program provides internship opportunities to graduates of technical high schools and vocational colleges, enabling them to make a strong entry into the sector. Participants receive hands-on training in the field and gain experience in production and quality processes under the guidance of expert mentors. The program supports the development of the industry's future technical professionals and aims to create a sustainable impact.

Akçansa Connects Alumni Internship Network

To support the career paths and professional development of our former interns, we launched the "Akçansa Connects Alumni Internship Network" platform. This platform allows alumni to access job opportunities at Akçansa, industry developments, and key events. With this innovative network, we aim to foster strong, lasting professional connections and support alumni in building sustainable and successful careers in the building materials industry.

Youth Awards '24

At Akçansa, we were proud to be ranked third in the "Most Desired Industrial Company to Work For" category at the 2024 Youthall Youth Awards—an award platform where young talents vote for companies with the best employer branding and workplace practices. With over 152,000 votes cast by students from 249 universities and 244 departments, Akçansa was the only cement company recognized in the industrial company category.

Digital Orientation Programs

In addition to our talent initiatives, we launched the Akçansa Digital Orientation Program to help new employees adapt quickly and effectively. New hires are onboarded through the Akçansa Digital Academy, gaining comprehensive knowledge about our structure, values, and processes.

Furthermore, our digital orientation platform, Talent Fusion, offers a personalized experience based on role-specific scenarios. Before starting their roles, employees are provided with function-relevant content and paired with an Orientation Mentor. These mentors offer technical guidance and help build internal social connections, facilitating smoother integration into the company. This innovative approach supports both short-term adaptation and long-term engagement.

Despite the challenges of our industry, we remain committed to nurturing our people through our talent management strategy—empowering individuals who make a lasting impact in the sector. This allows us to build a strong foundation not only for today but also for the future workforce.

EMPLOYEE ENGAGEMENT AND WELL-BEING

The Employee Engagement Survey conducted in 2024 showed a 6-point increase from the previous period, reaching an engagement level of 51%.



At Akçansa, we carry out all our processes with a focus on transparent communication, active participation, and continuous development to strengthen employee engagement. This approach places employee needs, expectations, and suggestions at the center, and we implement relevant processes based on feedback collected through engagement surveys. With this holistic engagement strategy that touches both the professional and social lives of our employees, we aim not only to reinforce Akçansa's culture of shared success but also to support individual development and strengthen organizational belonging.

To improve employee commitment and regularly measure workplace satisfaction, we conducted the Employee Engagement Survey in 2024, reaching 939 employees with a high participation rate of 94%. This survey is conducted every two years by an independent organization and evaluates a wide range of areas, including agility, talent management, leadership, and organizational development. In 2024, the employee engagement level was measured at 51%, marking a 6-point increase compared to the previous survey period. The survey is carried out by independent institutions in full compliance with data privacy and confidentiality principles, with no personal data recorded. These results not only demonstrate the effectiveness of our actions toward improving engagement but also serve as a guide for future initiatives aimed at deepening employee loyalty to our organization.

The insights gained from these surveys are carefully analyzed by the Human Resources team and are integrated into organizational processes based on established criteria. The results influence not only the decisions and processes of HR and senior management but also those of all other functions within the company. In line with the feedback received in previous years—specifically the sentiment, "My colleagues are supported if they experience a problem"—we launched the Leaders Development Program as a tangible initiative to support employee growth. Under the "Leaders" umbrella, this program provides various trainings and development tools aimed at enhancing the leadership competencies of both managers and frontline supervisors. What began with the "Leaders UpP" and "Leaders Tech" programs has since evolved and is updated annually to reflect shifting organizational priorities.



Engagement Ambassador Project

In 2024, we launched the Engagement Ambassador Project, designed based on the results of our Employee Engagement Survey, with the aim of strengthening employees' commitment to the company and developing innovative solutions. Within the scope of this project, we established working groups composed of employees from various functions, focusing on key priority areas. These groups generate concrete solutions to improve business processes, enhance internal communication, and enrich the overall employee experience. Engagement Ambassadors not only help foster a stronger sense of organizational commitment but also contribute to building a more inclusive work culture by integrating employee insights into our operational processes.

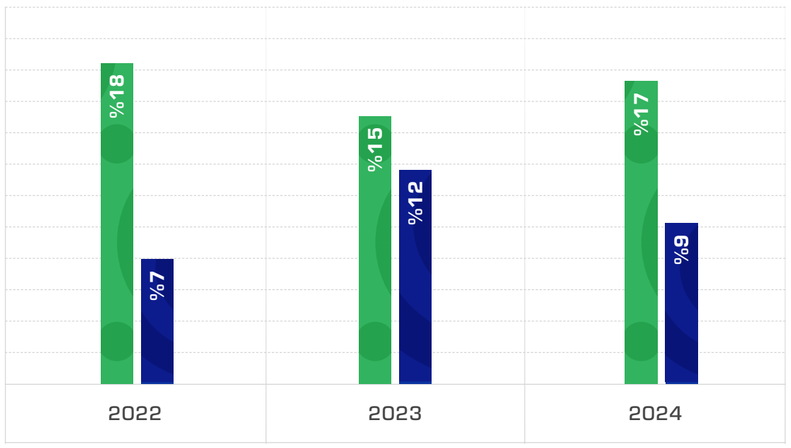
Employer Brand and Internal Communication Activities

As part of our employer brand strategy to promote Akçansa's sustainability-driven, innovative, and employee-centric approach to a broader audience, we organized a total of 25 events in 2024, reaching over 14,000 people. These events not only served to communicate Akçansa's corporate values to external stakeholders but also aimed to enhance our employer brand and increase our appeal within the sector.

Through our internal communication initiatives, we aim to strengthen employee engagement and reinforce inter-team solidarity. In 2024, we carried out 42 internal communication activities, directly engaging with 2,869 employees. These initiatives play a key role in supporting Akçansa's organizational learning culture and fostering employee satisfaction.

Our employee turnover rate **decreased to 10% in 2024, compared to the previous year.***

EMPLOYEE TURNOVER RATE BY YEAR (ESRS S1-6, S1-9)



Employee Turnover Rate Breakdown	2022	2023	2024
Voluntary Employee Turnover Rate	4.2%	4.6%	6.7%
Employee Turnover Rate	7.6%	12%	10%

At Akçansa, we prioritize maintaining a healthy work-life balance and supporting both the physical and mental well-being of our employees. In line with this commitment, our “Clubs World” and “Akçansa Yanında” platforms provide a comprehensive support system where employees can strengthen social bonds, participate in physical activities, and build mental resilience.

* Retired employees are also included in employee turnover calculations.



Akçansa Clubs World

The Akçansa Clubs World initiative, developed to enhance social solidarity and team spirit among our employees, continued to attract strong interest this year. We participated in two corporate olympiads across seven different branches and earned awards in five. With 10 active clubs and over 350 participants, we remain committed to fostering social connection, promoting a culture of collective success, and enhancing workplace happiness.

Akçansa Yanında Platform

We launched the Akçansa Yanında platform as an innovative digital solution aimed at supporting the physical, mental, and social well-being of our employees. Through one-on-one psychological counseling services, the platform helps strengthen mental resilience, while tools such as pedometers and water intake trackers allow employees to monitor their daily health habits. Informative content on topics such as health, nutrition, and wellness supports employees in developing sustainable healthy living habits. With Akçansa Yanında, we holistically address employee well-being and reinforce work-life balance.

AKÇANSA YANINDA



We view it as part of our corporate responsibility to support employees returning to work after maternity leave. To ease their transition and help them quickly reintegrate into company dynamics, we offer specially tailored guidance programs. Through our orientation platform Talent Fusion, we have introduced reorientation processes for returning employees. This holistic approach enables them to confidently continue their careers and re-engage effectively in their roles. At Akçansa, we are committed to standing by our employees at every stage of their journey and supporting their professional development. In 2024, all employees who went on maternity leave successfully returned to work.

	Number of Employees on Maternity/ Parental Leave	Rate of Return to Work after Maternity Leave
Women	0	100%
Male	25	

Benefits and Compensation

We provide comprehensive benefits and support to improve the well-being of our employees. With offerings such as shuttle and financial transportation support, private and supplementary health insurance, Personal Accident Insurance, Employer-Contributed Private Pension Scheme (BES), and meal card benefits, we strive to meet the diverse needs of our workforce.

Through our flexible benefits system, Bflex, employees are granted the ability to choose their benefits based on an annually allocated budget. They can use any remaining balance for expenses such as meals, event participation, or fuel. Additionally, employees have the right to request salary advances in installments under specific conditions, and unionized employees are provided with additional support in special cases such as childbirth or bereavement.

We apply a fair and objective compensation system for all employees. Our compensation policy is based on factors such as job scope, performance, knowledge, and skills. This system is designed and implemented to be fair, competitive, performance-oriented, and motivating. With this approach, we aim to ensure internal wage equity and external competitiveness, strengthen employee engagement, and attract a skilled workforce that contributes to our company's financial, environmental, social, and governance (ESG) goals.

Since 2022, we have implemented a hybrid working model. In 2024, a total of 169 employees, including 60 women and 109 men, made use of remote working arrangements.





We address the needs of our employees through benefits including transportation and material assistance, private and complementary health insurance, personal accident insurance, employer-contributed Individual Retirement System (BES), and meal card support.

At Akçansa, we consider building strong engagement with our employees as a core pillar of our corporate culture. We aim to increase employee loyalty, encourage active participation in business processes, and create an effective communication environment at all levels. Accordingly, we design annual internal communication calendars with events tailored to every employee profile. For instance, while digital events are organized for employees who work remotely, in-person activities are planned for our blue-collar teams in the field — ensuring a comprehensive and inclusive approach to engagement.

We have also established an advanced grievance mechanism that puts the needs of our employees and subcontractors at its center, enabling them to easily share feedback. This system was designed to foster open communication and build a safe and trusted work environment. The Electronic Dialogue Line, created specifically for employees and subcontractors, is a 24/7 accessible platform that facilitates the quick and effective delivery of feedback and supports a solution-oriented approach, particularly in urgent situations.

We actively use the feedback we receive to make business processes more efficient and to improve the work environment. All submissions to the grievance mechanism are regularly reviewed, and the principle of anonymity is upheld at every stage. Moreover, we transparently share the outcomes of resolved issues with our employees, turning them into concrete actions to further enhance employee trust and engagement in the process.

DIVERSITY, EQUALITY AND INCLUSION

At Akçansa, we stand firmly against all forms of discrimination based on language, religion, race, color, or gender, and we consider diversity a valuable asset.

20.6%

RATIO OF WHITE COLLAR WOMEN EMPLOYEES

16.7%

RATIO OF WOMEN EMPLOYEES IN THE BOARD OF DIRECTORS

As a company operating in a heavy and hazardous industry, we actively promote women employment and aim to increase the representation of women in our sector. To support this goal, we have established strong collaborations with regional employment offices, local municipalities, and vocational high schools.

We regard gender equality as one of the key drivers of women's participation in the workforce, and we address this issue with particular sensitivity. We adopt the principle of equality in recruitment, compensation, promotions, and development opportunities, while also implementing protection mechanisms against violence and harassment. Our Gender Equality Policy covers areas such as recruitment processes, career development, compensation, workplace safety, and awareness training.

We are committed to supporting national and international initiatives that increase women's participation in the workforce and promote an equitable working environment. Since 2013, we have been a signatory of the United Nations Global Compact (UNGC), and since 2014, of the Women's Empowerment Principles (WEPs). In 2021, we joined the Global Compact "Target Gender Equality" program.

As a signatory of the Equality at Work Declaration, a founding member of the Business World Against Domestic Violence initiative, and an active member of the 30%+ Club, we take part in various platforms to support gender equality. In addition to gender equality training delivered through our digital onboarding program, we organize seminars, social responsibility projects, and volunteering activities every year to further raise awareness among our stakeholders.

We view diversity on our Board of Directors as a critical element in fostering diverse perspectives, enhancing effective oversight, and enabling stronger, stakeholder-focused decision-making. To that end, we have adopted a Board Diversity Policy. Currently, our Board includes one women member. We aim to maintain this level of representation and ensure its continuity, while also continuing our efforts to increase women representation in leadership.

	2024 Performance	2030 Target
Women Employee Ratio	8.5%	12%

WOMEN REPRESENTATION IN MANAGEMENT



At Akçansa, in line with our continuous improvement approach, we are committed to increasing inclusivity in the workplace and creating equal opportunities for all our employees. As of 2024, women represented 8.5% of our total workforce. We continue our efforts across all functions to improve this rate. While the industry average stands at 5.1%, Akçansa performs above average in promoting women's employment. Currently, 8 out of 85 employees in STEM positions are women. In line with our 2030 Sustainability Targets, we have defined a dedicated sustainability target to further increase women representation in our workforce.





In line with our principle of inclusivity, we develop innovative and impactful practices in our recruitment processes to support the employment of disadvantaged groups. First and foremost, we ensure that our recruitment teams remain unbiased, providing all candidates with an equal and fair evaluation. Additionally, to promote women's employment, our human resources teams ensure that candidates of both genders are represented in the CVs forwarded to departments during the hiring process.

We also create exclusive opportunities for disadvantaged groups by publishing specific job postings open only to these candidates. To facilitate access to our recruitment process, we use a variety of communication channels and include these candidates in our mentoring programs to support their onboarding experience. At Akçansa, we consider the integration and support of employees with disabilities a fundamental component of our inclusivity principle. To this end, we prioritize the accessibility of our offices, ensuring they are designed to accommodate individuals with disabilities. We also offer accessible transportation solutions to make commuting easier for our employees with disabilities. Driven by our goal to build an inclusive company culture, we continually strive to understand the individual needs of our employees and offer tailored solutions. As of 2024, we employ 26 individuals with disabilities.

We consider the prevention of discrimination and the promotion of inclusion across all our business processes a core priority. In line with this, our Human Rights Policy, Gender Equality Policy, and Ethics Procedure provide clear guidance on addressing discrimination, harassment, and similar incidents, outlining the mechanisms and application processes involved. These policies detail the steps to be taken in such cases and define the operation of internal reporting mechanisms with a strong emphasis on confidentiality and sensitivity. We regard this approach as a transparent and reliable framework for safeguarding the rights of both our employees and business partners.

At Akçansa, we are firmly committed to upholding our values of equality, diversity, and inclusion. In the coming period, we will continue our efforts to enhance women's participation in the workforce and to cultivate an inclusive working environment for all employees with unwavering dedication.



Inspiring the Future Mentorship Program

In 2024, as part of our commitment to promoting diversity and inclusion, we launched the Inspiring the Future Mentorship Program. Designed to support the career development of women employees at Akçansa, the program ran for approximately six months and offered participants one-on-one mentoring, the opportunity to gain new perspectives, and to learn from diverse experiences.

Conducted in a hybrid format, the mentorship sessions ensured flexibility and accessibility. In addition, networking events organized for all participants encouraged social interaction and experience sharing. Through this program, Akçansa aims to contribute to gender equality, career advancement, and organizational diversity, reinforcing its employee-centered approach.

OCCUPATIONAL HEALTH AND SAFETY

Occupational Health and Safety (OHS) is one of the highest priorities at Akçansa.

Occupational Health and Safety (OHS) is one of Akçansa's top priorities. Guided by our people-centric management approach, we are committed to ensuring the highest standards of physical, mental, and social well-being for our employees while maintaining a safe and secure working environment. Preventing workplace accidents and occupational diseases stands as one of our core principles. We see the timely identification of potential risks and the continuous improvement of our processes as integral components of our OHS culture.

At Akçansa, we implement the ISO 45001 Occupational Health and Safety Management System effectively across all our areas of operation. In 2024, our primary OHS objective was aligned with our "Zero Accidents, One Life" approach, which aims to eliminate workplace accidents entirely and foster a culture of safety.

INJURY ACCIDENT FREQUENCY RATE*



* (Fatal Accident + Lost Time Accident + Accident with Medical Intervention) / 1,000,000 Working Hours

RATİO OF LOST WORKFORCE**



** Absence Due to Accident / Total Working Hours * 1,000,000

In this context, we put the safety and well-being of our employees at the forefront, organizing comprehensive training programs and awareness activities to embed OHS principles throughout the organization.

To monitor the effectiveness of our OHS strategies and policies, we use both leading and lagging indicators. Leading indicators include near-miss reports, risk notifications, safety dialogues, and annually developed OHS action plans. These metrics allow us to proactively identify potential risks and implement preventive measures. Lagging indicators, on the other hand, are based on actual incidents and include key performance measures such as the number of lost-time injuries, lost-time injury frequency rate, and lost workday rate.

When accounting for both Akçansa employees and subcontractor workers, we observed a decline in the frequency of injury-related incidents and the lost workday rate compared to the previous year. Specifically, the lost workday rate dropped from 44.1 in 2023 to 21.6 in 2024, reflecting a 51% improvement.

In line with our goal of creating a safe and healthy working environment, we have built our Occupational Health and Safety (OHS) management system on key pillars such as risk assessment, control measures, awareness-raising, inspections, and employee engagement. We conduct regular risk assessments to identify potential workplace hazards and develop preventive measures accordingly. Based on these assessments, we implement corrective and preventive actions that aim to eliminate risks and strengthen workplace safety.

We promote employee participation in the development of OHS processes. The OHS Committee, established within Akçansa, plays an active role in improving occupational health and safety. This committee is responsible for policy development, risk management, and monitoring the effectiveness of implementations. Employee feedback and suggestions are regularly reviewed by the committee and incorporated into the relevant processes. OHS Boards, composed of representatives from different departments, provide platforms through which employees can communicate their views and proposals. In this way, we enable employees to actively participate in OHS processes through open communication channels and feedback mechanisms, further enhancing the impact of our safety practices.

To ensure the continuous improvement of our OHS management system, we conduct regular internal and external audits. Internal audits are performed in a structured manner to assess the effectiveness of OHS policies, identify areas for improvement, and swiftly implement necessary measures. External audits, carried out by independent organizations, validate our compliance with ISO 45001 standards. In 2024, all Akçansa sites successfully renewed their ISO 45001 certifications through audits conducted by BSI and TÜV Rheinland. Findings from these audits were used effectively to eliminate non-conformities and further enhance workplace safety conditions.

To maintain emergency preparedness, we reinforce our emergency plans with regular drills, enabling rapid and effective responses to potential hazards. Additionally, we support the physical well-being of our employees through regular health screenings and specialized wellness programs.

At Akçansa, our managers also assume active field responsibility in ensuring workplace safety. Throughout the year, all department managers are required to conduct Safety Dialogues at designated sites. These dialogues aim to foster visible leadership, observe real-time safety conditions, identify risks, and directly engage with employees, thereby reinforcing our company-wide safety culture.

For Executive Committee Members, it is mandatory to participate in at least one full-day OHS field visit per year, while department managers carry out periodic fieldwork and Safety Dialogues at six different locations designated by the OHS Directorate. Prior to these visits, the OHS Directorate provides managers with detailed briefings on the required safety checks and discussion points. All findings identified during these Safety Dialogues are logged into the system and shared with upper management.



Meetings held in 2024

Period	Number of Planned Meetings	Number of Realized Meetings	Rate of Completion
Period 1	48	43	90%
Period 2	52	46	88%
Period 3	52	46	88%
Period 4	52	44	85%
Period 5	52	43	83%
Period 6	52	42	81%
Total	**308**	**264**	86%

To enhance the safety awareness and competency levels of our employees and subcontractors, we organize regular training sessions and implement various projects to reinforce occupational health and safety (OHS) awareness. In 2024, Akçansa employees received a total of 43,010 hours of OHS training, while subcontractor employees received 27,531 hours. As a result, the average number of OHS training hours per person was calculated as 25.5.

Employee Trainings

We provide all our employees with foundational knowledge and skills through general OHS training programs, and for those working in high-risk areas, we offer tailored training to ensure they possess the necessary competencies to perform their tasks safely.

In 2024, we facilitated easy access to up-to-date OHS knowledge through digital training platforms. Aligned with our “Zero Accidents, One Life” target, we launched safety culture development programs to enhance employees’ risk perception and promote a stronger safety mindset. One of the key initiatives in this context was the successful implementation of the “10 Golden Rules” training, specifically designed for our field teams. In addition, digital OHS training modules and AFAD Light Search and Rescue Trainings played a vital role in boosting the overall safety of our employees and operational sites.

In 2024, provided 43,010 hours of OHS training to Akçansa employees.

Subcontractor Trainings

We implement comprehensive OHS programs to ensure that subcontractor employees work in a safe and healthy environment. Through these training programs, we aim to improve both the awareness and knowledge levels of subcontractor employees. To further support safety and health management capabilities, we offer internationally recognized IOSH (Institution of Occupational Safety and Health) and NEBOSH (National Examination Board in Occupational Safety and Health) certification programs specifically for subcontractor managers.

As part of our driving safety initiatives, we conduct psychotechnical evaluations for heavy vehicle drivers, making these tests mandatory for all new recruits. We also continue to enhance road safety through GPS and camera systems installed on vehicles. Furthermore, we regularly monitor subcontractor compliance with OHS standards through our “Visitor” software platform, ensuring alignment with Akçansa’s health and safety expectations.

OHS Training	2022	2023	2024
Akçansa OHS Training Hours	29,759	61,676	43,010
Subcontractor OHS Training Hours	22,250	28,900	27,531
Total OHS Training Hours	52,009	90,576	70,541
OHS Training Hours per Person	19	23	25.5

Occupational Health and Safety Activities Conducted in 2024

- Within the scope of the “Zero Accidents, One Life” project, we organized training sessions on the Golden Rules and conducted assessments across all our plants to foster a strong safety culture. As part of these efforts, 35 employees participated in safety coaching training, and we continue to conduct regular safety observation dialogues.
- We launched a two-year safety culture development program aimed at achieving zero accidents. As part of this program, we evaluated employees’ risk perception and delivered targeted safety coaching training.
- We equipped 229 mobile equipment at our Ready-Mixed Concrete (RMC) sites with GPS and camera systems. In addition, we began using the VisitPro software to more effectively monitor subcontractors’ legal compliance. We also enhanced our driving safety processes by defining clear criteria for Driver Competency Assessments.
- Through Search and Rescue Trainings, Digital Academy content, and IOSH Safety Management Trainings, we focused on strengthening our employees’ OHS competencies. Moreover, we analyzed Employee Risk Perception Studies and integrated the insights into our recruitment processes.
- Our achievements in the OHS field were recognized with three awards in the “OHS Value Creators Competition” organized by the Cement Industry Employers’ Association (ÇEİS). Our Ladik plant has maintained a “zero lost-time accident” record for five consecutive years. Additionally, we continued improving our processes through Accident and Action Plan Workshops conducted with the participation of all our managers. We also successfully renewed our ISO 45001 certification following a successful audit.
- We celebrated Health and Safety Week across all our sites. The Central Emergency Management Plan draft was brought to the finalization stage. The virtual Health and Safety Meeting, led by our General Manager and supported by the active participation of employees, further strengthened our safety culture.

Occupational Health and Safety Week

At Akçansa, we organize a variety of activities every year during Occupational Health and Safety (OHS) Week as part of our commitment to fostering a safe and healthy working environment. Between September 23–27, 2024, we marked OHS Week under the theme “Zero Accidents, One Life” by conducting trainings, audits, and workshops aimed at raising awareness among our employees and strengthening a culture of safety across our operations.

Throughout all our locations, we carried out safety walks, emergency drills, periodic health screenings, digital training sessions, and site inspections, reinforcing the collective understanding that workplace safety is a top priority.

At Akçansa, we are committed to meticulously managing all processes to ensure the highest level of employee safety and to build a sustainable occupational health and safety culture. With a focus on continuous improvement, we will continue to advance our efforts in this essential area. With general OHS training, all our employees are provided with basic knowledge and skills.

Through general OHS training, we provide all our employees with essential knowledge and skills.

SUPPLY CHAIN MANAGEMENT

We consider the **implementation of environmental and ethical standards** as one of the key priorities in our supply chain.

27,531

TRAINING HOURS DELIVERED TO SUPPLIERS

96%

LOCAL SUPPLIER RATIO

At Akçansa, we take a holistic approach to our value chain, believing that transformation in this area is only possible through strong and collaborative partnerships with our suppliers and subcontractors. Within the framework of our Sustainable Supply Chain Policy, we manage our procurement and supply processes with a focus on minimizing environmental and social risks while maximizing positive impact.

Our Commitments in the Supply Chain:

- We regularly assess our suppliers for compliance with Akçansa policies, the Akçansa Supplier Code of Conduct, and the Heidelberg Materials Supplier Code of Conduct.
- We develop proactive solutions to address environmental and social risks.
- We prioritize local suppliers and implement projects to promote the inclusion of women, youth, and disadvantaged groups.
- We offer regular awareness and training programs—primarily focused on Occupational Health and Safety (OHS)—to increase suppliers' sustainability awareness.
- We continually review our policies and procedures to drive continuous improvement in procurement practices.

We view the implementation of environmental and ethical standards as a core priority in our supply chain. Accordingly, we expect our suppliers to adopt responsible sourcing practices and to regularly monitor and effectively manage their carbon emissions and other air pollutants. We also expect the adoption of environmentally friendly production and distribution methods and a prioritization of energy and resource efficiency. Moreover, we require our suppliers to take action to prevent the release of chemicals into the environment and to manage hazardous waste in accordance with international environmental protection standards.

We select our suppliers based on their practices in environmental management, quality, occupational health and safety, and human resources, and we regularly evaluate them through our comprehensive supplier scoring system. To effectively monitor supplier performance, we use a detailed supplier evaluation form and apply our Sustainable Supply Chain Policy to ensure alignment with sustainability standards. Under this policy, we assess supplier compliance with Environmental, Social, and Governance (ESG) criteria according to the principle of continuous improvement.



In 2024, we audited 80 suppliers in line with ESG criteria, all of whom successfully met the required standards. These audits represent meaningful progress in driving the sustainability-focused transformation we aim to achieve across our supply chain. In line with this vision, our goal is to subject 100% of our critical suppliers, both local and global, to sustainability risk assessments and audits by 2030. In cases of non-compliance, we grant suppliers up to 12 months to take corrective action. If alignment is not achieved within this timeframe, we reevaluate the business relationship. Additionally, we provide secure communication channels for suppliers to report non-compliance or concerns.

We also support the greater participation of local suppliers in our supply chain and apply specific policies to enable this. By working with local subcontractors and cooperatives in the Çanakkale, Büyükçekmece, and Ladik regions, we contribute directly to the local economy. As of 2024, 96% of our suppliers are local. In addition, we provided our suppliers with a total of 27,531 hours of occupational health and safety training in 2024.

To help improve the cash flow and financial accessibility of our suppliers—particularly those in the SME segment—we utilize the Supplier Financing System (TFS). This system enables suppliers to receive early payment of invoices via banks, allowing them to enhance their operational efficiency.

NUMBER OF SUPPLIERS



HUMAN RIGHTS

Our commitment to human rights is **regarded by us as a social duty beyond corporate responsibility.**

At Akçansa, we view our commitment to human rights not only as a corporate responsibility but as a societal duty. In this context, we are committed to integrating our Human Rights Policy, published in 2024, into our business strategies, sharing it with all our business partners and suppliers, and ensuring its implementation at every stage of our operations.

Our Approach to Human Rights in the Supply Chain

As a cornerstone of our value chain transformation, we maintain mutual trust-based collaboration with our suppliers and subcontractors. We adopt a human rights-based approach throughout our entire supply chain. Through our Supplier Code of Ethics, developed in line with International Labour Organization (ILO) standards and United Nations (UN) conventions, we ensure that our suppliers comply with ethical principles, environmental and social standards, and legal regulations.

In this regard, we expect our suppliers to:

- Prohibit child labor, prevent forced labor practices, and protect young workers from hazardous work,
- Respect employee rights, including the right to unionize and collectively bargain, and uphold principles of fair remuneration,
- Ensure non-discrimination and provide safe and healthy working conditions,
- Offer a work environment that respects human dignity, promotes well-being, and protects the health and safety of all employees.



Human Rights in the Workplace

At Akçansa, we are committed to creating a workplace where every individual is treated with dignity and respect. We continue to implement robust practices to ensure a healthy, safe, and inclusive working environment for all employees:

- We reject all forms of discrimination and are committed to providing equal opportunities.
- We support the freedom of association and the right to collective bargaining.
- We uphold a zero-tolerance policy against all forms of violence, harassment, and bullying.
- We regularly review our working conditions in compliance with national legislation and ILO standards.

To strengthen the effectiveness of our Human Rights Policy, we conduct regular risk analyses and impact assessments. We integrate feedback received from both internal and external stakeholders into our policies and use these insights to identify areas for improvement. Furthermore, through a transparent and accessible grievance mechanism, we ensure that all employees and stakeholders can provide feedback, which is evaluated promptly and effectively.



CUSTOMER RELATIONS AND SATISFACTION

At Akçansa, we prioritize analyzing **our customers' needs and expectations to deliver tailored solutions for each customer segment.**

Our commitment to product and service quality ensures that we maximize customer value, reinforcing our position as a trusted business partner in the industry while maintaining a customer-focused management approach.

We aim to enhance customer satisfaction through transparent communication, accurate information sharing, and swift problem-solving. In our customer interactions, we act in line with our Sustainability Communication Policy—a pioneering initiative in the industry. Under this policy, we ensure that all sustainability-related statements are grounded in scientific and credible sources, while avoiding any misleading claims or greenwashing practices.

We provide comprehensive technical support to ensure the proper use of our cement and concrete products, improving process efficiency and minimizing potential risks.



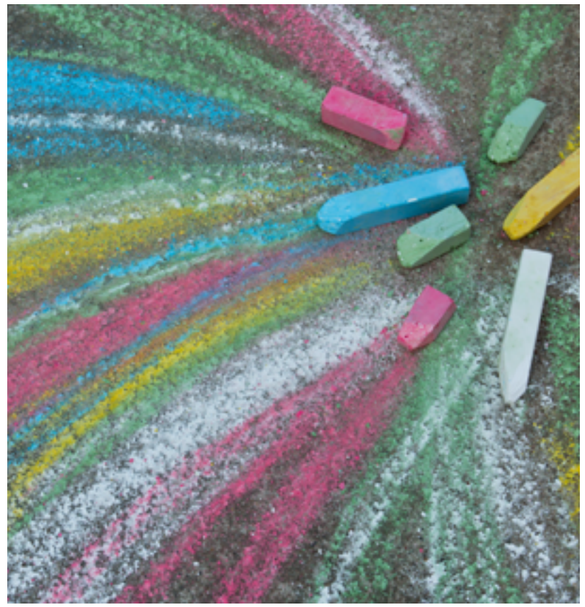
CUSTOMER HEALTH AND SAFETY

Potential risks to human health in all product processes **are closely monitored.**

We prioritize customer health at every stage of our value chain—from production and distribution to end-use. In the concrete segment, we conduct regular testing and analysis to identify potential health risks. All chemical contents and product components are evaluated in accordance with international health and safety standards. Additionally, we closely examine customer feedback to proactively manage possible risks.

88%

CUSTOMER SATISFACTION RATE IN AKÇANSA'S CEMENT SEGMENT



Key Considerations Across the Value Chain for Customer Health and Safety:

1. **Production Stage:** We focus on dust emission control and use environmentally friendly formulations with low chemical content.
2. **Distribution Stage:** We ensure full compliance with safety procedures during shipment and pay close attention to preparing equipment to protect both employees and customers.
3. **Usage Stage:** We provide clear usage instructions and recommend the use of personal protective equipment for those in contact with the product.

In the cement segment, we carefully monitor potential health risks throughout the entire product lifecycle and provide regular notifications to all stakeholders—covering production, transport, and use. The safety warnings printed on our cement bags, as required by Turkish standards, reflect our commitment to protecting end-users.

Cement Segment

Improper storage or handling of cement products can result in financial losses for our customers and end-users. To prevent such situations, our Sales Technical Support team provides comprehensive consulting services, offering guidance on correct usage.

To help customers get the most out of our products, we conduct site visits, provide educational sessions, training, and sample testing. These efforts are carried out in the field by our Technical Sales Support Team and, when necessary, our Quality Control Departments. In cases where customers lack laboratory plants, we offer access to the testing infrastructure at our factories and ready-mix concrete quality labs.

Customer complaints are recorded in the QDMS system, rigorously tracked throughout the process, and customers are regularly updated. Complaint management is conducted transparently and systematically under our Cement Sales and Marketing Procedure. We view feedback as a valuable opportunity to improve our operations. For example, in complaints related to strength, setting time, or lumping, we promptly revise production parameters, adjust filling locations, or provide targeted training to teams responsible for loading.

We also develop action plans based on customer satisfaction surveys conducted biennially by independent organizations. In the latest survey conducted in 2023, which included 25 participants, we achieved a customer satisfaction rate of 88%.

The number of complaints decreased from 26 in 2023 to 25 in 2024. Additionally, there was a 39% reduction in complaints compared to 2022. Of the 25 complaints received in 2024, 24 were resolved within the same year, while the remaining case was closed in January 2025, as the resolution extended into the new year.

ERA Research: Akçansa Reputation Assessment

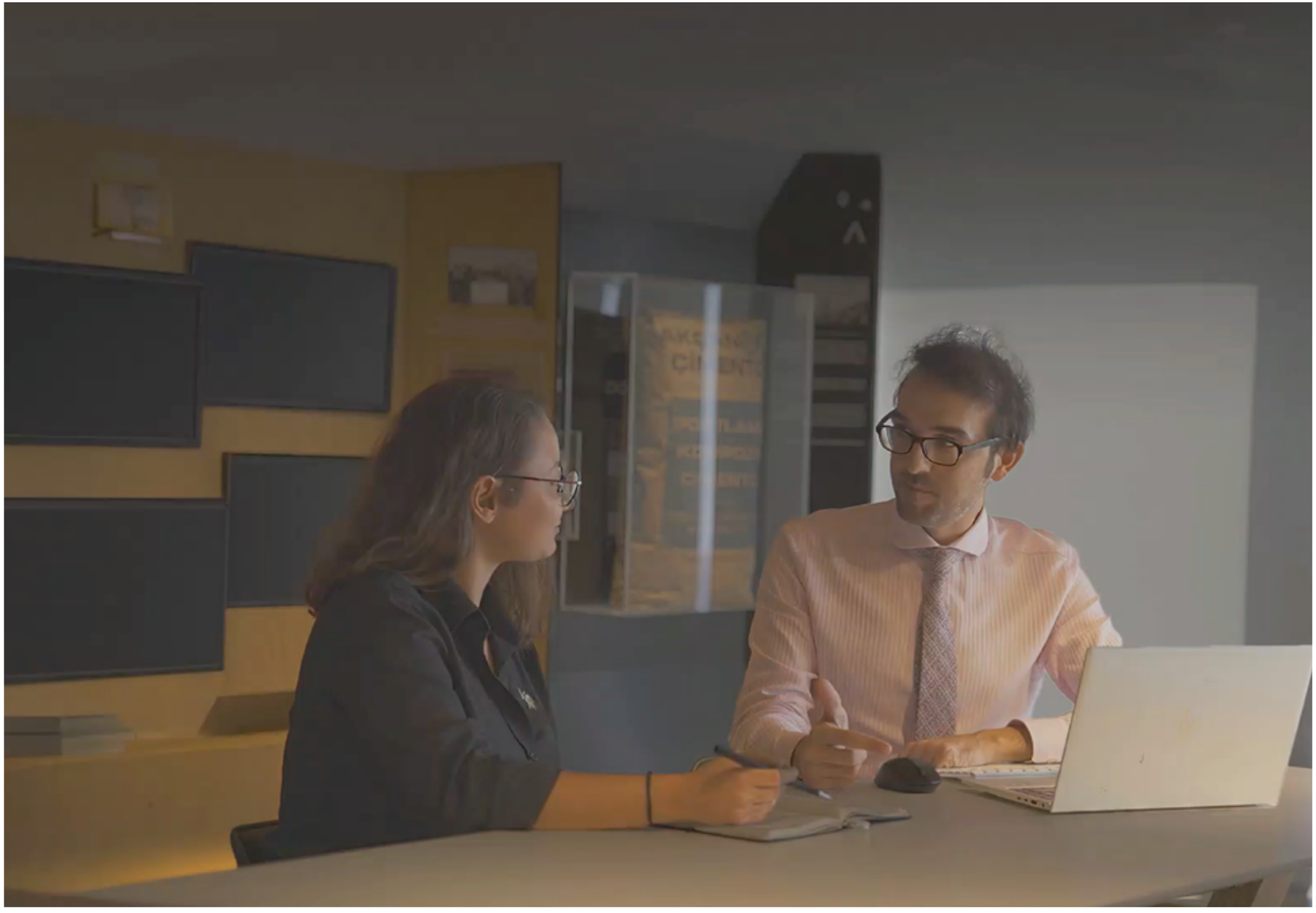
Customer Relations Metrics	2022	2023	2024
Number of complaints received	41	26	25
Number of complaints resolved	41	26	24
Customer relations training hours	30	40	40
Number of employees participating in customer relations training	14	20	22

Concrete Segment

The proper application and storage of our ready-mix concrete products are critical to ensuring both optimal product performance and high levels of customer satisfaction. In this context, our quality teams provide guidance and raise awareness among our customers to help them achieve the best results under varying environmental conditions while addressing potential risks.

Customer feedback directly shapes our decisions and operations, leading to the development of special concrete mixes designed for specific needs such as high durability or rapid setting. With growing demand, we continue to prioritize innovative solutions like low-carbon concrete and the use of recycled materials.

In 2024, our customer satisfaction score in the **concrete segment reached 93.6%, based on a survey with 125 participants.**



Customer interactions are facilitated through direct communication with our quality and sales teams, our Contact Line, email, and surveys. Complaints are recorded and monitored via the QDMS system. Designed in line with principles of transparency and confidentiality, all complaints are handled in compliance with the Personal Data Protection Law (KVKK) and can be submitted anonymously. To minimize negative impacts and enhance customer satisfaction, we have implemented the following practices:

Quality Assurance: All products undergo quality control testing prior to delivery to prevent non-compliant products from reaching the customer.

Timely Delivery and Logistics Support: We optimize shipment processes to reduce delays that could lead to financial losses.

Training and Information: We offer training to ensure our products are used correctly and efficiently.

In 2024, we launched a recurring order satisfaction survey to collect customer feedback every 15 days. In 2025, we plan to adopt the Medallia system to measure Net Promoter Score (NPS), starting with the annual customer satisfaction survey scheduled for the first quarter of the year.

By maintaining our solution-oriented approach to cooperation with customers in both the cement and concrete segments, we remain committed to advancing in line with our satisfaction goals.

Customer Relations Metrics	2022	2023	2024
Number of Complaints Received	478	667	658
Number of Complaints Resolved	478	667	652
Customer Relations training hours	30	40	40

PRODUCT QUALITY AND SAFETY

To enhance the efficiency of our production processes and continuously improve our quality standards, **we carry out modernization efforts, equipment maintenance, and regular audits.**

Based on the prioritization analysis we conducted this year, product quality and safety were identified as the top priorities by our stakeholders. In alignment with this, Akçansa aims to maintain the highest quality standards in cement and construction materials, applying this principle across all our processes from production to after-sales services. As part of our sustainability strategy, we focus on providing products that reduce our carbon footprint and minimize environmental impacts, all while ensuring full compliance with national and international quality standards.

At our factories, we conduct quality control tests in compliance with national (TSE) and international standards (EN, ASTM) throughout every stage of production. From the selection of raw materials to the final products, we perform comprehensive tests at each step. This meticulous approach enhances product performance and ensures consistent customer satisfaction. Our laboratories regularly participate in test programs organized by various organizations, maintaining and continuously improving their technical expertise.



Digifabrika enables the consolidation of quality data and more efficient management of processes.

To improve production efficiency and continuously elevate our quality standards, we undertake modernization efforts, equipment maintenance, and regular inspections. Our ISO 9001:2000 Quality Management System ensures that our processes operate effectively. Moreover, we enhance our quality and process management using innovative tools that allow the digital collection of quality data on digital platforms.

Digifabrika enables quality data to be brought together digitally and processes to be managed more effectively. This tool supports our efficiency by increasing transparency and speed in quality control processes. E-quarry is a digital tool used to optimize quarry management, contributing to the reduction of environmental and operational impacts from raw material extraction to management.

Our Quality and Technical Sales Support teams are committed to providing fast and effective services to meet customer needs and expectations, adopting a solution-oriented approach to all technical requests. Our certifications, which attest to the quality of our products, enhance our competitive edge in global markets and reinforce customer trust.

Our focus on continuous improvement and innovation strengthens both customer satisfaction and quality goals. We systematically continue our optimization efforts and new product development activities in line with our sustainability strategy and objectives. Additionally, by conducting analyses and trials of alternative raw materials and fuels, we ensure increased usage rates while maintaining stable product quality.

Quality and safety of the products were monitored through sampling, analyses, and audits carried out by the quality departments and certification bodies, and no non-conformity occurred and no certificate was lost in 2024.

SOCIAL IMPACT

We aim to **create value.**

At Akçansa, we aim to create not only economic but also social value in every region where we operate. As we invest in the future, we develop projects that support various segments of society and take steps toward a more inclusive world. Strengthening the role of women in the workforce, offering children a future filled with science and technology, and supporting individuals in the fields of sports and education are among our top priorities.

In line with this approach, we have implemented various initiatives such as STEM (Science, Technology, Engineering, and Mathematics) education, water awareness activities, mentorship programs, and inclusive sports support. Through partnerships with local stakeholders and the contributions of our employee volunteers, we focus on developing projects that make a lasting impact and bring tangible benefits to the community. Accordingly, in 2024, we implemented 4 separate Corporate Social Responsibility projects in total, namely Artificial Reef, Neet Trainings, and My Volunteer Journey (STEM Talks and STEM Trainings).



NEET Trainings

As part of the Sabancı Foundation's "Future-Building Young Women" project, we came together with NEET (Not in Education, Employment, or Training) young women in Adana for a training on "Developing Job Search and Job Acquisition Skills."

With the contributions of the Akçansa Human Resources team, the training was held at the Adana Sarıçam Municipality Employment Centre, where participants learned about job application processes, resume preparation techniques and interview skills. Through one-on-one interview simulations, we helped the young women improve their job interview experiences, boosting their confidence and readiness for the job market.



Büyükçekmece Volleyball Academy Support

We continue our social responsibility efforts with the philosophy of being a "good neighbor" and act in line with our 2030 Sustainability Targets. As part of this commitment, we support projects that promote sports, education, and cultural development in the regions where we operate. Our cooperation with Büyükçekmece Volleyball Academy aims to increase the positive impact of sports on young people and facilitate access to sports for children in the region.



Women's Day Special Seminar

On 4 March 2024, we held a Women's Day Special Seminar at our Büyükçekmece Plant. In the event, we hosted national volleyball player Aslı Kalaç from the Sultans of the Net and talked about the opportunities offered by sports for women and inspiring success stories.

Aslı Kalaç shared how she struggled with the difficulties she faced in her career, her motivation, and the transformative effect of volleyball in the social field. Two young athletes from the Büyükçekmece Volleyball Academy Sports Club, which we support, also took part in the seminar as speakers.



School-Industry Cooperation Istanbul Project

We enhance the contribution we offer through social responsibility projects in our regions of operation with our collaborations in the field of education. With the protocol we signed with Rosvita-Timur İmrağ Vocational and Technical Anatolian High School, we aim to design training programs together with the sector, strengthen the school-enterprise bond, and prepare students for business life.



World Water Day Celebration

To raise awareness about the efficient use of water resources, we organized a special STEM workshop with second-grade students from Akçansa Mehmet Akif Ersoy Primary School on March 22, 2024, in celebration of World Water Day.

During the workshop, we focused on the role of water in the ecosystem within the framework of the "A World Worth Living" concept, which we adopted as part of the Marmara Islands Artificial Reef Project. Together with the children, we created weather buoys, mermaids, fish, and water wheel models, emphasizing the importance of preserving freshwater resources.



Relations with Local Communities and Akçansa's Contribution to the Local Economy

In the regions where our factories are located, we implement projects that support social development in collaboration with local communities. Our factories and plants in the Marmara and Black Sea regions are deeply integrated with local residents, rural populations, employees of neighboring plants, and communities engaged in agriculture.

Our relations with these communities are shaped within the framework of our Strategic Communication Plan, which we update annually. Our management approach is based on mutual communication and transparent collaboration. We hold regular meetings with local stakeholders to understand their needs and develop joint solutions.

To support regional development and contribute to the social and economic well-being of local communities, we implement projects in various areas, including employment, education, corporate social responsibility, and gender equality. In this regard, to promote local employment, we hired 20 blue-collar workers at our Çanakkale factory in 2024, with half of them recruited from nearby villages. Additionally, through our collaboration protocol with Çanakkale 18 Mart University Vocational School of Technical Sciences, we supported students in securing jobs in maintenance-related fields and completing their internships.

Building healthy and sustainable communication with local stakeholders and understanding the needs of communities is a key priority for us.

As part of the same protocol, we also renewed the equipment of the outdated computer laboratories in order to strengthen the technological infrastructure of the School of Technical Sciences. Through this project, we aim to make the education processes of young people more efficient and to raise well-equipped individuals for our sector.

Establishing healthy and sustainable communication with our local stakeholders and understanding community needs are among our top priorities. To achieve this, we have created various channels through which communities and all stakeholders can share their suggestions, requests, and complaints. These include WP Dialogue, Sabancı Ethics Line, Bluecom Call Center, Akçansa Ethics Line, and info@akcansa.com.tr. Additionally, we regularly monitor and report feedback received through our website, telephone hotline, social media, and The Republic of Türkiye Directorate of Communications. In line with our Whistleblower Protection policies, all complaints are carefully reviewed with strict confidentiality.

EMPLOYEE VOLUNTEERING

Through the project, our employees contribute to **creating a positive impact by sharing their knowledge, skills, and expertise with the community.**

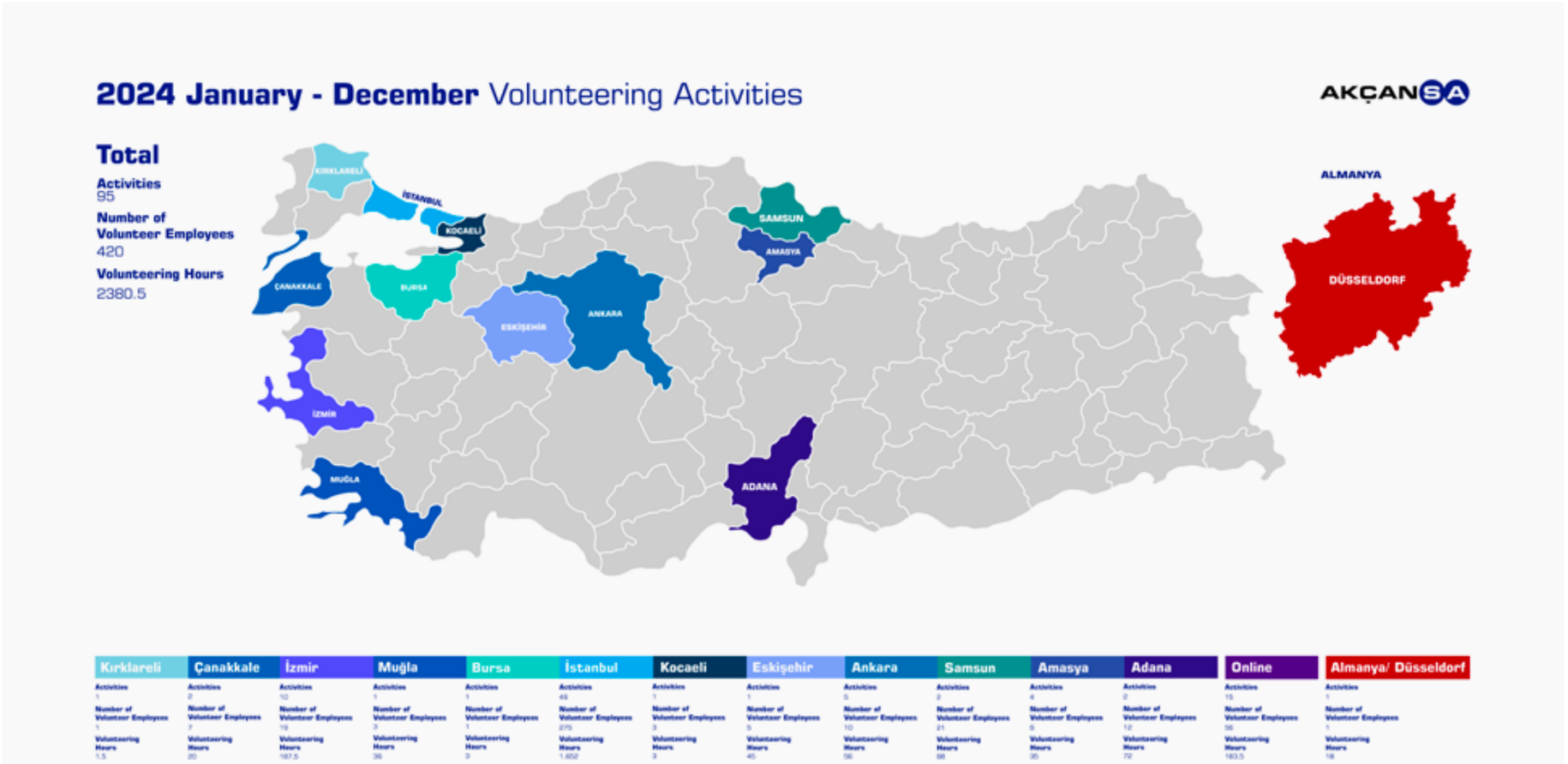
In celebration of the 100th anniversary of our Republic in 2023, we launched the "My Volunteer Journey" project to strengthen our corporate volunteering culture. This initiative enables our employees to share their knowledge, skills, and expertise, creating a positive impact on society.

As part of the "My Volunteer Journey" program, we carry out a wide range of volunteering projects in areas such as education, mentorship, STEM, environmental awareness, and disaster preparedness. Our efforts continued at full speed in 2024.

Through the "Young Women Founding Their Future" Mentorship Program, we guide young professionals and share our knowledge and experience through factory visits and technical trainings.

With Vocational Technical Tours and Career Panels, we introduce university students to the industry, while our Environmental and Sustainability Projects focus on waste management, tree planting, and raising environmental awareness.

Through our Professional Development and Academic Support Projects, our employees share their expertise with engineering students and the academic community. By encouraging our employees to participate in volunteering activities, we continue to create social impact.



Kırklareli	Çanakkale	İzmir	Muğla	Bursa	İstanbul	Kocaeli	Eskişehir	Ankara	Samsun	Amasya	Adana	Online	Almanya/ Düsseldorf
Activities	Activities	Activities	Activities	Activities	Activities	Activities	Activities	Activities	Activities	Activities	Activities	Activities	Activities
1	2	10	1	1	49	1	1	5	2	4	2	15	1
Number of Volunteer Employees	Number of Volunteer Employees	Number of Volunteer Employees	Number of Volunteer Employees	Number of Volunteer Employees	Number of Volunteer Employees	Number of Volunteer Employees	Number of Volunteer Employees	Number of Volunteer Employees	Number of Volunteer Employees	Number of Volunteer Employees	Number of Volunteer Employees	Number of Volunteer Employees	Number of Volunteer Employees
1	7	19	3	1	275	3	5	10	21	6	12	56	1
Volunteering Hours	Volunteering Hours	Volunteering Hours	Volunteering Hours	Volunteering Hours	Volunteering Hours	Volunteering Hours	Volunteering Hours	Volunteering Hours	Volunteering Hours	Volunteering Hours	Volunteering Hours	Volunteering Hours	Volunteering Hours
1.5	20	187.5	36	9	1.652	3	45	56	98	35	72	163.5	18

In 2024, 420 of our employees actively participated in a total of 95 volunteer projects. Through these activities, our employees contributed 2,380 hours of volunteer work, supporting social impact and community well-being.

"MY VOLUNTEER JOURNEY" PROJECT



STEM Talks
As part of our "My Volunteer Journey" program, we launched STEM Talks, where our employees share their knowledge and experience with students. In cooperation with the Sabancı Foundation, our employees come together with middle and high school students and share the contributions of their STEM expertise to their business and social lives. We encourage young people to pursue careers in science, technology, engineering, and mathematics and support their professional development through these meetings organized in different cities across Türkiye.

STEM Talks Conducted
9

Number of Students Reached
1,230

Akçansa Number of Volunteers
37

Total Volunteer Hours
67

In 2024, we aimed to establish a stronger bond with local communities by increasing our volunteering activities and to reinforce the contribution of our employees to society. With increasing volunteer participation every year, we will continue to grow our sustainable social impact.



STEM Workshop – Robotics Coding Training
In collaboration with Bricks4kidz, Akçansa provides weekly STEM lessons on robotics coding to 400 second-grade students at the Akçansa Mehmet Akif Ersoy Primary School in Büyükçekmece. Our initiative, which began in the 2023-24 school year, continued in the 2024-25 school year with four different groups of 400 children. Thus, between 2023 and 2025, we brought 800 different children together with regular STEM Workshops throughout the year.

With this project, we are providing children with educational content that is limited even in private schools in our country, bringing them together with a world-class STEM education.

Every week, we teach our children a different topic in the field of STEM. Children build models related to the topic using technical LEGO kits. The final part of the lesson involves 'running the models/robots in the desired way using coding commands'. We transform science and engineering topics into a 3D experience, enabling them to learn by seeing, touching, and experimenting. We also teach them coding knowledge at an age-appropriate level, progressing week by week.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

AKÇANSA

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

JANUARY 1 - DECEMBER 31, 2024 BOARD OF DIRECTORS' ANNUAL REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ON THE BOARD OF DIRECTORS' ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Akçansa Çimento Sanayi A.Ş

1. Opinion

We have audited the annual report of Akçansa Çimento Sanayi A.Ş (the "Company") for the 1 October - 31 December 2024 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Company's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Financial Statements

We expressed an unqualified opinion in the auditor's report dated 14 February 2025 on the full set financial statements for the 1 October - 31 December 2024 period.

4. Board of Director's Responsibility for the Annual Report

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

a) to prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr Mersis Numaramız: 0-1460-0224-0500015

b) to prepare the annual report to reflect the Company's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Company may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.

c) to include the matters below in the annual report:
   - events of particular importance that occurred in the Company after the operating year,
   - the Company's research and development activities,
   - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements of the Company and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs.These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited[consolidated] financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Baki Erdal, SMMM
Independent Auditor

Istanbul, 14 February 2025

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

JANUARY 1 - DECEMBER 31, 2024 BOARD OF DIRECTORS' ANNUAL REPORT

A) General Information

Company Title	Akçansa Çimento Sanayi ve Ticaret A.Ş.
Company Head Office Address	Barbaros Mahallesi Kardelen Sokak No:2 D.124-125 Palladium Tower Ataşehir /İstanbul
Company Head Office Phone -Fax	0216 571 30 00-0216 571 30 31
Company Trade Registry Number	Trade Registry Office of İstanbul / 206671
Mersis No	0229-0003-9470-0017
Company Web Site	www.akcansa.com.tr
Company Capital	The Company is subject to the registered capital system, with a registered capital ceiling of TRY 500,000,000 and an issued capital of TRY 191,447,068.25.
Reporting Period	January 1, 2024-December 31, 2024
Sector of Company Operations	Akçansa Çimento Sanayi ve Ticaret A.Ş. (hereinafter referred to as "Akçansa" or the "Company") operates in the production of cement, clinker, ready-mixed concrete, and aggregates.

Shareholding Structure:

	SHARE AMOUNT (THOUSAND TRY)	SHARE PERCENTAGE %	NUMBER OF SHARES (THOUSAND)
HACI ÖMER SABANCI HOLDİNG A.Ş.	76,035	39.72	7,603,514
HEIDELBERG MATERIALS AG	76,035	39.72	7,603,514
PUBLIC SHARES	39,377	20.56	3,937,678
GENERAL TOTAL	191,447	100.00	19,144,706

The shareholding structure represents individuals or entities that directly hold 5% or more of the capital.

Information on Preferred Shares

The Company has no preferred shares.

Board

Burak Orhun, Chairman	04.04.2024-04.04.2027
Hakan Gürdal, Vice Chairman	04.04.2024-04.04.2027
Şebnem Önder, Member	04.04.2024-04.04.2027
Rene Aldach, Member	04.04.2024-04.04.2027
Bülent Bozdoğan, Independent Member	04.04.2024-04.04.2027
Ali Aynacı, Independent Member	04.04.2024-04.04.2027

The Company's General Assembly has granted permission to the Board Members to engage in transactions specified under Articles 395 and 396 of the Turkish Commercial Code.

At the Ordinary General Assembly Meeting held on April 4, 2024, the Company's Board Members were elected for a three-year term.

The election of Board Members complies with the Turkish Commercial Code, Capital Markets regulations, and the Articles of Association. The Board consists of a minimum of six and a maximum of eight members, elected by the General Assembly for a maximum term of three years. Members whose terms expire may be re-elected. Among the Board Members elected by the General Assembly, there are two independent members. Independent Board Member candidates are selected from individuals who submit a declaration of independence and are recommended by the Corporate Governance Committee. To ensure the effective fulfillment of duties and responsibilities, the Board has established the following committees: Audit Committee, Early Detection of Risk Committee, and Corporate Governance Committee.

Authorities and Responsibilities of the Board Members and Managers

The management rights and representation authority of the Company's Board of Directors are defined in the Articles of Association. The authorities and responsibilities of the managers are not stated in Company Core Contract. However, the mentioned authorities and responsibilities are determined by the Board of Directors.

Operating Principles of the Board of Directors

During the period from January 1, 2024, to December 31, 2024, the Company's Board of Directors convened a total of 41 meetings, including 4 in-person meetings and 37 meetings conducted through written approval in accordance with the provisions of the TCC and the Articles of Association. Throughout this period, the Board adopted 68 resolutions. The agenda of the Company's Board of Directors meetings, including the communication of critical matters, is determined by the Chairman of the Board following consultations with the current Board Members and the General Manager. The finalized agenda and the contents of the items therein are submitted in writing to the Board Members at least two weeks in advance by the Pre-Briefing Committee to allow sufficient time for review and preparation.

Between January 1, 2024, and December 31, 2024, no dissenting opinions were expressed by Board Members regarding any of the resolutions adopted during the meetings.

All members without a valid excuse actively participated in the Board meetings. Since there were no questions raised by Board Members on these matters, no additional records were kept. Furthermore, no weighted voting rights or veto rights have been granted to any Board Member regarding the resolutions. A regular annual performance evaluation of the Board of Directors is conducted.

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Committees Established Within the Board of Directors: Structure, Composition, and Independence

In accordance with Capital Markets Board (CMB) Corporate Governance Principles and other relevant regulations, the Board of Directors has established the following committees: Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee. The Corporate Governance Committee also assumes the responsibilities of the Nomination Committee and the Remuneration Committee. These committees operate in accordance with their respective internal charters. During the period from January 1, 2024, to December 31, 2024, no conflicts of interest arose within the Audit Committee due to its existing member structure.

The Audit Committee meets at least four times a year, at intervals of no more than three months, and submits written reports on its decisions to the Board of Directors. The Corporate Governance Committee convenes at least four times a year, at intervals of no more than three months, and reports its findings to the Board of Directors. The Early Detection of Risk Committee meets at least six times a year, at two-month intervals. The reports containing information on the committees' activities and meeting outcomes are submitted to the Company's Board of Directors after being approved by the Committee Members.

The committee working principles are published on the Company's website.

Additionally, the Pre-Briefing Committee conducts detailed research and prepares comprehensive presentations on matters to be presented to the Board of Directors before each meeting. The Internal Audit Director submits reports on Corporate Governance Principles and other relevant topics to the Audit Committee.

Committees

Audit Committee
Bülent Bozdoğan, Chairman
Ali Aynacı, Member

Corporate Governance Committee
Bülent Bozdoğan, Chairman
Ali Aynacı, Member
Dinçer Bulan, Member

Early Risk Detection Committee
Ali Aynacı, Chairman
Bülent Bozdoğan, Member

Auditor
PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Statement on Conflicts of Interest Between the Company and Service Providers

The Company adheres to the relevant capital markets regulations when selecting service providers and implements the necessary measures to prevent potential conflicts of interest. No conflicts of interest have arisen between the Company and the aforementioned service providers during or after the service period.

Changes in Senior Management During the Year and Current Executives' Names, Surnames, and Professional Experience

By the decision of our Board of Directors dated June 24, 2024, Mr. Akın HASBAY has been appointed as Cement Sales and Marketing Director. During the period, Mr. Jason SOUTH, who was serving as Vice General Manager of Finance, left the Company, and Mr. Thomas GERSTENHAUER has been appointed to this vacant position as of November 1, 2024.

Furthermore, pursuant to the resolution of the Board of Directors dated November 25, 2024, Mr. Gergely BOROSI, who served as Vice General Manager of Operations, departed from the Company, and Mr. Ömer GENÇ has been appointed to the position effective January 1, 2025.

As of the reporting date, the members of the Executive Committee are as follows.

Vecih YILMAZ / General Manager

Vecih Yılmaz graduated from Middle East Technical University (METU) Business Administration in 2005, while simultaneously completing a minor degree in Political Science and Public Administration at the same university. In 2012, he earned a Master's degree in Financial Economics from Galatasaray University. He began his career in 2005 as an Auditor at Deloitte. In 2009, he joined Sabancı Group, where he served as Manager of Financial Planning, Analysis, and Investor Relations at Sabancı Holding from 2009 to 2013, followed by a role as Financial Control and Risk Manager at Enerjisa Enerji from 2013 to 2015. Between 2015 and 2017, he held the positions of CFO at Assan Panel and Director of Financial Affairs at Kibar Holding within Kibar Group. In 2017, he rejoined Sabancı Group as Finance Director at Sabancı Holding, a position he held until April 2019, while also serving as a Board Member at Kordsa and Yünsa. As of 2023, From April 2019 to December 2022, he served as Vice General Manager of Finance and Financial Affairs at Çimsa. As of December 1, 2022, he has been serving as General Manager.

Ülgen ERYÜREK ASLAN / Vice General Manager – Human Resources

Ülgen Eryürek Aslan graduated from Boğaziçi University, Department of Economics, in 1998. She began her professional career as a Management Trainee in the Finance Group Presidency at Bayındır Holding, later working as a Budget Planning Supervisor at HEAŞ. In 2004, she completed her Master's degree in Finance and Accounting at Marmara University, Faculty of Business Administration (English Program) and joined Akçansa Çimento A.Ş. in February 2004 as a Financial Reporting and Analysis Specialist. Since then, she has held several managerial positions, including: Financial Planning and Analysis Manager, Financial Planning, Analysis, Reporting, and Investor Relations Manager, Strategy and Business Development Manager, Cement and Ready-Mix Concrete Sales Planning and Marketing Group Manager, and Strategy and Corporate Performance Group Manager as of February 1, 2023. Effective December 15, 2023, she has been appointed Vice General Manager – Human Resources at Akçansa.

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Thomas GERSTENHAUER / Vice General Manager – Finance

Thomas Gerstenhauer holds a Bachelor's degree in European Business Administration from the International Partnership of Business Schools (Reutlingen/London) and an Executive MBA from Friedrich Schiller University (Jena). He started his professional career in 1998 at Schroder Salomon Smith Barney in London, subsequently assuming roles in Melbourne and New York. From September 2003 to 2007, he served as Vice General Manager of the Finance Department at HSH Nordbank. Between November 2007 and December 2009, he was a Senior Vice President at Sal. Oppenheim Jr. & Cie. Kgaa. From April 2011 to September 2014, he operated his own corporate finance advisory business and served as a member of the creditors' committee of IVG Immobilien AG. In September 2014, he joined Heidelberg Materials as Finance Manager, later taking on the role of CFO and Vice General Manager at Mibau Stema Group. Effective November 1, 2024, he has been appointed Vice General Manager – Finance.

Ömer Sinan GENÇ / Vice General Manager – Operations

After graduating from Ege University with a degree in Chemical Engineering, Ömer Sinan Genç completed his Master's degree in Chemical Engineering at İzmir Institute of Technology. Since 2007, he has held various positions at our company, including Production Engineer at Ladik Plant, Semi-Finished Products Chief at Büyükçekmece Plant, Production Manager at Büyükçekmece Plant, Ladik Plant Manager, and Çanakkale Plant Manager. Effective January 1, 2025, he has been appointed as Vice General Manager – Operations.

İlker KOÇ / Vice General Manager – Ready-Mix Concrete, Aggregates Sales & Marketing

İlker Koç earned his Bachelor's degree in Civil Engineering from Middle East Technical University (METU) and later completed an Executive MBA at Sabancı University. He began his career in 1994 as a Site Engineer at Rizzani de Eccher and later served as a Site Manager at Astaldi and Sinta between 1995 and 1998. In September 1998, he joined Akçansa as a Specialist in Marketing Planning and Sales. From 2008 to 2012, he worked as a Senior Engineer at HeidelbergCement Technology Center in Germany, after which he returned to Akçansa in various leadership roles, including Quality and R&D Manager, Marketing and Special Products Manager, and Technical Sales Support & Special Products Manager. Between December 2020 and November 2021, he served as Company Manager at Karçimsa. Since December 1, 2021, he has been serving as Vice General Manager – Ready-Mix Concrete, Aggregates Sales & Marketing.

Sinan İNAÇ / Vice General Manager – Procurement & Logistics

Sinan İnaç graduated from Dokuz Eylül University with a degree in Business Administration (English Program) in 1999. He began his professional career in 2003 at Çimentaş, where he held various finance and planning roles, including Budget & Cost Control Specialist (2003–2007), Planning, Budget & Control Chief (2007–2011), Planning, Budget & Control Manager (2011–2015), Strategy & Marketing Manager for Cement & Ready-Mix (2015–2017), Planning, Budget & Control Eastern Mediterranean Regional Leader (2017–2019), and Planning, Budget & Control Director. Between 2017 and 2019, he served as Cement Sales Director at Oyak Cement (Denizli Plant). Since 2019, he has continued his career at Akçansa as Ready-Mix Concrete Regional Manager (Northern & Eastern Marmara) and Cement Sales Group Manager. Effective December 1, 2021, he has been appointed Akcansa Assistant General Manager - Procurement and Logistics.

Akın HASBAY / Cement Sales and Marketing Director

Akın Hasbay graduated from Dokuz Eylül University with a degree in Civil Engineering in 1999. He began his career as a Civil Engineer at Ülker İnşaat (2000–2003) before joining Akçansa in 2003, where he held various roles, including Customer Representative – İzmir, Ready-Mix Concrete Sales & Marketing Specialist – İzmir, Cement Sales Planning Specialist – İstanbul, Sales Chief – Northern Region, Cement Marketing Specialist, Ready-Mix Concrete Regional Manager – Eastern Marmara, and Cement Sales Regional Manager – Eastern Marmara. Between 2017 and 2019, he served as the Denizli Cement Sales Director at Oyak Cement. Since 2019, he has continued his career at Akçansa, successively holding positions as Ready-Mix Concrete Regional Manager – Northern and Eastern Marmara and Cement Sales Group Manager. As of June 26, 2024, Akın Hasbay has been appointed as the Cement Sales and Marketing Director.

Employee and Worker Movements, Collective Bargaining Agreements, and Employee Benefits

As of December 31, 2024, the number of employees at Akçansa is 1,007.

he two-year collective bargaining agreement covering the period from January 1, 2022, to December 31, 2023, expired on December 31, 2023. Subsequently, negotiations for a new agreement covering January 1, 2024, to December 31, 2025, between the Cement Industry Employers' Association (ÇEİS) and the Çimse-İş Union concluded successfully. The new-term collective bargaining negotiations between the Cement Industry Employers' Association (ÇEİS), of which we are a member, and the T. Çimse-İş Union were concluded on January 31, 2024, with a two-year agreement between the parties.

The summary of the agreement results is as follows:
- In the first year of the agreement, as of January 1, 2024, the base hourly wages of employees working at the workplace and whose employment contracts are still in effect as of the date of signing the collective bargaining agreement will be increased by 60%, effective from January 1, 2024, based on their wages as of December 31, 2023.
- In the second year of the agreement, as of January 1, 2025, the base hourly wages of employees working at the workplace and whose employment contracts are still in effect will be increased by CPI + 3%, based on their wages as of December 31, 2024.

Additionally, a seniority incentive bonus is paid to employees in the months corresponding to every five years of seniority.

Obligation to Conduct Transactions with the Company and Non-Compete

At the Ordinary General Assembly Meeting of our Company held on April 4, 2024, the necessary authorization was granted to the Members of the Board of Directors in accordance with Articles 395 and 396 of the TCC.

B) Financial Rights

Between January 1, 2024, and December 31, 2024, the Company has not provided any loans or credit to any Member of the Board of Directors, has not extended the terms of existing loans or credits, has not improved their conditions, and has not facilitated personal loans through third parties or provided guarantees such as sureties on their behalf. At the Ordinary General Assembly Meeting held on April 4, 2024, it was resolved that Independent Board Members would receive a gross monthly payment of TRY 90,000, while no remuneration would be paid to other Board Members.

The Company has established a Compensation Policy for the Members of the Board of Directors and Senior Executives, which has been publicly disclosed on its website.

Total remuneration and benefits of the senior management team

	January 1 - December 31, 2024 Thousand TRY
Short-term benefits provided to the senior management team	68,026
Post-employment benefits	6,279
Other long-term benefits	3,160
Total earnings	**77,465**
SSI employer share	**3,206**

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C) Research and Development Activities

At Akçansa, our R&D and innovation efforts focus on integrating advanced technologies into our production systems to minimize environmental impact while contributing to both our company and the industry through a "co-development" approach. We optimize business processes in line with customer needs and market expectations, ensuring that production and quality remain aligned with key performance parameters while developing innovative and value-added products.
Our R&D activities encompass new product development and optimization, pre-sales and post-sales technical support, academic collaboration through lectures and seminars on cement and concrete technologies, technical site visits for university students, support for research initiatives in cement and concrete, and contributions to national and international scientific publications. These efforts are carried out in collaboration with universities, public institutions, industry associations, and Heidelberg Materials' Global R&D division.

As part of our commitment to responsible operations, we prioritize the transition to a low-carbon economy. In line with our 2030 Sustainability Targets, we manage all R&D and innovation investments with a strong focus on sustainability, guided by our CO_2 Roadmap and the Low-Carbon/ Low-Clinker New Product Development Plan.

In 2024, we conducted research on the application of Carbon Capture, Utilization, and Storage (CCUS) technologies in the building materials sector. Leveraging advanced data analytics, we successfully completed studies aimed at predicting key quality control parameters in cement and concrete production. Additionally, we assessed the potential of construction and demolition waste (CDW) in concrete production and construction applications, with our analysis yielding positive results.

Furthermore, our ongoing R&D projects focus on the utilization of alternative mineral additives in cement and concrete production and the exploration of low-carbon manufacturing technologies. We are actively investigating the upcycling of construction and demolition waste as a carbon-sequestering material in cement and concrete production, alongside feasibility studies on the use of hydrogen and oxygen in fuel blending.

Our "CIRCULATE" project, which aims to repurpose construction and demolition waste into building materials, was recognized among the top 10 projects in the CFA Türkiye program. We subsequently continued the project's detailed feasibility studies in collaboration with Yıldız Technical University and İSTAÇ. As part of this process, we collected samples from two different regions representing construction and demolition waste expected to emerge during Istanbul's urban transformation and successfully completed our characterization analysis. We have completed the laboratory-phase experiments of our R&D study on the separation of concrete waste from construction and demolition debris and its subsequent upcycling for use in cement and concrete production, achieving highly successful results. Following this, our project will continue with industrial-scale trials.

Completed Key R&D Projects:

Projects Conducted Under TÜBİTAK TEYDEB Support:
- Investigation of the use of mineralizers in clinker production
- Determination of usage criteria for products recovered from construction and demolition waste
- Research on the use of microalgae as an auxiliary fuel and CO_2 absorber in the cement production process

Projects Conducted in Collaboration with Universities:
- Investigation of hydration reactions and their effects in cement – Sabancı University
- Use of activated natural materials (Calcined Clay) as a cement substitute – Sabancı University
- Macro synthetic fiber-reinforced roller-compacted concrete road project – Boğaziçi University & Kordsa
- Evaluation of construction and demolition waste in concrete production and construction applications – Yıldız Technical University

Projects Conducted as Part of Mega Projects:
- Development of high-performance and long-lasting cement and concrete products (100+ Cement and 100+ Concrete) for the Yavuz Sultan Selim Bridge Project
- Development of high-performance cement and concrete products with a minimum service life of 100 years ("1803 Cement" and "1803 Concrete") for the 1915 Çanakkale Bridge Project
- Real-time digital monitoring (via tablet or smartphone) of concrete strength using smart sensors through the "Smart Concrete" product developed for the 1915 Çanakkale Bridge Project

Product Development and Optimization Projects:
- Development of high-consistency and high-performance cement and concrete products for large-scale infrastructure projects
- Development of high-consistency and high-performance concrete products for high-rise buildings
- Design of cement and concrete products with enhanced thermal properties
- Development of highly durable concrete products (Solidmix) to meet the requirements of sulfate-resistant and long-lasting infrastructure projects
- Development of a waterproof concrete product (Hidromix) that meets the structural waterproofing method requirements specified in waterproofing regulations

Process-Oriented Projects:
- Conducting life cycle analysis (LCA) for standard and special ready-mixed concrete products and obtaining Environmental Product Declarations (EPD)
- Monitoring quality control parameters in cement production through the E-Factory Quality Application
- Prediction of quality control parameters in cement and concrete production using advanced data analytics
- Development of a tool to calculate the load-bearing capacity and equivalent reinforcement of macro synthetic fiber-reinforced ground concrete (Kratosbeton)
- RFID tagging and tracking of concrete samples in collaboration with Ankaref and Vuruşkan companies
- Performance analysis of cement grinding additives
- Research on the application of Carbon Capture, Utilization, and Storage (CCUS) technologies in construction materials as part of the Sabancı X-Teams Project

Ongoing Key R&D Projects:
- Research on the use of alternative mineral additives (pozzolans) in cement and concrete production, as well as low-carbon/low-clinker production technologies
- Investigation of the usage of construction and demolition waste as carbon-capturing material in cement and concrete production (in collaboration with the Turkish Technology Development Foundation (TTGV) and Özyeğin University)
- Feasibility study on the use of hydrogen and oxygen in fuel mixing (as part of the South Marmara Development Agency (GMKA) – Hydrogen Valley Platform)
- Research on the use of hydrogen in combination with CO_2 from cement plant flue gas for ethanol/methanol production (as part of the GMKA – Hydrogen Valley Platform, in collaboration with the Turkish-German University)

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D) Company Activities and Key Developments

Industry Trends and Fundamental Influencing Factors

As of the first 11 months of 2024, cement production increased by 4.8% compared to the same period in the previous year. During this period, approximately 15% of the total cement production was exported. While domestic sales grew by 10.1%, cement exports declined by 15.1%.

According to TÜİK data, the countries with the highest increase in cement and clinker exports in the first 11 months of 2024 were Georgia, Italy, and the Turkish Republic of Northern Cyprus (TRNC). Additionally, exports were made to the United States, Italy, Syria, Albania, and Romania during this period.

In Q3 2024, building permits issued by municipalities decreased compared to the same period of the previous year as follows: 18.8% decline in the number of buildings, 18.9% decrease in total construction area, and 17.0% reduction in the number of residential units. Meanwhile, occupancy permits issued by municipalities showed a 2.9% increase in the number of buildings but declined by 5.3% in total construction area and 3.1% in the number of residential units. Housing sales in 2024 totaled 1,265,388 units, reflecting a 16.4% increase compared to the same period in the previous year.

Production Capacities

The production capacities of our factories and facilities are summarized in the table below.

Production Site	Production Capacities of Our Factories and Plants Thousand tons/year			Terminal Operating Capacity Thousand tons/year
	Cement	Clinker	Aggregates	Operation
İstanbul (Büyükçekmece)	2,528	1,943	-	-
Çanakkale	5,500	4,450	-	-
Samsun (Ladik)	1,014	644	-	-
Bursa	-	-	840	-
Tekirdağ (Saray)	-	-	897	-
Edremit			996	
Yalova	-	-	-	384
İzmir (Aliağa)	-	-	-	225
İstanbul (Ambarlı)	-	-	-	745
Yarımca	-	-	-	700

Industry Overview and Akçansa's Position in the Sector

As one of Türkiye's leading building materials companies, Akçansa continues its operations with full momentum. According to data from the Central Anatolian Exporters' Association, Türkiye's total cement sector exports in 2024 amounted to 19.01 million tons, generating $1.094 billion in revenue. Akçansa contributed to this figure with total exports of 2.48 million tons, securing a 13% market share in the sector.

In addition to its cement operations, Akçansa has maintained a strong presence in the port operations sector under the Akçansa Port brand. In 2024, the company continued to provide high-quality, efficient, and timely services at Ambarlı Port, catering to both its own logistics needs and those of external customers.

Driven by its vision to be Türkiye's most sustainable building materials company, Akçansa has garnered significant recognition for its achievements. In the 2023 "Türkiye's Top 500 Industrial Enterprises" study conducted by the Istanbul Chamber of Industry (ISO), Akçansa ranked 84th, securing a position among Türkiye's top 100 industrial companies. In line with its commitment to sustainability, Akçansa published the first monitoring report for its Marmara Islands Artificial Reef Project in 2024. Initial findings indicate increased marine life around the reefs, with 33 different species—including 10 fish species—identified within the first year of the project.

Akçansa also became the first Turkish cement company to sign the CEO Water Mandate, an initiative of the United Nations Global Compact (UNGC), in 2024. Furthermore, its Bursa Aggregate Plant was certified as Türkiye's first and only platinum-level CSC-certified aggregate plant, ranking among only 12 such plants worldwide. As part of its circular economy approach, Akçansa signed a collaboration agreement with ODAŞ to repurpose fly ash from the Çan 2 Thermal Power Plant, reintegrating it into the economy through sustainable processes. During this period, the company also realized a valuable cooperation in the port business line that will expand its range of services globally. Additionally, Akçansa Port brand expanded its service portfolio internationally by partnering with Grimaldi Group, a global leader in Ro-Ro shipping, to provide international Ro-Ro services. Beyond business operations, Akçansa remains committed to making a positive social impact. Under its "Gönüllü Yolculuğum" (My Volunteer Journey) social responsibility initiative, the company continued to support children and young people through STEM Workshops and STEM Talks in 2024.

In environmental compliance, Akçansa utilizes Continuous Emission Monitoring Systems (CEMS) installed at all process stacks to measure combustion gases and dust parameters 24/7. These real-time values are reported directly to the Ministry of Environment, Urbanization, and Climate Change and its affiliated provincial directorates. Additionally, all dust and gas emissions from the company's stacks are regularly monitored through quarterly and annual periodic measurements conducted by accredited organizations and reported to the Ministry of Environment, Urbanization, and Climate Change. Occupational health and safety remain Akçansa's top priority. The company adheres to all legal regulations, implementing comprehensive safety measures across its operations.
Akçansa's ready-mixed concrete brand, Betonsa, continues to share its sectoral expertise through specialized training programs. These programs provide periodic training sessions for customers, construction companies, site engineers, structural inspection firms, government officials, and university students. Topics covered include concrete technology, durability, and the importance of maintenance and curing. Additionally, Betonsa offers targeted training for employees in Sales, Quality, and Field/Operations roles, reinforcing its commitment to industry excellence.

Developments in Investments & Incentives

As of December 31, 2024, the investment incentive certificate dated October 25, 2021 (No. 528875), with a total investment amount of TRY 18.6 million, for the preparation of fuel from end-of-life tires, has been finalized. Additionally, a new investment incentive certificate dated September 11, 2024 (No. 571470) has been issued, covering a total fixed investment of TRY 12.6 million.

As of the same date, the company's total investment expenditures reached TRY 1,167.7 million.

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E) Corporate Governance and Sustainability Principles

During the January 1, 2024 – December 31, 2024 fiscal period, Akçansa Çimento Sanayi ve Ticaret A.Ş. adhered diligently to the principles outlined in the Corporate Governance Principles published by the Capital Markets Board of Türkiye (CMB). While full compliance with non-mandatory principles was not achieved in certain areas, no conflicts of interest arose between the company and its stakeholders.

Our company is committed to implementing corporate governance principles in shareholder rights, public disclosure and transparency, stakeholder relations, and Board of Directors' decisions and transactions. Ensuring the application and execution of these principles, in alignment with our informational responsibility to all shareholders, remains one of our key objectives.

In accordance with the CMB's January 10, 2019 decision (No. 2/49), Akçansa's 2022 Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF), prepared in line with the updated reporting formats, were published on February 17, 2023, via the Public Disclosure Platform (PDP). The latest status of the announcements regarding the Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF) can be accessed from the link below:

https://www.kap.org.tr/tr/sirket-bilgileri/ozet/838-akcansa-cimento-sanayi-ve-ticaret-a-s

In line with the October 2, 2020 amendments to the Corporate Governance Communiqué issued by the Capital Markets Board, Akçansa aims for 100% compliance with the Sustainability Principles Compliance Framework. Thanks to its long-standing efforts in this area, the company has already achieved significant alignment. Going forward, Akçansa plans to further enhance its compliance with mandatory principles in 2024, prioritizing the interests of shareholders and all other stakeholders. The Sustainability Principles Compliance Report, detailing our adherence to these principles, is available at the web site: http://www.akcansa.com.tr/surdurulebilirlik/raporlarimiz/ and https://www.kap.org.tr/tr/sirket-bilgileri/ozet/838-akcansa-cimento-sanayi-ve-ticaret-a-s.

VISION

With a culture rooted in social, environmental, legal, and ethical values, our goal is;

MISSION

To become the leading building materials company that enhances society's quality of life by creating value for:

- Our customers through innovative products, services, and solutions,
- Our shareholders with superior financial performance,
- Our employees by prioritizing occupational health and safety and providing continuous development opportunities,
- Our environment through alternative fuel and raw material usage, recovery processes, and a commitment to biodiversity, and
- All other stakeholders by upholding sustainability and excellence.

The company's strategic objectives are determined by the Board of Directors. Additionally, annual budgets prepared within the framework of these strategic goals are approved by the Board.

During its meetings, the Board closely monitors the implementation of its decisions through comparative presentations provided by company executives. These presentations include comparisons of the current year's budget versus actual performance, as well as historical data for the same periods in previous years. The Board of Directors reviews this process at least four times a year.

Public Disclosure and Transparency

Public openness means fulfilling the responsibility of disclosure and transparency. In accordance with the principles of public disclosure and transparency, as well as our disclosure policy, investors are provided access to "Information Society Services" through the e-Company application within the Central Securities Depository. Information Society Services can be accessed through the e-Company Corporate Information Portal at www.mkk.com.tror via the Information Society Services section under the Investor Relations section on our company's website at www.akcansa.com.tr.

The Company's registered website is available in the English section of the Company's website at www.akcansa.com.tr. This section is also prepared for the benefit of international investors.

As of the end of 2024, a total of 44 meetings have been held with analysts and capital market participants.

The Company provides its website at www.akcansa.com.tr for the information of shareholders and investors in accordance with the Corporate Governance Principles. The matters specified in the Corporate Governance Principles have been included. Our website provides information on corporate introduction, products and services, management systems, financial indicators, annual reports, investor center, financial statements, disclosure policy, environmental activities, corporate social responsibility initiatives, and human resources policies.

Important headings available on the website are summarized as follows:

- Detailed information regarding corporate identity
- Our Vision and Mission
- Details and information about Board Members and top management
- Company organization and partnership structure
- Company articles of association
- Trade Registry Information
- Financial information
- Press releases
- Material event disclosures
- Information about the date, agenda and agenda topics of the general assembly meeting
- Minutes of the General Assembly meeting and the list of attendees
- Power of attorney sample
- Corporate Governance practices and compliance report
- Dividend distribution policy, history, and capital increases
- Donation and Aid Policy
- Information Policy
- Remuneration policy for board members and senior executives
- Frequently Asked Questions Section

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Dividend Distribution Policy

Company's Dividend Distribution Policy:

Akçansa Cement Industry and Trade Inc. The Dividend Distribution Policy has been determined in accordance with the provisions of the Turkish Commercial Code, Capital Markets Legislation, other relevant regulations, and the article of our Articles of Association regarding dividend distribution. It is established by considering Akçansa Çimento Sanayi ve Ticaret A.Ş.'s medium- and long-term strategies, investment and financial plans, as well as the state of the national economy and the sector, while maintaining a balance between shareholder expectations and the Company's needs.

In accordance with the resolution adopted at the General Assembly, the principle of determining the amount of dividends to be distributed has been established. As a general policy, it has been adopted that a minimum of 50% of the distributable profit shall be distributed to shareholders in the form of cash dividends and/or bonus shares.

Dividends shall be distributed equally to all existing shares, regardless of their issuance and acquisition dates, as soon as possible. However, they will be distributed to shareholders on the date determined by the General Assembly, following its approval, and within the legally prescribed time limits.

In accordance with Article 33 of our Articles of Association, subject to authorization by the General Assembly, the distribution of interim dividends to shareholders may also be possible upon a resolution of the Board of Directors.

The General Assembly may transfer a portion or the entirety of the net profit to extraordinary reserves. If the Board of Directors of Akçansa Çimento Sanayi ve Ticaret A.Ş. proposes to the General Assembly that no dividend be distributed, the reasons for this decision and the intended use of the undistributed profit shall be disclosed to the shareholders during the General Assembly Meeting. Similarly, this information shall also be included in the annual report and published on the company's website to inform the public.

The Dividend Distribution Policy is submitted for the approval of shareholders at the General Assembly Meeting. This policy is reviewed annually by the Board of Directors, taking into account any potential adverse national and global economic conditions, as well as the status of ongoing projects and funds. Any changes to this policy are submitted for the approval of shareholders at the first General Assembly Meeting following the amendment and disclosed to the public on the company's website.

The Dividend Distribution Policy was approved at the Ordinary General Assembly Meeting held on March 26, 2014.

Human Resources Policy

Believing that the key to its success lies in the value placed on human resources and recognizing its employees as the foundation of all its operations, Akçansa is committed to being an exemplary and preferred employer in its industry. Through practices that foster continuous development and high performance, the company aims to attract and retain a highly qualified workforce.

In collaboration with Sabancı Holding and Heidelberg Materials, Akçansa implements modern Human Resources practices, fostering a workplace environment that enhances employee satisfaction and productivity. Rooted in a culture of mutual trust and respect, the company unites its employees under the identity of "Being an Akçansa Member."

While defining its Human Resources strategies and key objectives, Akçansa considers not only its corporate business goals but also the broader national and global economic landscape. Additionally, the company carefully evaluates the specific conditions of the cement, ready-mixed concrete, and aggregates sectors, as well as the dynamics of its port operations.

Akçansa upholds an equitable working environment where employees' attributes, including religion, language, race, sect, gender, physical conditions, and personal preferences, are never subject to inquiry under any circumstances. The company strictly prohibits any practices that could be perceived as discriminatory. There has been no negative feedback from employees regarding discrimination in the company's history.

Following the expiration of the collective bargaining agreemnet between the Cement Industry Employers' Association and the Çimse-İş Union, which covered the period from January 1, 2022, to December 31, 2023, a new collective bargaining agreement for the period from January 1, 2024, to December 31, 2025, was signed on January 31, 2024.

Risk Management and Internal Control Mechanism

At Akçansa, we handle risks defined under our corporate risk management methodology, utilizing standard practices and best practices in corporate risk management. We take a comprehensive approach to addressing risks in the areas of environmental, social, governance, operational, strategic, financial, and compliance, regularly monitoring and reporting on risks identified as high importance.

Through the Risk Early Detection Committee established in compliance with Article 378 of the Turkish Commercial Code No. 6102, we assess risks that may affect the company's existence, development, and continuity, and take actions aligned with our corporate risk management appetite. We make regular presentations to the relevant committee on risks and the measures taken, providing updates and information.

The Corporate Risk Management Department, reporting to the Risk Early Detection Committee made up of independent board members, carries out its activities by submitting reports on effective risk management and providing recommendations.

The committee assesses the risk reports, offers suggestions for required actions, regularly reviews the risk management processes, and ensures that the implementations within the responsible units align with the committee's decisions.

As part of our risk management processes, we identify and define risks, assess their impact and likelihood, calculate risk scores, determine the measures to be taken, and continuously update them by monitoring the risks. We ensure the effective management of risks in this process by employing a range of analytical techniques and reporting tools.

We approach our corporate reporting with an integrated strategy, incorporating environmental, social, governance (ESG), and sustainability dimensions. We analyze topics such as the transition to a low-carbon economy, evaluation of production activities, environmentally responsible operations, efficient use of natural resources, impacts on water and marine resources, biodiversity and ecosystems, investor relations, gender equality, and a human-centered management culture, concurrently assessing their risk and opportunity potential, in alignment with our financial reporting.

As a signatory of the Task Force on Climate-related Financial Disclosures (TCFD), we track climate risks and other ESG-related risks by integrating them into our corporate risk management, business continuity, and crisis management processes.

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Business Continuity Management

In line with the ISO 22301 Business Continuity Management System Standard, we implement business continuity management throughout the company to ensure the sustainability of our operations at an acceptable level following potential disruptions, aligning with our financial reporting practices. We develop crisis management and business recovery plans, conducting regular drills to enhance the effectiveness of these plans, in alignment with our financial reporting practices.

We integrate our efforts to enhance disaster management and operational resilience into all our processes, with a focus on minimizing the potential impact of risks, in alignment with our financial reporting framework.

To strengthen our risk management culture, we prioritize increasing risk awareness among our employees and continuously enhance this awareness through regular Corporate Risk Management, Crisis Management, Business Continuity, and Insurance training programs, in alignment with our financial reporting practices.

Regarding the internal control mechanism, there is an Internal Audit Department, and its objectives and principles are clearly defined, in alignment with our financial reporting framework. The Internal Audit Department carries out the tasks assigned by the Board of Directors effectively, within the framework of the current Audit Committee Charter, ensuring alignment with our financial reporting practices. The Internal Audit Department presents its reports to the Audit Committee at least four times a year during the committee meetings, in alignment with our financial reporting practices.

The Company's Financing Sources and Risk Management Policies

The company's financing needs are met through short- and medium-to-long-term export-backed loans, denominated in Turkish Lira and foreign currencies, in alignment with the company's export potential and financial reporting practices. Identification and monitoring of all risks that our Company may encounter forms the basis of risk management. The company and our managers have classified the possible risks and the necessary measures are taken. Financial risk encompasses asset-liability risk, creditworthiness, the capital/debt relationship, exchange rate risk, and other risk factors that could directly impact the company's financial position, in alignment with financial reporting practices. Natural risk includes disasters such as fires and earthquakes, as well as any other risks that may affect our performance. All of our plants are insured in accordance with efforts to minimize natural risks. Our company uses the necessary technological infrastructure to monitor operational results in real-time, ensuring that systems are not affected and data is not lost in case of any extraordinary events. By enabling measurement and processing, decision support processes are enhanced, human errors are eliminated, and the effectiveness of the internal control system is improved. Additionally, investments in backup systems are prioritized. Our company tracks credit risk, exchange rate risk, concentration risk, competition, and sales channel efficiency risks on a monthly basis.

Measures Considered for İmproving the Company's Financial Structure

Akçansa continues its hedging activities, in line with company procedures, to strengthen working capital when necessary, continuously improve cost structure, balance foreign currency-denominated cash inflows and outflows, and support strong financial capabilities, depending on market conditions.

Information on the Company's Subsidiaries, Affiliates, and Associated Securities

Company	Business locations	Shareholding type	Share percentage (%)
Çimsa Çimento San. ve Tic. A.Ş.	Türkiye	Affiliate	8.98
Altaş Ambarlı Liman Tes. A.Ş.	Türkiye	Affiliate	14
Liman İşletmeleri ve Nakliyecilik San. ve Tic. A.Ş.	Türkiye	Affiliate	15
Arpaş Ambarlı Römorkaj ve Pilotaj Tic. A.Ş.	Türkiye	Affiliate	16
Ambarlı Kılavuzluk A.Ş.	Türkiye	Affiliate	16

The company does not have any reciprocal affiliate relationships.

Characteristics and Amount of Issued Capital Market Instruments If Present

None.

Information on the Own Shares Acquired By The Company

Between January 1, 2024, and December 31, 2024, our company has not acquired its own shares.

Amendments Made to the Core Contract within the Period and Their Causes

No amendments have been made to the Company's Articles of Association between January 1, 2024, and December 31, 2024.

Information on Lawsuits Filed Against the Company

Information on lawsuits filed against the company. These lawsuits are not of a nature that could affect the company's financial position or operations.

Administrative or Judicial Sanctions Imposed on the Company and Its Board Members Due to Practices Contrary to Regulatory Provisions

No administrative or judicial sanctions have been imposed on the company or its board members due to practices contrary to regulatory provisions between January 1, 2024, and December 31, 2024.

Information on Donations Made Throughout the Year

In 2024, a total of TRY 61,406 thousand in donations and charitable contributions were made to various institutions and organizations, primarily educational institutions.

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General Assembly Information

The Ordinary General Assembly Meeting for the fiscal year 2023 was held on April 4, 2024, at Sabancı Center, 4. Levent, Istanbul. The invitation to the meeting was announced within the legal period on the Public Disclosure Platform and in the March 12, 2024, issue (No. 11041) of the Turkish Trade Registry Gazette. The General Assembly Information Documents were made available to shareholders on the company's website, www.akcansa.com.tr, three weeks prior to the meeting date. The meeting agenda included items on the election of board members, the dividend distribution proposal, the selection of the auditor, granting the board of directors the authority to distribute dividend advances, information on donations made during the period, and the determination of the donation and charity upper limit for the next financial period. No agenda proposal was submitted requesting written responses from shareholders. During the Ordinary General Assembly Meeting held in 2024, all shareholders who wished to speak were given the opportunity to do so, and all questions were answered by the Chairman of the General Assembly without any time limitations. In accordance with the Capital Markets Board's "Corporate Governance Principles" (II-17.1) Articles 1.3 and 1.5, the questions asked and the answers provided during the General Assembly Meeting were recorded in the meeting minutes and disclosed to the public through the Company's website. The General Assembly minutes are continuously available to shareholders on the website www.akcansa.com.tr. The Ordinary General Assembly held on April 4, 2024, was registered on April 29, 2024, and published in the Trade Registry Gazette No. 11071 on the same date.

In accordance with Article 28 of the Articles of Association, votes in General Assembly meetings are cast openly by raising hands and/or through electronic participation. However, at the request of shareholders representing the majority of the votes in the General Assembly meetings, it is mandatory to conduct voting through written or secret ballots. During the general assembly, shareholders and their representatives may present their views or proposals on agenda items by submitting motions.

No Extraordinary General Assembly meetings were held during the period.

Significant decisions, including mergers and acquisitions within the scope of the Turkish Commercial Code and Capital Markets Legislation, are submitted to the General Assembly for approval by the shareholders. There are no provisions in the Articles of Association regarding the limitation of voting rights or voting superiority, and the regulations of the Turkish Commercial Code (TCC), the Capital Markets Board (CMB), and the Articles of Association are adhered to.

Dividend Distribution

At the Company's Ordinary General Assembly Meeting held on April 4, 2024, it was decided to distribute a total dividend of TRY1,150,000 thousand, representing TRY 191,447 thousand of the capital, to the shareholders, based on their legal status, at a rate of 600.69% (gross) and 540.62% (net) from the 2024 profits. The dividend payment was made in cash starting from April 15, 2024, and the distribution process was completed on April 17, 2024. The payment amount, taking into account the impact of inflation accounting, is TRY 1,398,515 thousand based on the purchasing power as of December 31, 2024.

Annual Information

As of the end of 2024, our domestic sales revenue amounted to TRY 17.18 billion, while our international sales revenue reached TRY 4.43 billion.

F) Financial Position

Summary Financial Statements

Financial Position Statement (Thousand TRY)	December 31, 2024
Current Assets	10,857,809
Fixed Assets	17,539,897
Total Assets	**28,397,707**
Short Term Liabilities	6,771,381
Long-Term Liabilities	1,071,564
Total Liabilities	**7,842,945**
Shareholders' Equity	**20,554,762**
Total Resources	**28,397,707**

Profit or Loss Statement (Thousand TRY)	December 31, 2024
Revenue	21,614,189
Cost of Sales (-)	(18,009,034)
Gross Profit	**3,605,155**
Real Operating Profit	**2,505,101**
Operating profit before financing expense	2,616,769
Profit before taxes from on-going operations	2,525,670
Period profit from on-going operations	1,672,507
Period Profit	**1,672,507**

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Financial ratios (Thousand TRY)

LIQUIDITY RATIOS		December 31, 2024
Current Rate	Floating Assets/STA	1.60
Acid test ratio	(Floating Assets-Stocks)/STA	1.30
Stocks/Current Actives	Stocks / Floating Assets	0.19
Operating Capital	Floating Assets (Except cash and stocks)- STL (except credits)	2,040,778
FINANCIAL STRUCTURE RATIOS		
Financial Leverage	(ST+LT Foreign Assets)/Actives	0.28
Fixed Assets/Equity		0.85
Financial Payables/Equity		0.14
Net Financial Position	Liquid Assets-Financial Liabilities	1,690,966
PROFITABILITY RATIOS		
Asset Turnover Rate	Net Sales/Total Assets	0.76
Gross Margin	Gross Sales Profit/Net Sales	0.17
Active Efficiency	Net Profit/Total Actives	0.06
Operating Profit/Sales Revenue		0.12
Net Earnings Per Share		8.74
Cash Assets		4,509,346
Financial Liabilities		2,818,380
Net Financial Position		**-1,690,966**
Trade Receivables		3,417,579
Other Receivables		863,454
Inventories		2,067,429
Trade Payables		-3,753,338
Other Payables		-554,347
Net Operating Capital		**2,040,778**

Regarding the Reports Prepared Within the Scope of the Turkish Commercial Code and Capital Markets Legislation

Concluding Section of our Affilation Report;

In accordance with Article 199 of the Turkish Commercial Code No. 6102, Akçansa has provided detailed information regarding the terms, pricing methods, and justifications of recurring and continuous goods purchasing and selling transactions with related parties such as Sabancı Holding (Hacı Ömer Sabancı Holding A.Ş.), Heidelberg Materials AG, and their subsidiaries. The report also includes information on the status of these transactions in relation to market conditions.

In the fiscal year from January 1, 2024, to December 31, 2024, all transactions conducted with our parent company and its subsidiaries were carried out in accordance with the principles of integrity and accountability. Based on the known terms and conditions, legal transactions made for the benefit of the parent company or its subsidiaries, as well as measures taken or avoided for the benefit of the parent company or its subsidiaries during the 2024 operating period, have been evaluated and reported.

In the report prepared by the Board of Directors of Akçansa, dated February 14, 2025, it has been observed that all transactions conducted in 2024 with Akçansa's parent company and its subsidiaries were carried out in compliance with the legal requirements outlined in Article 199 of the Turkish Commercial Code No. 6102, and all necessary legal actions and precautions were taken within the scope of the responsibilities entrusted to the board.

The transactions executed are in accordance with the provisions set forth in Article 199 of the Turkish Commercial Code No. 6102 regarding the parent company. Given that these transactions are part of the corporate group, we affirm that no losses have been incurred.

Concluding Section of the Related Party Transactions Report:

In accordance with Article 10 of the Corporate Governance Communiqué (II-17.1) published by the Capital Markets Board on January 3, 2014, in the Official Gazette No. 28871:

- It is anticipated that the electricity purchase transactions from Enerjisa Üretim Santralleri A.Ş. and the coal and petcoke purchase transactions from HM Trading companies will not exceed the 10% threshold for the year 2024; however, these transactions are expected to exceed 10% in 2025.
- It is also anticipated that the sales transactions of cement and clinker to HM Trading companies will exceed 10% of the total sales disclosed in the 2024 financial statements within the same fiscal year and may surpass 10% in 2025.

Therefore, the terms, pricing methods, and justifications for these transactions have been explained in this report, providing detailed information regarding the market conditions and the circumstances of these transactions.

The electricity purchase transactions with Enerjisa Üretim Santralleri A.Ş. and the coal and petcoke purchases, as well as the cement and clinker sales transactions with HM Trading companies in 2024, have been conducted in accordance with market conditions and comparable transactions. Similarly, the transactions with Enerjisa Üretim Santralleri A.Ş. and HM Trading companies in 2025 will be executed in compliance with market standards and the company's budgetary plans.

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Decentralized Organizations

General Directorate	: Barbaros Mahallesi Kardelen Sk. No:2 D.124-125 Palladium Tower Ataşehir/İstanbul
Switchboard	: 0 (216) 571 30 00
Fax	: 0 (216) 571 31 11

The adrdesses of our workplaces other that our head office are as follows.

NO	SALES OFFICES	ADDRESS
1	SAMSUN SALES OFFICE	Güzelyalı Mah. 3003 Sok. No:2 Çamkoru Sitesi Atakum/SAMSUN
2	ÇANAKKALE SALES OFFICE	İnönü Caddesi ÇTSO İş Merkezi No:141 Daire 14-15 Çanakkale
3	IŞIKKENT SALES OFFICE	Egemenlik Mahallesi Işın Caddesi No:3 Bornova/İZMİR
4	BÜYÜKÇEKMECE SALES OFFICE	Mimar Sinan Mah. Sultan Murat Caddesi No:12/1 Büyükçekmece/İstanbul
5	KEMERBURGAZ SALES OFFICE	Mimar Sinan Mah.Cendere Yolu No:29 Eyüp/İstanbul

NO	PLANTS	ADDRESS
1	ÇANAKKALE PLANT	Mahmudiye Beldesi 17640 Ezine / ÇANAKKALE
2	BÜYÜKÇEKMECE PLANT	Mimar Sinan Merkez Mahallesi İçel Caddesi İdari Bina Sitesi No: 13-1/1 Büyükçekmece/İSTANBUL
3	SAMSUN LADİK PLANT	İskaniye mah.Akpınar Mevkii Ladik / SAMSUN

NO	TERMINALS	ADDRESS
1	KARAMÜRSEL/YALOVA TERMINAL	Balcı Mevkii SCA PLANTsı içi Kaytazdere-Altınova / YALOVA
2	ALİĞA TERMINAL	Nemrut Körfezi Ege Çelik Limanı Aliağa/İzmir
3	AMBARLI TERMINAL	Marmara Mah. Liman Cad. No:45 Beylikdüzü/İstanbul
4	YARIMCA TERMİNAL	Atalar Mahallesi Sahil Caddesi Marmara Tersanesi Sitesi Blok No:1 Körfez, Kocaeli

NO	AGGREGATE PLANTS & QUARRIES	ADDRESS
1	SARAY AGGREGATE PLANT	Kavacık köyü Mevkii Saray / TEKİRDAĞ
2	DANAMANDIRA AGGREGATE PLANT	Danamandıra Köyü Silivri/İSTANBUL
3	BURSA AGGREGATE PLANT	Kayapa Mah. Bursa Yolu (580) Cad. No:75 Nilüfer / BURSA
4	ÇANAKKALE BİGA PLANT	B.Çaydere Mevkii Selvi Köyü Biga Çanakkale
5	MURATBEY PLANT	Ferhatpaşa Mah. Esentepe Çıkmazı Sk. No:6 Çatalca İstanbul
6	ÇANAKKALE RAW MATERIAL QUARRIES PLANT	Mahmudiye Köyü Hürriyet Mevkii 8.Sokak Akçansa Müdürlük Blok No:2 Ezine/Çanakkale
7	BALIKESİR HAVRAN PLANT	Kocaseyit Mah. 23037 Sk. No:224 Havran/ Balıkesir
8	YAYLACIK PLANT	Yaylacık Mah. Yağız Çıkmazı Sk. No: 12 Çatalca / İstanbul

NO	READY-MIX CONCRETE PLANTS	ADDRESS
1	ALİAĞA RMC PLANT	18.cd. No:4 Horozgediği Aliağa / İZMİR
2	KEŞAN RMC PLANT	Yeni Muhacır Beldesi Cumhuriyet Mah. İstanbul Yolu Cad. No:33 Keşan/EDİRNE
3	MENEMEN RMC PLANT	Kazımpaşa Mah. 1212 Sok. No:24 Menemen/İZMİR
4	YENİBOSNA RMC PLANT	Yenibosna Merkez Mah. Cemal Ulusoy Cad. No:43/2 Bahçelievler/İstanbul
5	TEKİRDAĞ RMC PLANT	Kayı Mah. Muratlı Cad. No:321 Süleymanpaşa Tekirdağ
6	SİLİVRİ RMC PLANT	Alipaşa Mahallesi Fatih Sultan Mehmet Caddesi No:28 Silivri/İstanbul
7	MERZİFON RMC PLANT	İstanbul Yolu 1.km Alıcık yolu üzeri (26.27.H Pafta-291 Ada-5 nolu Parsel) Merzifon / AMASYA
8	SAMSUN 2 RMC PLANT	Sanayi mahallesi İşcan Caddesi No:2 TEKKEKÖY- SAMSUN
9	TOKAT RMC PLANT	Gökçe Köyü Tombulkaya Mevkii Tokat-Sivas Karayolu 10. km. TOKAT
10	ÇERKEZKÖY RMC PLANT	Beylikçayır Mevkii Veliköy Mahallesi Dere Caddesi No:2/B Çerkezköy / TEKİRDAĞ
11	KEMERBURGAZ RMC PLANT	Mimar Sinan Mah.Cendere Yolu No:29 Eyüp/İstanbul
12	BÜYÜKKARIŞTIRAN RMC PLANT	Yeni Mahalle D 100 Karayolu No:25 Büyükkarıştıran Lüleburgaz/Kırklareli
13	EDREMİT RMC PLANT	Yolören mahallesi 930. Sokak No:4/1 Edremit/Balıkesir
14	BAŞKÖY RMC PLANT	Başköy Mahallesi 493 İsimsiz Sk. No.10 Nilüfer/Bursa
15	NİLÜFER RMC PLANT	Kayapa Mahallesi Bursa Yolu Caddesi No:24/1 Nilüfer Bursa
16	SAMSUN III RMC PLANT	Derecik Mahallesi Ovalar Caddesi 204 Sokak No: 2 İlkadım/SAMSUN
17	GEBZE II RMC PLANT	Tavşanlı Mahallesi 4510 sokak No:37/2 Gebze/Kocaeli
18	ÇORLU RMC PLANT	Cumhuriyet Mahallesi Ali Osman Çelebi Bulvarı No:135/A Çorlu Tekirdağ
19	BANDIRMA RMC PLANT	Edincik Mahallesi, Küçükkoru Kümeevler No:10 Bandırma
20	ESENKENT 2 RMC PLANT	Selahaddin Eyyubi Mahallesi 1340. Sk. No: 5 Esenyurt / İstanbul
21	YALOVA RMC PLANT	Taşköprü Beldesi Taşköprü Merkez Mahallesi AK-KİM Sk. No:1/1 Taşköprü Beldesi Çiftlikköy/Yalova
22	MANİSA MURADİYE RMC PLANT	Muradiye Mah. 37 Osb Sokak No:4 Yunusemre Manisa
23	BAŞAKŞEHİR RMC PLANT	Şahintepe Mahallesi Muratdere Caddesi No:134/1 Başakşehir İstanbul
24	BAHÇEŞEHİR RMC PLANT	Bahçeşehir 1.Kısım Mahallesi Aliya İzzet Begoviç Caddesi No:1/1 Başakşehir/İstanbul
25	YARIMBURGAZ RMC PLANT	Yarımburgaz Mahallesi, Nükleer Araştırma Merkezi Yolu Sokak, No:3 Küçükçekmece/İstanbul
26	DEĞİRMENKÖY RMC PLANT	Değirmenköy Fevzipaşa Mahallesi, Çil Sok. No:6/6 Silivri/İstanbul
27	BEYKOZ RMC PLANT	Akbaba Mah. Akbaba Cd. No:151 Beykoz / İstanbul

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	√					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	√					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	√					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					√	No such transaction took place in the year 2024.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	√					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	√					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.			√			The General Assembly meeting is not held as open to the media for security and time management reasons.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	√					
1.4.2 - The company does not have shares that carry privileged voting rights.	√					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					√	Our company does not have a partnership in mutual participation relationship.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	√					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twenthieth of the outstanding shares, and expand the scope of the minority rights.			√			It is not regulated in the Articles of Association, as well as the provisions of the TCC and CMB provisions are applied.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	√					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	√					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					√	Profit distribution was made.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	√					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	√					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	√					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	√					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	√					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	√					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	√					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	√					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	√					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	√					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	√					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	√					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	√					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	√					
3.3.2 - Recruitment criteria are documented.	√					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	√					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	√					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	√					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	√					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	√					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	√					
3.3.9 - A safe working environment for employees is maintained.	√					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	√					
3.4.2 - Customers are notified of any delays in handling their requests.	√					
3.4.3 - The company complied with the quality standards with respect to its products and services.	√					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	√					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	√					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	√					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	√					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	√					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	√					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	√					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	√					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	√					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	√					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	√					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	√					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		√				The Company has a Board of Directors Diversity Policy, and there is 1 woman member in the Board of Directors, which consists of 6 members.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	√					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	√					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	√					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					√	No such transaction took place in the year 2024.
4.4.4 - Each member of the board has one vote.	√					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	√					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	√					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		√				It is important for the members of the Board of Directors to allocate a reasonable time for the Company and to abstain from external duties that may cause a conflict of interest. However, members of the Board of Directors may take other duties outside the company. The Members of the Board of Directors were granted permission within the scope of Articles 395 and 396 of the TCC at the Company's General Assembly.

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			√			Although a specific attention is given to determine committee memberships based on professional experiences of independent directors, due to the limited number of independent Board members and the obligations required by the capital market regulations, the members may be assigned to more than one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	√					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					√	No such transaction took place in the year 2024.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	√					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	√					
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	√					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		√				The remunerations of the members of the Board of Directors are disclosed individually as they are decided by the General Assembly, while the total remunerations provided for the executives are disclosed to public in the notes to the financial statements. Compensations for the executives have been made in accordance with wage policies taking into account performance criteria. Since this information is a personal information, it was not announced on an individual basis.

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	In 2024, 44 meetings were held with analysts and capital market participants.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	There is no such transaction.
The number of special audit requests that were accepted at the General Shareholders' Meeting	There is no such transaction.
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/1257179
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	There is no such transaction.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/1252038
The name of the section on the corporate website that demonstrates the donation policy of the company	Sustainability/Our Policies/Donation and Charity Policy at our website www.akcansa.com.tr
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/425038
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Articles of Association, Article 28 & General Assembly Internal Directive: http://www.akcansa.com.tr/Investor Relations/Corporate Governance/Articles of Association & General Assembly Internal Directive
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Company shareholders and representatives, members of the Board of Directors, auditor of the Company, General Manager and personnel preparing the General Assembly attended the General Assembly.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	39,72%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association	Irrelevant
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Sustainability/Our Policies/Profit Distribution Policy on our website www.akcansa.com.tr
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Irrelevant
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	Irrelevant

CORPORATE GOVERNANCE INFORMATION FORM

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	www.akcansa.com.tr. / Investor Relations & Sustainability section
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	www.akcansa.com.tr. / Investor Relations-Corporate Governance-Shareholding Structure section
List of languages for which the website is available	Turkish/English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	General Information section of the 2024 Annual Report, the section stating the authorities and responsibilities of the members of the Board of Directors and managers, and the the section stating Number, Structure and Independence of the Committees Established within the Board of Directors
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	“General Information”, “Board of Directors” and “The Number, Structure and Independence of the Committees Established at the Board of Directors” sections of the 2024 Annual Report
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Section of the 2024 Annual Report including Operating Principles of the Board of Directors
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	-
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Section of the 2024 Annual Report including lawsuits filed against the company
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Section of the 2024 Annual Report including statement on conflicts of interest between service providers and the company
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	It has no mutual participation.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Section including 2024 Annual Report Staff and worker movements, collective bargaining agreement practices, rights and benefits provided to staff and workers, and Human Resources Policy

CORPORATE GOVERNANCE INFORMATION FORM

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	-
The number of definitive convictions the company was subject to in relation to breach of employee rights	24
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Akçansa Çimento Sanayi ve Ticaret A.Ş. Human Resources and Corporate Communication Vice General Manager
The contact detail of the company alert mechanism.	etik@akcansa.com.tr - etik@sabanci.com / - 0212- 385 85 85-216-571 30 00
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	-
Corporate bodies where employees are actually represented	Labor Union
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The management succession planning is reviewed annually and presented to the chairman of the Board of Directors.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	www.akcansa.com.tr /Sustainability/Our Policies/Gender Equality Policy & Human Resources sections
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	It is found under the heading at http://www.akcansa.com.tr/sustainability/our policies/code of ethics. It is unacceptable to discriminate among employees within the organization for language, race, color, gender, political thought, belief, religion, sect, age, physical disability and similar reasons. A positive and harmonious working environment that supports cooperation is created and conflict environments are prevented, so that people with different beliefs, thoughts and opinions work in harmony.
The number of definitive convictions the company is subject to in relation to health and safety measures	8
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	http://www.akcansa.com.tr/Sustainability/Our ESG Policies/Code of Ethics.
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	http://www.akcansa.com.tr/Sustainability/Social Sustainability
Any measures combating any kind of corruption including embezzlement and bribery	http://www.akcansa.com.tr/ Sustainability/Our ESG Policies/Anti-Bribery and Anti-Corruption Policy

CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	2025/Q1
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Burak Turgut Orhun - Chairman of the Board of Directors , Hayrullah Hakan Gürdal Vice Chairman of the Board of Directors
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	4
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Risk Management and Internal Control Mechanism in the 2024 Annual Report and the Company's sources of finance and risk management policies
Name of the Chairman	Burak Turgut Orhun
Name of the CEO	Vecih Yılmaz
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	Group insurance has been made regarding the responsibilities of the Members of the Board of Directors, but there has been no PDP announcement.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	http://www.akcansa.com.tr/ Sustainability/Our ESG Policies/Board of Directors Diversity Policy
The number and ratio of women directors within the Board of Directors	1, %17
4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	4
Director average attendance rate at board meetings	99%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	14 days
The name of the section on the corporate website that demonstrates information about the board charter	http://www.akcansa.com.tr/Investor Relations/ Corporate Governance/ Article of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented.	2024 Annual Report - Number, Structure and Independence of the Committees Formed within the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	It has not been published on the public disclosure platform and is available on our Corporate Website under http://www.akcansa.com.tr Investor Relations-Corporate Governance-Committees.

CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	2024 Annual Report - Number, Structure and Independence of the Committees Formed within the Board of Directors
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	2024 Annual Report - Number, Structure and Independence of the Committees Formed within the Board of Directors
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	2024 Annual Report - Number, Structure and Independence of the Committees Formed within the Board of Directors
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	2024 Annual Report - Number, Structure and Independence of the Committees Formed within the Board of Directors
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	2024 Annual Report - Number, Structure and Independence of the Committees Formed within the Board of Directors
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Information about the sector in which the business operates and its place in this sector
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	http://www.akcansa.com.tr/Sustainability/Our Policies/Remuneration Policy for Board Members and Senior Executives
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Section on Total of Financial Rights and Fees and Benefits of Senior Management Staff of the 2024 Annual Report

CORPORATE GOVERNANCE INFORMATION FORM

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
4.04.2024	0	81,06%	0,02%	81,04%	www.akcansa.com.tr /Investor Relations/ Corporate Governance/General Assembly Meetings	www.akcansa.com.tr / Investor Relations/Corporate Governance/General Assembly Meetings	-	0	https://www.kap.org.tr/tr/ Bildirim/1267454

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link to PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Burak Turgut Orhun	No	No	12.05.2021		No	-	Yes
Hayrullah Hakan Gürdal	No	No	1.09.2014		No	-	Yes
Sakine Şebnem Önder	No	No	19.09.2022		No	-	No
Rene Samir Aldach	No	No	4.04.2024		No	-	Yes
Bülent Bozdoğan	No	Yes	30.04.2022	https://www.kap.org.tr/tr/ Bildirim/1257179	Evaluated	No	Yes
Ali Aynacı	No	Yes	4.04.2024	https://www.kap.org.tr/tr/ Bildirim/1257179	Evaluated	No	Yes

Composition of Board Committees-I

Names of the Board Committees	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	Bülent Bozdoğan	Yes	Board member
Audit Committee	Ali Aynacı	No	Board member
Corporate Governance Committee	Bülent Bozdoğan	Yes	Board member
Corporate Governance Committee	Ali Aynacı	No	Board member
Corporate Governance Committee	Dinçer Bulan	No	Not board member
Committee of Early Detection of Risk	Ali Aynacı	Yes	Board member
Committee of Early Detection of Risk	Bülent Bozdoğan	No	Board member

Composition of Board Committees-II

Names Of The Board Committees	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	100%	100%	4	4
Corporate Governance Committee	100%	67%	4	4
Committee of Early Detection of Risk	100%	100%	6	6

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
A.	**General Principles**						
A1.	**Strategy, Policy and Targets**						
	Material environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's board of directors.	Yes				Short, medium and long-term ESG risks and opportunities are evaluated and reviewed regularly by the Board of Directors, which is at the top of the Sustainability Governance Structure.	Akçansa 2023 Integrated Annual Report, Risk Management Section, Pages 30-34 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
A1.1	ESG Policies (i.e., Environmental Policy, Energy Policy, Human Rights and Labor Policy etc.) have been established and publicly disclosed by the Company's board of directors.	Yes				ESG Policies approved by the Board of Directors are disclosed to the public on the corporate website and within the scope of the integrated annual report.	Akçansa Corporate Website, Sustainability / Our ESG Policies / Occupational Health and Safety Policy, https://www.akcansa.com.tr/wp-content/uploads/2025/01/EYS-ORT-01-P04_EN_1-HEALTH-AND-SAFETY-POLICY.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Quality Policy, https://www.akcansa.com.tr/wp-content/uploads/2025/01/KYS-ORT-01-P01_EN_1-QUALITY-POLICY.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Environmental and Energy Management System Policy, https://www.akcansa.com.tr/wp-content/uploads/2025/01/EYS-ORT-01-P01_EN_4-ENVIRONMENT-AND-ENERGY-POLICY.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Gender Equality Policy, https://www.akcansa.com.tr/docs/Akcansa_toplumsal_cinsiyet_esitligi_politikasi.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Board of Directors Diversity Policy, http://www.akcansa.com.tr/docs/Board_of_Directors_Diversity_Policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Sustainability Communication Policy https://www.akcansa.com.tr/docs/eng-akcansa-surdurulebilirlik-noema.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy https://www.akcansa.com.tr/docs/human-rights-policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Biodiversity Policy https://www.akcansa.com.tr/docs/eng-bio-cesitlilik.pdf
A1.2	Short and long-term targets which have been defined under the ESG policies are disclosed to the public.	Yes				Within the scope of ESG policies, material issues were determined, risks and opportunities for material issues were evaluated, and 2030 Sustainability Targets were determined and announced accordingly. Long-term and annual interim ESG targets are monitored regularly.	Akçansa 2023 Integrated Annual Report, Our Strategy and Value Creation Model Section, Pages 38-42 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
A.	**General Principles**						
A2.	**Application/Monitoring**						
A2.1	The committees and/or departments responsible for the execution of ESG policies and top-level executives in the Company related to ESG issues and their duties have been identified and they are publicly disclosed.	Yes				The Board of Directors is at the top of the Sustainability Governance Structure. The Corporate Governance Committee, affiliated to the Board of Directors, is responsible for following the sustainability practices and determining the issues that should be evaluated by the Board of Directors. Sustainability practices, risks and opportunities within and outside the organization, investment plans are submitted by the Sustainability Steering Committee to this committee. The company's long-term and annual interim sustainability targets are also regularly monitored by the Board of Directors, and risks and opportunities arising from climate change are evaluated.	Akçansa 2023 Integrated Annual Report, Our Sustainablity Governance Structure Section, Pages 26-27 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa Corporate Website, Investor Relations / Corporate Governance / Committees / Corporate Governance Committee Internal Regulations, Article 3.8, Article 3.9 https://www.akcansa.com.tr/docs/en/corporate-governance-committee-detail.pdf
	The responsible committee / unit reported the activities carried out within the scope of the policies to the Board of Directors at least once a year.	Yes				ESG related issues are reported to the Board of Directors at least twice a year by the Corporate Governance Committee.	Akçansa 2023 Integrated Annual Report, Our Sustainablity Governance Structure Section, Pages 26-27 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
A2.2	In line with ESG targets, implementation and action plans were developed and disclosed to the public.	Yes				The 2030 Sustainability Targets and their development status over the years are explained. The targeted sub-actions in this direction are shared within the scope of annual reports and the CDP report.	Akçansa 2023 Integrated Annual Report, Our Strategy and Value Creation Model Section, Pages 38-42 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
A2.3	ESG Key Performance Indicators (KPI) and the level of achievement of these indicators were disclosed to the public on a yearly basis.	Yes				2030 Sustainability Targets and the development status by years were disclosed. In the light of the available information, sector comparisons and comparisons with international standards are included in the integrated annual report.	Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress Section, Pages 41-42 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
A2.4	Activities to improve the sustainability performance of business processes or products and services have been disclosed to the public.	Yes				Sustainability performance, targets and improvement actions are announced at least once a year within the scope of the integrated annual report. Voluntary participation in CDP climate change and water security programs are ensured every year. Within the scope of the United Nations Global Compact, a regular progress report is made every year and disclosed to the public.	Akçansa 2023 Integrated Annual Report, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 CDP Report, https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf Akçansa 2024 United Nations Global Compact Communication on Progress https://cop-report.unglobalcompact.org/COPViewer/2024?responseId=R_6TNqornN3jhRqmz
A3.	**Reporting**						
A3.1	In the Company's annual reports, information regarding sustainability performance, targets and actions should be disclosed in an understandable, accurate and sufficient manner.	Yes				Sustainability strategy, sustainability focus areas, sustainability goals, actions and other developments are presented objectively in the integrated annual report.	Akçansa 2023 Integrated Annual Report, Our Strategy and Value Creation Model Section, Pages 38-43 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
A3.2	Information on which of the Company's activities are related to the United Nations (UN) 2030 Sustainable Development Goals (SDGs) has been disclosed to the public by the Company.	Yes				The relationship of its activities with the (UN) 2030 Sustainable Development Goals were reported in its integrated annual report, within the scope of the 2030 Sustainability Targets and through the UNGC Communication on Progress.	Akçansa 2023 Integrated Annual Report, Our Strategy and Value Creation Model Section, Pages 38-43 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 United Nations Global Compact Communication on Progress https://cop-report.unglobalcompact.org/COPViewer/2024?responseId=R_6TNqornN3jhRqmz
A3.3	Lawsuits filed and/or concluded against ESG issues, which are important in terms of ESG policies and/or will significantly affect activities, have been disclosed to the public.	Yes				In case of lawsuits that may seriously affect the operations of the company, the details of the lawsuits may be included in the integrated annual report within the framework of the principles of public disclosure.	Akçansa 2023 Integrated Annual Report, Page 93 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
A4.	**Verification**						
A4.1	The Company's ESG Key Performance metrics have been verified by an independent third party and publicly disclosed.	Yes				Sustainability and ESG criteria and performance indicators are subject to limited assurance audits by 3rd party verifiers and assurance statements are disclosed to the public within the scope of integrated annual reports.	Akçansa 2023 Integrated Annual Report, GRI Content Index, External Assurance, Page 182-184 Akçansa 2023 Integrated Annual Report, Limited Assurance Report, Pages 176-178 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
B.	**Environmental Principles**						
B1	The Company has publicly disclosed its policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.	Yes				Environmental management policies, practices, management systems and programs are explained with communication mechanisms such as integrated annual report, CDP reporting and website.	Akçansa 2023 Integrated Annual Report, Environmental Compliance, Pages 63-67 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 CDP Report https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B2	The scope of the report, reporting period, reporting date, and the limitations regarding the reporting conditions were disclosed to the public regarding the environmental reports prepared regarding information on environmental management.	Yes				The report boundary, operations covered, reporting period, reporting date, information on the data collection process and constraints on reporting conditions are explained in the integrated annual report.	Akçansa 2023 Integrated Annual Report, About the Report Section, Page 5 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B3	Given in A2.1.	Yes					
B4	Environmental targets included in the reward criteria within the scope of performance incentive systems on the basis based on (such as members of the Board of Directors, managers, and employees) have been disclosed to the public.	Yes				ESG targets are integrated into the performance targets of senior management and employees. It was announced to the public by the Remuneration Policy for the Board of Directors and Senior Executives that the ESG targets were integrated into the performance targets. In addition, information on which targets are included in the performance targets was shared through the CDP Climate Change Report.	Akçansa 2024 CDP Report, Part 4.5, Section C1.3a, Page 113 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B5	It has been disclosed to the public that the way of material environmental issues integration into business objectives and strategies.	Yes				In line with the materiality analysis, strategic sustainability focus areas were determined and targets were determined within the framework of these focus areas. Information on the materiality analysis process, focus areas and targets are explained in the integrated annual report. In addition, how environmental issues, especially climate-related issues, are integrated into business goals and strategies are disclosed to the public through CDP reports.	Akçansa 2023 Integrated Annual Report, Our Strategy and Value Creation Model Section, Pages 38-43 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 CDP Report, Section C5, Page 147 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B6	Given in A2.4.	Yes					
B7	It has been publicly disclosed how environmental issues are managed and integrated into business objectives and strategies throughout the Company's value chain; including the operational process, suppliers and customers.	Yes				Through integrated annual reports, stakeholder interaction, awareness raising and management processes of sustainability risks and opportunities throughout the value chain are explained. Also how the ESG elements in the supply chain are managed with the Sustainable Supply Chain Policy were disclosed.	Akçansa 2023 Integrated Annual Report, Our Lifecycle Approach Section, Page 43, Akçansa 2023 Integrated Annual Report, Creating Value For Our Stakeholders Section, Pages 81-82, Akçansa 2023 Integrated Annual Report, Ethics and Compliance Section, Page 35 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B8	Whether relevant organizations and non-governmental organizations on the environment are involved in the policy-making processes and the collaborations with these institutions and organizations were disclosed to the public.	Yes				Through memberships with various relevant institutions and organizations, various NGOs are involved in policy making processes and collaborations are implemented. Activities and related memberships are explained in integrated annual reports and CDP reports.	Akçansa 2023 Integrated Annual Report, Our Corporate Memberships Section, Page 156, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 CDP Report, Section C5.11, Pages 185-186, Akçansa 2024 CDP Report,Section C5.11.2, Page 188 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf

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		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
B.	**Environmental Principles**						
B9	Environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) information about the impacts of the Company has been disclosed to the public on a comparable basis periodically.	Yes				All emissions are calculated and disclosed to the public in accordance with internationally valid methodologies. All air quality, energy, water, waste and biodiversity impacts are measured and monitored within the framework of internationally accepted standards. All information is shared through integrated annual reports and CDP reports.	Akçansa 2023 Integrated Annual Report, Our Material Issues Section, Page 40, Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress Section, Pages 41-42 Akçansa 2023 Integrated Annual Report, Environmental Indicators Section, Pages 171-174, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 CDP Report, Section C7., Pages 209-236 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf Akçansa 2024 CDP Report, Section C9., Pages 280-310 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf Akçansa 2024 CDP Report, Section C11., Page 314 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B10	Details of the standard, protocol, methodology, and base year used to collect and calculate data have been publicly disclosed.	Yes				It is explained in the Integrated Annual and CDP reports.	Akçansa 2023 Integrated Annual Report, Our Material Issues Section, Page 40, Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress Section, Pages 41-42 Akçansa 2023 Integrated Annual Report, Environmental Indicators Section, Pages 171-174, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 CDP Report, Section C7., Pages 209-236 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B11	In comparison with previous years, the increase or decrease of environmental indicators for the reporting year has been disclosed to the public.	Yes				It is explained in the Integrated Annual and CDP reports.	Akçansa 2023 Integrated Annual Report, Our Material Issues Section, Page 40, Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress Section, Pages 41-42 Akçansa 2023 Integrated Annual Report, Environmental Indicators Section, Pages 171-174, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 CDP Report, Section C7., Pages 209-236 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B12	Short and long-term targets have been determined to reduce the Company's environmental impacts, and the progress of these targets and the targets determined in previous years has been disclosed to the public.	Yes				2030 Targets and progress is shared in Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Our Material Issues Section, Page 40, Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress Section, Pages 41-42 Akçansa 2023 Integrated Annual Report, Environmental Indicators Section, Pages 166-168, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B13	A strategy to combat the climate crisis has been created and the planned actions have been publicly announced.	Yes				It is explained in integrated annual and CDP reports. Risks were determined by performing scenario analysis, necessary actions were put forward, action plans were prepared and targets were determined. There is an emission reduction target.	Akçansa 2023 Integrated Annual Report, Our Material Issues Section, Page 40, Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress Section, Pages 41-42 Akçansa 2023 Integrated Annual Report, Combating Climate Change is Possible Together Section, Pages 45-47 Akçansa 2023 Integrated Annual Report, Sustainable Nature and Environment is Possible Together Section, Pages 63-67 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 CDP Report, Section C5., Pages 147-175 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf

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		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
B.	**Environmental Principles**						
B14	Programs or procedures have been established and disclosed to the public in order to prevent or minimize the potential negative impact of products and/or services on the environment.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Combating Climate Change is Possible Together Section, Pages 45-47 Akçansa 2023 Integrated Annual Report, Sustainable Nature and Environment is Possible Together Section, Pages 63-67 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
	Actions have been taken to reduce greenhouse gas emissions of third parties (i.e., suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.	Yes				It is explained in CDP reports.	Akçansa 2024 CDP Report, Section C5.11.7, Pages 200-204 https://www.akcansa.com.tr/files/2023-Climate_Change_Information.pdf
B15	The environmental benefits and cost savings of initiatives and projects aimed at reducing environmental impacts have been disclosed to the public.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Environmental Indicators Section, Pages 171-174, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are publicly disclosed as Scope-1 and Scope-2.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Environmental Indicators Section, Pages 171-174, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B17	Public disclosure was made about the electricity, heat, steam and cooling produced in the reporting year.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Energy Management Section, Page 47, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B18	Actions on increasing the use of renewable energy and transition to zero or low carbon electricity have been made and publicly announced.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Energy Management Section, Page 47, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B19	Renewable energy production and consumption data is publicly disclosed.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Energy Management Section, Page 47, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B20	Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects has been disclosed to the public.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Energy Management Section, Page 47, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B21	Water consumption, and if any amounts of water drawn, recycled and discharged from underground or above ground, sources and procedures are publicly disclosed.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Water Management Section, Page 65, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B22	It has been publicly disclosed whether the Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	Yes				It is explained in CDP reports.	Akçansa 2024 CDP Report, Section C3.5, Page 50 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B23	Information on carbon credits gained or purchased during the reporting period has been disclosed to the public.	Yes				It is explained in CDP reports.	Akçansa 2024 CDP Report, Section C5.10.1, Pages 181-183 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B24	If carbon pricing is applied within the Company, the details are disclosed to the public.	Yes				It is explained in CDP reports.	Akçansa 2024 CDP Report, Section C3.5, Page 50 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B25	The platforms where the Company discloses its environmental information are publicly disclosed.	Yes				It is explained on the corporate website.	Akçansa Corporate Website, Sustainability Homepage www.akcansa.com.tr

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		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
C.	**Social Principles**						
C1.	**Human Rights ve Employees Rights**						
C1.1	The Corporate Human Rights and Employee Rights Policy has been established in a way to cover the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation, those responsible for the execution of the policy have been determined and both the policy and responsible departments from the policies have been disclosed to the public.	Yes				Our Human Rights Policy has been approved by the Board of Directors and disclosed to the public through the corporate website.	Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy, https://www.akcansa.com.tr/docs/human-rights-policy.pdf
C1.2	Considering the effects of supply and value chain; fair workforce, improvement of labor standards, women's employment, and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in the Company's policy on employee rights.	Yes				The Integrated Annual Report, the Human Rights Policy, the Code of Business Ethics, the Supplier Codes of Business Conduct, the Gender Equality Policy, and the Board of Directors Diversity Policy are disclosed to the public.	Akçansa 2023 Integrated Annual Report, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy, https://www.akcansa.com.tr/docs/human-rights-policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Code of Business Ethics, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/our-code-of-business-ethics/ Akçansa Corporate Website, Sustainability / Our ESG Policies / Supplier Codes of Business Conduct, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/supplier-codes-of-business-conduct/ Akçansa Corporate Website, Sustainability / Our ESG Policies / Gender Equality Policy, https://www.akcansa.com.tr/docs/Akcansa_toplumsal_cinsiyet_esitligi_politikasi.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Board of Directors Diversity Policy, http://www.akcansa.com.tr/docs/Board_of_Directors_Diversity_Policy.pdf
C1.3	Measures taken along the value chain regarding the observance of certain economic, environmental, social factors (low-income groups, women, etc.) or minority rights/equality of opportunity have been publicly disclosed.	Yes				The Integrated Annual Report, the Human Rights Policy, the Code of Business Ethics, the Supplier Codes of Business Conduct, the Gender Equality Policy, and the Board of Directors Diversity Policy are disclosed to the public.	Akçansa 2023 Integrated Annual Report, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy, https://www.akcansa.com.tr/docs/human-rights-policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Code of Business Ethics, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/our-code-of-business-ethics/ Akçansa Corporate Website, Sustainability / Our ESG Policies / Supplier Codes of Business Conduct, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/supplier-codes-of-business-conduct/ Akçansa Corporate Website, Sustainability / Our ESG Policies / Gender Equality Policy, https://www.akcansa.com.tr/docs/Akcansa_toplumsal_cinsiyet_esitligi_politikasi.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Board of Directors Diversity Policy, http://www.akcansa.com.tr/docs/Board_of_Directors_Diversity_Policy.pdf

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		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
C.	**Social Principles**						
C1.4	Developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed publicly.	Yes				The Integrated Annual Report includes explanations on inequality, discrimination and compliance with human rights etc. In addition, related issues are covered in the supplier code of conduct. Our Human Rights Policy has been approved by the Board of Directors and disclosed to the public through the corporate website.	Akçansa 2023 Integrated Annual Report, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy, https://www.akcansa.com.tr/docs/human-rights-policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Supplier Codes of Business Conduct, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/supplier-codes-of-business-conduct/
C1.5	Investments in employees (training and development policies), compensation, recognized fringe benefits, unionization right, work/life balance solutions and talent management are included in the employee rights policy.	Yes				The Integrated Annual Report, the Human Rights Policy, the Code of Business Ethics, the Gender Equality Policy, and the Board of Directors Diversity Policy are disclosed to the public.	Akçansa 2023 Integrated Annual Report, Our Employee-Driven Organizational Culture Section, Page 73 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy, https://www.akcansa.com.tr/docs/human-rights-policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Code of Business Ethics, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/our-code-of-business-ethics/ Akçansa Corporate Website, Sustainability / Our ESG Policies / Gender Equality Policy, https://www.akcansa.com.tr/docs/Akcansa_toplumsal_cinsiyet_esitligi_politikasi.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Board of Directors Diversity Policy, http://www.akcansa.com.tr/docs/Board_of_Directors_Diversity_Policy.pdf
	Disagreement resolution processes have been determined by establishing mechanisms for employee complaints and resolution of disputes.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Pages 76-77 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
	Activities conducted within the reported period to ensure employee satisfaction were disclosed publicly.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, People, Compliance And Transparency Section, Pages 73-79 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C1.6	Occupational health and safety policies have been established and disclosed publicly.	Yes				Operates according to ISO 45001 requirements. Occupational Health and Safety policy has been shared with the public via the corporate website.	Akçansa Corporate Website, Sustainability / Our ESG Policies / Occupational Health and Safety Policy, https://www.akcansa.com.tr/wp-content/uploads/2025/01/EYS-ORT-01-P04_EN_1-HEALTH-AND-SAFETY-POLICY.pdf Akçansa 2023 Integrated Annual Report, Page 9 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
	Measures taken to prevent occupational incidents and protect health and incident statistics have been disclosed publicly.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress, OHS Section Page 42, Akçansa 2023 Integrated Annual Report, Occupational Health and Safety Section, Pages 69-72 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C1.7	Personal data protection and data security policies have been established and disclosed publicly.	Yes				It is explained on the corporate website.	Akçansa Corporate Website, Personal Data Protection: https://www.akcansa.com.tr/kisisel-verilerin-korunmasi-kanunu/
C1.8	Ethics policy has been established and disclosed publicly.	Yes				It explains ethical policy and ethical practices to the public through the Code of Business Ethics and the Integrated Annual Report. Our Human Rights Policy has been approved by the Board of Directors and disclosed to the public through the corporate website.	Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy, https://www.akcansa.com.tr/docs/human-rights-policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Code of Business Ethics, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/our-code-of-business-ethics/ Akçansa 2023 Integrated Annual Report, Ethics and Compliance Section, Page 35 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf

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		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
C.	**Social Principles**						
C1.9	Describes the work within the scope of social investment, social responsibility, financial inclusion and access to finance.	Yes				The Integrated Annual Report describes the work carried out with social impact dimensions.	Akçansa 2023 Integrated Annual Report, Safe and Inclusive Value Chain is Possible Together Section, Pages 81-83 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C1.10	Informative meetings and training programs have been organized for employees on ESG policies and activities.	Yes				Regular trainings and meetings are held in accordance with the Management System and legislation such as ISO 14001 and ISO 45001. Sustainability trainings are also held. Training information is shared in integrated annual reports.	Akçansa 2023 Integrated Annual Report, Pages 69-72 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Limited Assurance Report, Sustainable Investments/ Financial Savings and Environmental/Social Benefit Through Activities, Page 168 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C2.	**Stakeholders, International Standards and Initiatives**						
C2.1	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed publicly.	Yes				The customer complaint and satisfaction policy has been shared on the company's website under the integrated management system. There is also a dealer customer support line application. Progress is explained in integrated annual reports.	Akçansa Corporate Website, Our Technical Support Services https://www.akcansa.com.tr/teknik-destek-hizmetlerimiz/ Akçansa 2023 Integrated Annual Report, Creating Value For Our Stakeholders Section, Pages 81-82 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C2.2	Information about the communication with stakeholders (which stakeholder, subject and frequency) is publicly disclosed.	Yes				The key stakeholder mapping has been done and communication mechanisms have been established. It is explained in theintegrated annual reports.	Akçansa 2023 Integrated Annual Report, Creating Value For Our Stakeholders Section, Pages 81-82 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C2.3	International reporting standards adopted in reporting are explained.	Yes				Sustainability reports are prepared according to the GRI basic standard and approaches such as SASB, TCFD were also considered. Voluntary participation in CDP Climate Change and Water Security programs is provided.	Akçansa 2023 Integrated Annual Report, About The Report Section, Page 5 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C2.4	Principles adopted in relation to sustainability, international organizations, committees and principles of which the Company is a signatory or member are disclosed publicly.	Yes				As a signatory to the UN Global Compact, communication on progress reports are made annually. UN WEPs is also signed. International memberships and signatories are shared via the integrated annual report.	Akçansa 2023 Integrated Annual Report, About The Report Section, Page 5 Akçansa 2023 Integrated Annual Report, Equal Opportunity, Diversity and Inclusion Section, Page 79 Akçansa 2023 Integrated Annual Report, Our Corporate Memberships Section, Page 156 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C2.5	Improvements were made and studies were carried out to be included in the sustainability indices of Borsa Istanbul and/or international indices providers.	Yes				As of 2023, it is included in the Borsa Istanbul BIST100, BIST Participation 50 , and MSCI Global Small MCAP indexes.	Borsa İstanbul Website, Sustainability Indexes https://borsaistanbul.com/tr/Page/165/bist-surdurulebilirlik-endeksleri Akçansa 2023 Integrated Annual Report, The Value We Create for Our Shareholders and Investors Section, Page 28 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
D.	**Corporate Governance Principles**						
D1	Stakeholders' opinions were consulted in determining the measures and strategies on sustainability.	Yes				The views of all stakeholders were consulted while determining the material sustainability issues. In addition, decisions are continously taken with communication mechanisms.	Akçansa 2023 Integrated Annual Report, Our Material Issues Section, Page 40 Akçansa 2023 Integrated Annual Report, Creating Value For Our Stakeholders Section, Pages 81-82 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
D2	Social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	Yes				Awareness-raising activities were organized for internal and external stakeholders by organizing sustainability activities that included social responsibility projects, awareness activities, volunteering projects and trainings.	Akçansa 2023 Integrated Annual Report, Creating Value For Our Stakeholders Section, Pages 81-82 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

AKÇANSA

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

AND INDEPENDENT AUDITOR'S REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Akçansa Çimento Sanayi A.Ş

A. Audit of the financial statements

1. Our opinion

We have audited the accompanying financial statements of Akçansa Çimento Sanayi A.Ş (the "Company") which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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Key Audit Matters	How the key audit matter was addressed in the audit
Goodwill Impairment Test	
As at 31 December 2024, there is goodwill amounting to 2,528,001 thousand TL in the statement of financial position as a result of previous acquisitions. In accordance with TAS 36 "Impairment of Assets", the Company is required to perform an impairment test annually for the goodwill that arose as part of the business combinations. The accounting policies and estimates of the Company related to the goodwill impairment tests were disclosed in Note 2.3 and Note 12 in the financial statements. We focused on this matter in our audit due to the following reasons: • Recognized goodwill is material to the Company's financial statements as of 31 December 2024, • The use of significant management estimates and assumptions in the goodwill impairment test as disclosed in Note 2 and the fact that these estimates and assumptions may be affected by future sectoral and economic changes, • The necessity of using our valuation experts to check the mathematical accuracy of the goodwill impairment calculations.	The audit procedures we have performed for goodwill impairment test are summarized below: • We tested the calculations in the goodwill impairment test for mathematical accuracy. • We evaluated the estimations used in goodwill impairment test together with our valuation experts considering the independent data sources and current market conditions. • We evaluated the realization of prospective cash flow and investment expenditures projections used in the goodwill impairment test in meetings held with senior management. • We checked the compatibility of the financial statements of the base year on goodwill impairment tests with the audited financial statements. • The consistency of projections made in previous years has been compared with this year's financial statements. • The sensitivity disclosures made in relation to goodwill impairment test have been tested for mathematical accuracy and proper disclosure. • The compliance of related disclosures on the goodwill impairment testing to TFRS were evaluated.

4. Responsibilities of management and those charged with governance for the financial statements

The Company management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

5. Auditor's responsibilities for the audit of the financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 October to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 14 February 2025.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Baki Erdal, SMMM
Independent Auditor

Istanbul, 14 February 2025

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

Assets	Notes	(Audited) Current Period 31 December 2024	(Audited) Prior Period 31 December 2023
Current assets			
Cash and cash equivalents	4	4,509,346	3,926,538
Financial investments	5	-	294,596
Trade receivables:	7	3,417,579	4,115,923
- Trade receivables from related parties	*27,7*	*130,044*	*230,664*
- Trade receivables from third parties	*7*	*3,287,535*	*3,885,259*
Other receivables	8	109,420	193,006
- Other receivables from related parties	*27,8*	*11,763*	*13,961*
- Other receivables from third parties	*8*	*97,657*	*179,045*
Inventories	9	2,067,429	2,253,238
Prepaid expenses	16	754,036	454,543
Total Current Assets		**10,857,810**	**11,237,844**
Non-current assets			
Financial investments	5	4,232,010	3,865,225
Other receivables	8	12,108	12,658
- Other receivables from third parties	*8*	*12,108*	*12,658*
Property, plant and equipment	10	9,479,700	9,423,519
Intangible assets	11.12	3,001,654	2,986,266
- Goodwill	*12*	*2,528,001*	*2,487,272*
- Other intangible assets	*11*	*473,653*	*498,994*
Right of use assets	14	712,273	682,367
Prepaid expenses	16	102,152	59,930
Deferred tax assets	25	-	46,712
Total non-current assets		**17,539,897**	**17,076,677**
Total assets		**28,397,707**	**28,314,521**

The accompanying notes are an integral part of these financial statements.

Liabilities	Notes	(Audited) Current Period 31 December 2024	(Audited) Prior Period 31 December 2023
Current liabilities			
Short-term borrowings	6	2,519,980	2,586,984
- Liabilities from financial loans	6	2,463,696	2,529,165
- Financial lease debts	6	56,284	57,819
Trade payables	7	3,753,338	4,355,771
- Trade payables to related parties	*27, 7*	*56,753*	*254,362*
- Trade payables to third parties	*7*	*3,696,585*	*4,101,409*
Liabilities for employee benefits	8	77,098	61,641
Other payables	8	127,280	155,671
- Other payables to third parties	*8*	*127,280*	*155,671*
Deferred income	8	17,483	55,571
Current income tax liabilities	25	117,609	247,328
Short-term provisions	13	158,593	290,112
- Provisions for short-term employee benefits	*13*	*108,463*	*156,088*
- Other short-term provisions	*13*	*50,130*	*134,024*
Total current liabilities		**6,771,381**	**7,753,078**
Non-current liabilities			
Long-term borrowings	6	298,400	334,236
- Financial lease debts	*6*	*298,400*	*334,236*
Long-term provisions	13, 15	281,483	306,391
- Provisions for long-term employee benefits	*15*	*248,720*	*270,663*
- Other long-term provisions	*13*	*32,763*	*35,728*
Deferred tax liabilities	25	491,681	-
Total non-current liabilities		**1,071,564**	**640,627**
Total liabilities		**7,842,945**	**8,393,705**
Equity			
Equity attributable to parent		**20,554,762**	**19,920,816**
Paid-in share capital	17	191,447	191,447
Adjustments to share capital		9,000,838	9,000,838
Other comprehensive income/expense not to be reclassified to profit or loss		(231,989)	(209,708)
Remeasurement gains/(losses)		*(231,989)*	*(209,708)*
- Gain/(losses) on remeasurements of defined benefit plans		*(231,989)*	*(209,708)*
Other comprehensive income/expense to be reclassified to profit or loss		3,929,532	3,547,297
Remeasurement/Reclassification gains/(losses)		*3,929,532*	*3,547,297*
- Gain/(losses) on financial assets measured at fair value through other comprehensive income		*3,929,532*	*3,547,297*
Restricted reserves		3,701,345	3,474,780
Prior years' income/(losses)		2,291,082	492,636
Profit for the period		1,672,507	3,423,526
Total equity		**20,554,762**	**19,920,816**
Total equity		**28,397,707**	**28,314,521**

The accompanying notes are an integral part of these financial statements.

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

STATEMENT OF PROFIT OR LOSS FOR THE PERIOD

1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

	Notes	(Audited) Current period 1 January - 31 December 2024	(Audited) Prior period 1 January - 31 December 2023
Revenue	18	21,614,189	27,034,142
Cost of sales (-)	18	(18,009,034)	(21,291,440)
Gross profit from business activities		**3,605,155**	**5,742,702**
Gross profit		**3,605,155**	**5,742,702**
General administrative expenses (-)	19.20	(881,488)	(1,002,470)
Marketing expenses (-)	19.20	(133,473)	(242,403)
Other operating income	21	349,723	554,898
Other operating expenses (-)	21	(434,816)	(933,668)
Operating profit		**2,505,101**	**4,119,059**
Gains from investment activities (net)	22	111,668	210,798
Operating profit before financial income/(expense)		**2,616,769**	**4,329,857**
Financial income	23	1,121,931	1,215,236
Financial expense (-)	23	(1,135,962)	(972,094)
Monetary gain/loss (IAS29)	24	(77,068)	(28,822)
Profit before tax		**2,525,670**	**4,544,177**
Tax income/(expense)		**(853,163)**	**(1,120,651)**
- Period tax income/(expense)	25	(330,927)	(1,169,405)
- Deferred tax income	25	(522,236)	48,754
Profit for the period from continuing operations		**1,672,507**	**3,423,526**
Profit for the period		**1,672,507**	**3,423,526**
Earnings per share from continuing operations (Kr)	**26**	**8,736**	**17,882**
Weighted average number of shares		**19,144,706,825**	**19,144,706,825**

The accompanying notes are an integral part of these financial statements.

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD

1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

	Notes	(Audited) Current period 1 January - 31 December 2024	(Audited) Prior period 1 January - 31 December 2023
Profit for the period		**1,672,507**	**3,423,526**
Other comprehensive income/(expense):			
Items not to be reclassified to profit or loss		**(22,281)**	**46,314**
- Actuarial gains/(losses) arising from defined benefit plans		*(29,708)*	*26,911*
Taxes on other comprehensive income that will not be reclassified to profit or loss			
- Deferred tax income/(expense)	*25*	*7,427*	*19,403*
Items to be reclassified to profit or loss		**382,235**	**605,906**
- Gain/(losses) on financial assets measured at fair value through other comprehensive income	*5*	*405,819*	*693,877*
Taxes on other comprehensive income to be reclassified to profit or loss			
- Deferred tax income/expense	*25*	*(23,584)*	*(87,971)*
Other comprehensive income		**359,954**	**652,220**
Total comprehensive income		**2,032,461**	**4,075,746**

The accompanying notes are an integral part of these financial statements.

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

STATEMENTS OF CHANGE IN EQUITY FOR THE PERIOD

1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

			Other accumulated comprehensive income or expenses that will not be reclassified to profit or loss	Other accumulated comprehensive income or expenses to be reclassified to profit or loss	Retained earnings			
	Paid-in share capital	Adjustment to share capital	Gains/(losses) on re-measurement of defined benefit plans	Gains/(losses) on financial assets measured at fair value through other comprehensive income	Restricted reserves	Prior years' income	Profit for the period	Total shareholders' equity
Balance at 1 January 2023	**191,447**	**9,000,838**	**(256,022)**	**2,941,391**	**3,424,005**	**(1,721,711)**	**2,793,682**	**16,373,630**
Transfers	-	-	-	-	50,775	2,742,907	(2,793,682)	-
Total comprehensive income/(expense)	-	-	46,314	605,906	-	-	3,423,526	4,075,746
Profit for the period	-	-	-	-	-	-	3,423,526	3,423,526
Other comprehensive income/(expense)	-	-	46,314	605,906	-	-	-	652,220
Dividends paid (Note 26)	-	-	-	-	-	(528,560)	-	(528,560)
Balance at 31 December 2023	**191,447**	**9,000,838**	**(209,708)**	**3,547,297**	**3,474,780**	**492,636**	**3,423,526**	**19,920,816**
Balance at 1 January 2024	**191,447**	**9,000,838**	**(209,708)**	**3,547,297**	**3,474,780**	**492,636**	**3,423,526**	**19,920,816**
Transfers	-	-	-	-	226,565	3,196,961	(3,423,526)	-
Total comprehensive income/(expense)	-	-	(22,281)	382,235	-	-	1,672,507	2,032,461
Profit for the period	-	-	-	-	-	-	1,672,507	1,672,507
Other comprehensive income/(expense)	-	-	(22,281)	382,235	-	-	-	359,954
Dividends paid (Note 26)	-	-	-	-	-	(1,398,515)	-	(1,398,515)
Balance at 31 December 2024	**191,447**	**9,000,838**	**(231,989)**	**3,929,532**	**3,701,345**	**2,291,082**	**1,672,507**	**20,554,762**

The accompanying notes are an integral part of these financial statements.

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

STATEMENT OF CASH FLOWS FOR THE PERIOD

1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

	Notes	(Audited) Current period 1 January - 31 December 2024	(Audited) Prior period 1 January - 31 December 2023
Cash flows from operating activities		**3,645,571**	**3,709,652**
Profit before tax		2,525,670	4,544,177
Profit before tax from continuing operations		2,525,670	4,544,177
Adjustment to reconcile profit before tax to cash generated from operating activities:		**1,354,452**	**801,201**
Adjustments related to depreciation and amortization expenses	10, 11, 14, 20	1,268,409	1,176,250
Adjustments for impairment loss/(reveral of impairment loss)		(11,946)	67,124
Impairment/(reversal of impairment) on receivables	7	(16,918)	55,843
Impairment/(reversal of impairment) on inventories	9	4,972	11,281
Adjustments for provisions		85,527	364,380
Provision for employee termination benefits	13, 15	123,552	221,914
Provision for litigation and/or penalties	13	(285)	52,465
Provision for recultivation	13	8,196	25,524
Other provisions	13	(45,936)	64,477
Adjustments for interest income and expenses		135,899	284,992
Interest income	23	(941,567)	(641,572)
Interest expense	6	953,203	760,214
Other financials (income)/expense		124,263	166,350
Loss/(gain) on sale of property, plant and equipment and intangible assets	22	(2,805)	(109,258)
Adjustments for other items arising from investing or financing activities	22	(107,102)	(76,202)
Adjustments for fair value losses/(gains) of financial investments		(1,761)	(25,338)
Adjustments based on fair value losses (gains) of derivative financial instruments	13, 23	14,079	37,759
Monetary Loss/(Gain)		(25,848)	(918,506)
Changes in working capital		**301,451**	**(473,505)**
Adjustment related to (increase)/decrease in trade receivables		714,490	279,760
Adjustment related to decrease in other receivables		83,586	87,229
Adjustment related to (increase)/decrease in inventories		180,837	213,177
Adjustment related to (increase)/decrease in prepaid expenses		(24,557)	(295,574)
Adjustment related to (increase)/decrease in trade payables		(602,433)	(767,955)
Adjustment related to (increase)/decrease in employee benefit obligations		15,457	17,574
Adjustment related to (increase)/decrease in other payables		(28,391)	22,709
Adjustment related to (increase)/decrease in deferred revenue		(38,088)	(33,300)
Other adjustments related to decrease in operating capital		550	2,875
Cash flows from operating activities		**4,181,573**	**4,871,873**
Employee termination benefits paid	13, 15	(139,029)	(279,730)
Payments for other provisions	13	(2,374)	(6,712)
Taxes paid	25	(395,371)	(876,124)
Other cash inflows/(outflows)	7	772	345
Cash flows from investing activities		**(719,289)**	**(1,211,771)**
Cash inflows from the sale of property, plant and equipment and intangible assets		3,918	378,036
Cash outflows from the purchase of property, plant and equipment and intangible assets	10.11	(1,167,686)	(1,371,413)
Dividends received	22	107,102	76,202
Other cash outflows from investing activities	5	294,596	(294,596)
Cash inflows resulting from the sale of shares or capital reductions of affiliates and/or joint ventures		42,781	-
Cash flows from financing activities		**(1,136,540)**	**(529,009)**
Cash inflows from borrowings	6	2,998,348	3,933,152
Cash outflows from repayment of borrowings	6	(2,176,907)	(3,590,194)
Dividends paid	26	(1,398,515)	(528,560)
Interest paid	6	(1,300,780)	(778,459)
Interest received	23	941,567	641,572
Leasing payments	6	(196,433)	(202,980)
Other cash outflows		(3,820)	(3,540)
Net increase/(decrease) in cash and cash equivalents before the effect of foreign currency translation differences		**1,789,742**	**1,968,872**
Net increase (decrease) in cash and cash equivalents		**1,789,742**	**1,968,872**
Cash and cash equivalents at the beginning of the period	4	3,926,538	3,225,704
Monetary loss impact on cash		(1,206,934)	(1,268,038)
Cash and cash equivalents at the end of the period	**4**	**4,509,346**	**3,926,538**

The accompanying notes are an integral part of these financial statements.

The accompanying notes are an integral part of these financial statements.

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

1. Corporate Information

General

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi ("Akçansa" or "Company") was founded on 30 September 1996 through the merger of Akçimento Ticaret Anonim Şirketi (Akçimento) which was established in 1967, and Çanakkale Çimento Sanayi Anonim Şirketi (Çanakkale) which was established in 1974. At January 12, 1996, Mortelmaattschappij Eindhoven B.V. (Mortel), which is a wholly owned subsidiary of Cimenteries CBR S.A. (CBR), acquired 97.7% of Çanakkale On 24 July 1996, the CBR group exchanged its shares in Çanakkale for 30% of the shares of Akçimento which was mainly owned by Hacı Ömer Sabancı Holding Anonim Şirketi and its affiliates.

Effective from 1 October 1996 Akçimento ceased its existence and merged with Çanakkale. The name of the new company was determined as Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi. Akçansa shares have been traded on the Borsa Istanbul A.Ş. (formerly Istanbul Stock Exchange) since 1986. On 27 November 2006. 39.72% shares of Akçansa Çimento Sanayi ve Ticaret A.Ş. owned by CBR International Holdings B,V, which is 100% owned subsidiary of Heidelberg Materials A.G. has been transferred to Heidelberg Materials Mediterranean Basin Holdings S.L. which is also 100% owned subsidiary of Heidelberg Materials A.G. On 1 March 2017, 39.72% shares of Akçansa Çimento Sanayi ve Ticaret A,Ş, owned by Heidelberg Materials Mediterranean Basin Holdings S.L. has been transferred Heidelberg Materials A.G. .

The address of the headquarter and registered office is Palladium Tower Barbaros NBHD., Kardelen St., No: 2, Ataşehir, İstanbul.

The financial statements are authorized for issue by the management on 14 February 2025. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after the issue, The major shareholders of the Company are Hacı Ömer Sabancı Holding A.Ş. and Heidelberg Materials A.G., as disclosed further in Note 17.

For the purpose of the presenting financial statements, Akçansa Çimento Sanayi ve Ticaret A.Ş. will be referred to as "the Company", As of 31 December 2024 and 31 December 2023, the number of personnel (all employed in Turkey) is 1,007 and 1,005 respectively.

Nature of activities

The Company is primarily engaged in manufacturing of cement, clinker, ready mixed concrete and aggregate.

Approval of financial statements

The financial statements as of 31 December 2024 has been approved for issue by the Board of Directors on 14 February 2025. These financial statements will be finalised following their approval in the General Assembly. The authority to change the financial statements rests with the General Assembly.

2. Basis For Presentation of Financial Statements

2.1 Basis for presentation

Financial reporting standards

The financial statements of the Company have been prepared in accordance with the Turkish Financial Reporting Standards, ("TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") in line with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on 13 June 2013 which is published on Official Gazette numbered 28676. TFRS is updated in harmony with the changes and updates in International Financial and Accounting Standards ("IFRS") by the communiqués announced by the POA.

The financial statements are presented in accordance with "Announcement regarding with TAS Taxonomy" which was published on 4 October 2023 by POA and the format and mandatory information recommended by CMB.

The Company complies with the principles and conditions issued by the CMB in keeping accounting records and preparing financial statements, and the Company and its subsidiaries and affiliates operating in Turkey comply with the legal records of the Turkish Commercial Code ("TTK"), tax legislation and the Ministry of Finance of the Republic of Turkey. It is prepared in accordance with the requirements of the Uniform Chart of Accounts issued by the Ministry of Finance ("Ministry of Finance"). Financial statements have been prepared by reflecting the necessary corrections and classifications in legal records in order to provide accurate presentation in accordance with TFRS. Financial statements are prepared on the historical cost basis, except for financial assets carried at fair value and derivative financial instruments carried at fair value.

Comparatives and restatement of prior periods' financial statements

The financial statements of the Company include comparative financial information to enable the determination of the trends in the financial position and performance, Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period financial statements and the significant changes are explained.

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the unit of measurement prevailing at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

2. Basis For Presentation of Financial Statements (Continued)

2.1 Basis of presentation (Continued)

Functional and reporting currency

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). The operating results and financial position of the Company are expressed in TRY, which is the functional currency of the Company.

Restatement of financial statements in hyperinflationary periods

The Company prepared its financial statements as of and for the year ended 31 December 2024 by applying IAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by POA on 23 November 2024 and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies". In accordance with the standard, that financial statements prepared in the currency of a hyperinflationary economy should be stated in terms of the purchasing power of that currency at the balance sheet date and for the purpose of comparison with prior period financial statements, comparative information is expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Company has also presented its financial statements as of 31 December 2024 on a purchasing power basis as of 31 December 2024.

In accordance with the CMB's decision dated 28 December 2024 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of IAS 29 to their annual financial statements for the accounting periods ending on 31 December 2024.

Restatements in accordance with IAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As at 31 December 2024, the indices and adjustment factors used in the restatement of the financial statements are as follows:

	Index	Correction Coefficient	Three-year Correcting Inflation Rates
31.12.2024	2,684.55	1.00000	291%
31.12.2023	1,859.38	1.44379	268%
31.12.2022	1,128.45	2.37897	156%

The main components of the Company's restatement for financial reporting purposes in hyperinflationary economies are as follows:

- The financial statements for the current period presented in TRY are expressed in terms of the purchasing power of TRY at the balance sheet date and the amounts for the previous reporting periods are restated in accordance with the purchasing power of TRY at the end of the reporting period.
- Monetary assets and liabilities are not restated as they are currently expressed in terms of the measuring unit current at the balance sheet date. Where the inflation-adjusted amounts of non-monetary items exceed the recoverable amount or net realizable value, the provisions of IAS 36 and IAS 2 have been applied, respectively.

2. Basis For Presentation of Financial Statements (Continued)

2.1 Basis of presentation (Continued)

- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the balance sheet date are restated by applying the relevant conversion factors.
- All items in the statement of comprehensive income, except for "the effects of non-monetary items in the balance sheet on the statement of comprehensive income", have been restated by applying the multipliers calculated over the periods in which the income and expense accounts were initially recognized in the financial statements.
- The effect of inflation on the Company's net monetary asset position in the current period is recognized in the statement of income in the net monetary position loss account.

2.2. New and revised Turkish financial reporting standards

The accounting policies adopted in preparation of the financial statements as at 31 December 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2024, The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

a. Standards, amendments, and interpretations applicable as of 31 December 2024:

- **Amendment to TAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to TFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis

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2. Basis For Presentation of Financial Statements (Continued)

2.2. Basis of presentation (Continued)

- **TFRS S1, 'General requirements for disclosure of sustainability-related financial** information; effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **TFRS S2, 'Climate-related disclosures'**; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

However, in the Board Decision of the KGK published in the Official Gazette of the Republic of Turkey dated December 29, 2024, it was announced that certain businesses will be subject to mandatory sustainability reporting as of January 1, 2024. In order to determine the businesses that will be subject to sustainability reporting within the scope of the "Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards" dated January 5, 2024, businesses that fall within the scope of sustainability application are counted. On the other hand, in accordance with the "Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)" dated December 16, 2024, a change has been made to the scope of businesses that will be subject to sustainability reporting.

Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:
The TFRS codification has been preserved in the standards newly published by the International Accounting Standards Board but not yet incorporated into legislation by the Public Oversight Accounting and Auditing Standards Authority.

- **TFRS 17, 'Insurance Contracts';** effective for annual reporting periods beginning on or after January 1, 2024. This standard replaces IFRS 4, which currently allows a wide range of applications. TFRS 17 will fundamentally change the accounting of all entities that issue insurance contracts and investment contracts with discretionary participation features.

However, in its letter dated 6 April 2024 sent to the Insurance, Reinsurance and Pension Companies Association of Turkey by the Public Oversight Authority (POA), it was stated that it was concluded that it would be appropriate to apply TFRS 17 to the consolidated and individual financial statements of insurance, reinsurance and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies, as of 1 January 2024.

On the other hand, due to the change of the effective date of TFRS 17 from "January 1, 2024" to "January 1, 2025" in accordance with the subparagraph (a) of the first paragraph of Article 13 of the "Regulation on Amendments to the Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" issued by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK), in its letter dated February 15, 2024 sent to the Banks Association of Turkey, it was stated that the application date of TFRS 17 in the consolidated and individual financial statements of insurance, reinsurance companies and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies has been postponed to January 1, 2025.

2. Basis For Presentation of Financial Statements (Continued)

2.2. New and Revised Turkish Financial Reporting Standards (Continued)

However, due to the change of the effective date of TFRS 17 from "January 1, 2025" to "January 1, 2026" in accordance with the subparagraph (a) of the first paragraph of Article 13 of the "Regulation on Amendments to the Regulation on Financial Reporting of Insurance, Reinsurance Companies and Pension Companies" issued by SEDDK, in the letter sent by KGK to the Banks Association of Turkey dated January 14, 2025, it was stated that the application date of TFRS 17 in the consolidated and individual financial statements of insurance, reinsurance companies and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies was postponed to January 1, 2026.

- **Amendments to TAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **Amendment to TFRS 9 and TFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

- **Annual improvements to TFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

  - TFRS 1 First-time Adoption of International Financial Reporting Standards;
  - TFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing
  - TFRS 9 Financial Instruments;
  - TFRS 10 Consolidated Financial Statements; and
  - TAS 7 Statement of Cash Flows.

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2. Basis For Presentation of Financial Statements (Continued)

2.2. Basis of presentation (Continued)

- **TFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in TFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

- **TFRS 19 Subsidiaries without Public Accountability:** Disclosures; effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other TFRS Accounting Standards. An eligible subsidiary applies the requirements in other TFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in TFRS 19. TFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. TFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with TFRS Accounting Standards.

2.3 Summary of significant accounting policies

Right of use assets

The company recognizes right-of-use assets at the inception of the lease (for example, as of the date the asset is available for use), expressed in purchasing power. The right of use assets are calculated by deducting the accumulated depreciation and impairment losses from the cost value, In case the financial leasing debts are revalued, this figure is corrected,

The cost of the right of use asset includes:

(a) the first measurement of the lease obligation,
(b) the amount obtained from all rental payments made before or before the lease actually starts, by deducting all rental incentives received, and
(c) All initial costs incurred by the Company,

Unless the transfer of ownership of the underlying asset to the Company at the end of the lease term is reasonably certain, the Company depreciates the right-of-use asset until the end of the useful life of the underlying asset from the actual commencement of the lease,

Right of use assets are subject to impairment assessment,

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Lease Obligations

The Company measures the lease liability over the present value of the unpaid lease payments at the commencement date of the lease,

At the commencement date of the lease, the lease payments included in the measurement of the lease liability consist of the following payments for the right to use the underlying asset during the lease term, which were not paid at the commencement date of the lease:

(a) Fixed payments,
(b) Variable rental payments based on an index or rate, made using an index or rate at the date when the first measurement was actually started,
(c) Amounts expected to be paid by the Company within the scope of residual value commitments

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liabilities simultaneously,

Cash and cash equivalents

For the presentation of the cash flow statement, cash and cash equivalents include cash on hand, cash at banks, checks (demand) and time deposits with an original maturity of less than 3 months,

Cash and cash equivalents are presented as the sum of acquisition costs and accrued interests,

Inventories

Inventories are valued at the lower of cost or net realizable value expressed in purchasing power. Expenditures to restore inventories to their current condition are accounted for as follows:

Raw materials - consists of the purchase cost determined by the monthly weighted average.

Finished goods and work-in-process - Direct material and labor costs, variable and fixed general production costs are included at certain rates (taking into account normal operating capacity). Inventory valuation method is monthly weighted average method.

Net realizable value is the estimated selling price less estimated costs of completion and estimated costs to make the sale.

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2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Prepaid Expenses

Accounting for main maintenance expenses: High amount of main maintenance expenses are made periodically for furnaces used in production. The main maintenance expenses in question are a necessity to ensure the healthy continuity of production, and reflecting these expenses to the income and expense statements as a whole within the month they are incurred causes fluctuations in the operational profitability of the company. The company associates the main maintenance expenses with the production costs gradually until the end of the reporting period.

Property, plant and equipment

The cost value of a tangible fixed asset, expressed in terms of its purchasing power, consists of the purchase price, non-refundable taxes and expenses incurred to make the tangible asset ready for use.

Tangible fixed assets are shown with their net values after deducting accumulated depreciation and any impairment loss from the cost value expressed in purchasing power. Except for lands where mining is carried out, land is not subject to depreciation. Lands where mining is carried out are subject to depreciation based on the ratio of the reserve consumed during the year to the total reserve.

Assets under construction are shown at cost expressed in purchasing power, minus any impairment loss. Legal fees are also included in the cost. In the case of assets that require significant time to be ready for use and sale, borrowing costs are capitalized. When the construction of these assets is completed and they are ready for use, they are classified under the relevant tangible fixed asset item. Such assets are depreciated when they are ready for use, as in the depreciation method used for other fixed assets.

Depreciation is calculated on all property, plant and equipment on a straight-line basis over the estimated useful life of the asset as below.

	Useful Life
Land improvements and buildings	20-50 years
Machinery and equipment	5-20 years
Furniture and fixtures	5-10 years
Motor vehicles	5 years
Leasehold improvements	5-47 years

Assets purchased under finance leases are depreciated over their expected useful lives, just like owned property, plant and equipment. If it is not certain whether ownership will be acquired at the end of the financial lease term, it is depreciated over the shorter of its expected useful life and the said lease term.

An item of property, plant and equipment is derecognized from statement of financial position (balance sheet) upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Intangible assets

Intangible fixed assets mainly consist of computer software and mining rights and are capitalized based on the cost expressed in purchasing power. Intangible assets, except mining rights, are amortized according to the straight-line amortization method over the estimated economic life of the relevant asset. Mining rights are amortized based on the ratio of the reserve consumed during the year to the total reserve.

The carrying values of intangible assets are reviewed for impairment when there is any event or changes in circumstances indicate that the carrying value may not be recoverable.

An intangible asset is derecognised when it is disposed of or when future economic benefits are not expected from its use or sale. The profit or loss on derecognition of an intangible asset is calculated as the difference between the net proceeds from the disposal of the assets and their carrying amount, if any. This difference is recognized in profit or loss when the related asset is taken off the balance sheet.

Goodwill

The difference between the cost incurred in the acquisition of a business and the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business is accounted for as goodwill in the Financial statements. Goodwill amount is not amortized within the framework of Turkish Financial Reporting Standard TFRS 3 "Business combinations". Goodwill is reviewed for impairment when deemed necessary, at least once a year, in circumstances and conditions where its carrying value will not be realized.

Impairment of non-financial assets

At each balance sheet date, the Company evaluates whether there is any indication that there is a depreciation of the book value of its tangible and intangible assets, which is calculated by deducting accumulated depreciation from the cost value. If such an indication exists, the recoverable amount of that asset is estimated to determine the amount of impairment. In cases where it is not possible to calculate the recoverable amount of the asset alone, the recoverable amount of the cash generating unit to which that asset belongs is calculated.

The recoverable amount is the higher of fair value or value in use after the deduction of sale costs. When calculating value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects the time value of money and risks specific to the asset. The main assumptions used during these studies are inflation expectations in the coming years, expected increases in sales and costs, expected changes in export-domestic market composition and expected country growth rates.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount, An impairment loss is recognized immediately in the income statement.

The increase in the carrying value of the asset (or cash-generating unit) due to the reversal of the impairment should not exceed the carrying amount (net amount after depreciation) that would have occurred had the impairment been recognized in previous years, The reversal of the impairment is recorded in the income statement, Impairment for goodwill cannot be reversed in future periods,

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2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Foreign currency transactions

Transactions in foreign currencies are translated into TRY at the exchange rates on the date of the transaction, as of 31 December 2024, assets and liabilities in foreign currency were valued with the buying rate of the Central Bank of the Republic of Turkey on the balance sheet date, and the resulting foreign exchange differences were reflected in the relevant income and expense accounts.

The exchange rates used at the end of the period are as follows:

Date	TRY/USD	TRY/EUR
Buying Rates		
31 December 2024	35.2803	36.7362
31 December 2023	29.4382	32.5739
Selling Rates		
31 December 2024	35.3438	36.8024
31 December 2023	29.4913	32.6326

Provisions, contingent liabilities and assets

Provisions

Provisions are accounted when the Company has a past legal or structural obligation as of the balance sheet date, it is probable that there will be an outflow of resources that provide economic benefits to settle the obligation, and a reliable estimate can be made about the amount of the obligation. No provision is made for operating losses expected to occur in future periods.

Contingent liabilities and assets

Contingent liabilities are not reflected in the financial statements and are explained in the footnotes if the situation requiring resource transfer is not highly probable. Contingent assets, on the other hand, are disclosed in the footnotes if they are not reflected in the financial statements and have a high probability of generating economic returns.

Income tax

The tax provision is the whole of the current period and deferred tax provisions taken into account in the calculation of the profit or loss for the period.

Deferred tax is reflected by considering the balance sheet liability method, taking into account the tax effects of temporary differences between the values of assets and liabilities reflected in the financial reporting and their bases in the legal tax account. Deferred tax liability is calculated on all taxable temporary differences.

Deferred tax assets are set aside over all temporary differences and unused tax losses if it seems probable that sufficient profits will be generated to allow future deductible temporary differences and unused tax losses, In each balance sheet period, the Company reviews its deferred tax assets and accounts them with the possibility of being deductible in the future.

In the calculation of deferred tax assets and liabilities, the tax rates expected to occur in the periods when the aforementione asset will be realized and the liability will be fulfilled are calculated based on the tax rates (tax legislation) applied as of the balance sheet date.

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Employee benefits / provisions for employment termination benefits / provision for unused vacation

(a) Defined benefit plan:

In accordance with the current labor law, the company is obliged to pay a certain amount of severance pay to the personnel who quit their job due to retirement after serving at least one year or who are dismissed for reasons other than resignation and bad behavior.

As stated in more detail in Note 15, the Company has reflected the provision for severance pay in the financial statements using the "Projection Method" based on the actuarial work done by an independent actuary. Severance pay liability is calculated by discounting the interest rate estimated by professional actuaries. Actuarial gain/loss is presented in equity as other comprehensive income/expense.

In the balance sheets, employee termination benefits are reflected under non-current liabilities as provisions for long term employee benefits.

(b) Defined contribution plans:

The company pays compulsory social insurance premiums to the Social Security Institution. As long as the Company pays these premiums, it has no other obligations. These premiums are reflected in personnel expenses in the period they are accrued.

(c) Provision for unused vacation:

Short-term employee benefits include short-term benefits that are fully expected to be fulfilled within twelve months of the annual reporting period for which the service is rendered, In this context, since the Company's expectation is that all leave provisions will be fulfilled within twelve months following the annual reporting period, such leave provisions are shown in the short-term provisions for employee benefits.

Related parties

Parties are considered related to the Company if;

a) A person or a close member of that person's family is related to a reporting entity if that person:

The person in question,

(i) Has control or joint control over the Company.
(ii) Has significant influence over the Company.
(iii) If the Company or a parent of the Company is a member of the key management personnel.

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2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Related parties (Continued)

(b) The business is considered to be related to the Company if any of the following conditions exist:

(i) If the entity and the company are members of the same group.
(ii) If the entity is an associate or joint venture of the other entity (or a member of a group of which the other entity is a member).
(iii) If both entities are joint ventures of the same third party.
(iv) If one of the entities is a joint venture of a third entity and the other entity is an affiliate of that third entity.
(v) If the entity has post-employment benefit plans for employees of the Company or an entity associated with the Company, If the Company itself has such a plan, the sponsoring employers are also related to the Company.
(vi) If the entity is controlled or jointly controlled by a person identified in (a).
(vii) If a person identified in (i) of (a) has significant influence over the entity or is a member of the key management personnel of that entity (or its parent).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Revenue recognition

The Company transfers the committed goods or services to its customers and takes the revenue to the financial statements when it fulfills the performance obligation. When an asset is taken by the customer, the asset is transferred.

The company records the revenue in the financial statements in line with the following 5 basic principles:

- Determination of customer contracts.
- Determination of performance obligations in contracts.
- Determining the transaction price in contracts.
- Distribution of the transaction price to the performance obligations in the contracts.
- Recognition of revenue when each performance obligation is met.

The Company recognizes a contract with its customer as revenue when all of the following conditions are met:

The parties of the contract have confirmed the contract (in accordance with written, oral or other commercial practices) and undertakes to carry out their own actions.

- The Company can define the rights of each party related to the goods or services to be transferred.
- The Company can define the payment terms for the goods or services to be transferred.
- The contract is commercial in nature.
- It is probable that the Company will collect a fee for the goods or services to be transferred to the customer.

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

When assessing whether a charge is likely to be collectible, the Company considers only the customer's ability and intention to pay the charge on due date. At the beginning of the contract, the Company evaluates the goods or services that it has committed in the contract with the customer and defines each commitment to transfer to the customer as a performance obligation.

At the beginning of the contract, the Company evaluates the goods or services it has committed in the contract with the customer and defines each commitment to transfer to the customer as a performance obligation as follows:

a) Different goods or services (goods or services package) or
b) A series of different goods or services that are largely similar and are handed over to the customer in the same way

A series of goods or services are subject to the same cycle if the following conditions are met:

a) When each different good or service in the series that the Company undertakes to transfer to its customer constitutes a performance obligation that will be completed over time by meeting the necessary conditions.
b) In accordance with the relevant paragraphs of the standard, using the same method to measure the Company's progress towards full performance of the performance obligation in the transfer of each different good or service constituting the series to the customer.

Borrowing costs

Borrowing costs that are directly related to the purchase, construction or production of assets that take a significant amount of time to be ready for their intended use or sale are capitalized as part of the cost of the related assets. Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs include interest and other costs incurred due to borrowing.

Earnings /(losses) per share

Earnings per share in the income statement is calculated by dividing net income by the weighted average number of shares outstanding throughout the reporting period.

Companies in Türkiye can increase their capital to their existing shareholders through "bonus shares" from various internal sources. Such "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations is calculated by taking into account the retrospective effects of the said share distributions.

Subsequent events

Matters that arise after the balance sheet date and may affect the status of the Company on the balance sheet date are reflected in the financial statements. Matters arising after the balance sheet date that do not require adjustment are disclosed in the notes according to the degree of materiality.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Recognition at transaction and delivery date

All financial asset purchases and sales are accounted for on the transaction date, in other words, on the date the Company undertakes to purchase or sell. Ordinary purchases and sales are purchases and sales in which the delivery time of the asset is generally determined according to a legislation or regulations in the markets.

Financial instruments

The Company accounts its financial assets in three classes: financial assets accounted for using the amortized cost method and financial assets at fair value through profit or loss or at fair value through other comprehensive income, The classification is made on the basis of the business model and expected cash flows determined according to the purpose of benefiting from financial assets, Company management classifies financial assets on the date of purchase.

(a) Financial assets recognized at amortized cost

Financial assets that are not traded in an active market and are not derivative instruments, with fixed or fixed payments, where the company management has adopted the "business model of collecting contractual cash flows" and the terms of the contract include only the principal and interest payments arising from the principal balance on certain dates, are classified as "assets accounted for at cost". If their maturities are less than 12 months from the date of the statement of financial position, they are classified as current assets, and if they are longer than 12 months, they are classified as non-current assets. Assets accounted for at amortized cost include "trade receivables", "other receivables" and "cash and cash equivalents" items in the statement of financial position. In addition to these, trade receivables collected from factoring companies within the scope of revocable factoring transactions, which are included in trade receivables, are classified as assets accounted for at amortized cost, since the collection risk of these receivables is not transferred.

Impairment

Since the trade receivables accounted for at amortized cost in the financial statements do not contain an important financing component, the Company uses the provision matrix by choosing the "simplified" application in the impairment calculations. With this practice, the Company measures the expected credit loss provision at an amount equal to the lifetime expected credit losses, unless the trade receivables are impaired for certain reasons. Calculation of expected credit loss provision is made with the expected credit loss ratio determined by the Company based on past credit loss experiences and prospective macroeconomic indicators.

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Financial instruments (Continued)

(b) Financial assets measured at fair value

Assets for which the company management has adopted the contractual cash flow collection and/or sales business model are classified as assets accounted for at fair value. If the management does not intend to dispose of the related assets within 12 months from the date of the statement of financial position, these assets are classified as non-current assets. The Company, during initial recognition for investments in equity-based financial assets, as equity investment, where the fair value difference is reflected in the other comprehensive income statement or profit or loss statement regarding the investment in question; makes a selection that cannot be changed later:

i) Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss; These financial assets consist of the financial assets held for trading in the short term, regardless of the reason for the short-term fluctuations in the market and the derivative instruments included in the statement of financial position. Derivative financial instruments are recognized as assets when the fair value is positive and as liabilities when the fair value is negative. The Group's derivative instruments consist of related transactions to time foreign currency purchase / sale contracts. Financial assets at fair value through profit or loss are firstly recognized in the statement of financial position, including transaction costs. These financial assets are valued at their fair values in the following periods. Realized or unrealized gains and losses are recognized in finance income / expense. Dividends received are recognized in profit or loss as profit share income. Derivatives are also classified as financial assets at fair value through profit or loss (Note 29).

ii) Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are assets that are either equity securities or debt securities. The Company measures related financial assets at fair value. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for foreign exchange gains and losses. When an equity security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings. When a debt security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The quoted market price, if any, is the value that best reflects the fair value of a financial instrument.

The methods and assumptions in fair value estimation of the financial instruments of the Company are explained in Note 28.

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2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Trade and other receivables

Trade receivables are recorded with their invoiced amounts and are carried with their net value discounted using the effective interest rate method and after deducting the doubtful receivable provision, if any.

Notes and post-dated checks classified under trade receivables are rediscounted using the effective interest rate method and carried with their discounted values.

The Company has chosen to apply the "simplified approach" defined in TFRS 9 standard within the scope of the impairment calculations of its trade receivables (with a maturity of less than 1 year) which are accounted at amortized cost in its financial statements and do not contain a significant financing component. With this approach, the Company measures the loss provisions for trade receivables at an amount equal to "lifetime expected credit losses", in cases where trade receivables are not impaired for certain reasons (except for realized impairment losses).

In addition, since the trade receivables accounted for at amortized cost in the financial statements do not contain an important financing component, the Company uses the provision matrix by choosing the simplified application for impairment calculations. With this practice, the Company measures the expected credit loss provision at an amount equal to lifetime expected credit losses. In the calculation of expected credit losses, the Company's forecasts for the future are also taken into account, along with past credit loss experiences. Following the provision for doubtful receivables, if all or part of the doubtful receivable amount is collected, the collected amount is deducted from the doubtful receivable provision and recorded as income in the profit or loss statement.

The Company has applied the simplified approach specified in TFRS 9 to calculate the expected credit loss provision for trade receivables. This approach allows for a lifetime expected credit loss provision for all trade receivables. In order to measure the expected credit loss, the Company first grouped its trade receivables by considering their maturities and credit risk characteristics. The expected credit loss ratio is calculated for each class of trade receivables grouped by using past credit loss experiences and prospective macroeconomic indicators, and the expected credit loss provision is calculated by multiplying the determined rate with the total trade receivables.

Financial investments

All financial investments are recorded at cost, which is considered to represent the fair value at the time of initial purchase and includes transaction costs. The Company measures these assets at their fair value, Gains or losses on related financial assets, excluding impairment and foreign exchange gains or expenses, are recognized in other comprehensive income.

After the initial recording, they are valued at their fair values. Interest earned from financial investments is shown as interest income. Other gains or losses on financial investments are shown in a separate line item "revaluation funds" in equity until the related assets are sold, liquidated or otherwise disposed of or are impaired in any way, after which income and associated with expense accounts.

Financial investments traded in Borsa İstanbul A.Ş. are valued on the basis of market prices formed in the stock market at the end of the business day on the balance sheet date. When there is no applicable valuation method to value unlisted financial investments, related financial investments are valued at historical cost.

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Impairment of financial assets

Financial assets or groups of financial assets, other than financial assets at fair value through profit or loss, are evaluated at each balance sheet date to see if there are indications of impairment. An impairment loss occurs when one or more events occur after the initial recognition of the financial asset and there is an objective indication that the financial asset is impaired as a result of the adverse effect of the event on the future cash flows of the financial asset or group of assets that can be reliably estimated.

For available-for-sale equity instruments, a significant and sustained decline in fair value below cost is considered an objective indication of impairment.

Gains or losses on financial assets, excluding impairment gains and losses and foreign exchange gains or expenses, are recognized in other comprehensive income. In case of sale of said assets, valuation differences classified to other comprehensive income are reclassified to retained earnings.

For all financial assets, with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account, the impairment loss is directly deducted from the carrying amount of the financial asset. In case the trade receivable cannot be collected, the said amount is deducted from the provision account and written off. Changes in the provision account are accounted for in the income statement.

The increase in the fair value of available-for-sale equity instruments after impairment is recognized directly in equity.

For available-for-sale equity instruments, an impairment loss previously recognized in profit or loss is not reversed in profit or loss. The fair value increase resulting from the impairment loss is recognized in other comprehensive income and collected under the heading of revaluation provision for investments. For available-for-sale debt securities, an impairment loss is reversed in profit/loss in subsequent periods if the increase in the fair value of the investment is attributed to an event that occurs after the impairment loss has been recognized.

Financial liabilities

Financial liabilities are initially recognized at fair value net of transaction costs and are subsequently carried at amortized cost using the effective interest method, together with the interest expense calculated over the effective interest rate.

The effective interest method is the method of calculating the amortized costs of the financial liability and allocating the related interest expense to the related period. Effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument or, where appropriate, a shorter period of time, to the net present value of the financial liability.

Bank Loans

All bank loans are recorded at cost, which is considered to reflect their fair value at the time of initial registration and includes the issuance cost.

After initial recording, loans are shown with their net values discounted using the effective interest rate method, When calculating the discounted value, the costs at the time of the first issue and the discounts and premiums at the time of repayment are taken into account.

Income or expenses incurred during the amortization process or recording of liabilities are associated with the income statement.

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2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Trade payables and other payables

Trade and other payables are recorded at a reduced cost, which represents the fair value of the invoiced or unbilled amount that will arise in the future related to the purchase of goods and services.

Provisions

Provisions are accounted for when the Company has a past legal or structural obligation as of the balance sheet date, it is probable that there will be an outflow of resources that provide economic benefits to settle the obligation, and a reliable estimate can be made about the amount of the obligation. No provision is made for operating losses expected to occur in future periods.

- *Severance pay liability* is determined by actuarial calculations based on certain assumptions including discount rates, future salary increases and employee turnover rates. Due to the long-term nature of these plans, these assumptions involve significant uncertainties. Details on provisions for employee benefits are provided in Note 15.
- *Provisions for doubtful receivables* reflect the amounts that the Company management believes will cover the future losses of the receivables that exist as of the balance sheet date but have the risk of being uncollectible within the current economic conditions. While evaluating whether the receivables are impaired or not, the past performance of the debtors other than the related parties and key customers, their credibility in the market, their performance from the balance sheet date to the approval date of the financial statements and the renegotiated conditions are also taken into consideration. As of the relevant balance sheet date, provisions for doubtful receivables are reflected in Note 7.
- The Company has applied the simplified approach specified in TFRS 9 to calculate the expected credit loss provision for trade receivables. This approach allows for a lifetime expected credit loss provision for all trade receivables. In order to measure the expected credit loss, the Company first grouped its trade receivables by considering their maturities and credit risk characteristics. The expected credit loss ratio is calculated for each class of trade receivables grouped by using past credit loss experiences and prospective macroeconomic indicators, and the expected credit loss provision is calculated by multiplying the determined rate with the total trade receivables.
- *Provisions for lawsuits*, the possibility of losing the relevant lawsuits when leaving, and the consequences that will be endured in case of loss are evaluated in line with the opinions of the Company's legal advisors, and the Company Management makes its best estimates using the data at hand and the explanations regarding the provision it deems necessary are included in Note 13.
- Regarding the *inventory impairment*, the stocks are examined physically and how old they are, their usability is determined in line with the opinions of the technical personnel, and a provision is made for items that are not expected to be used. In determining the net realizable value of inventories, data on list sales prices and average discount rates given during the year are used, and estimates are made regarding the sales expenses to be incurred. As a result of these studies, the details of the provision for inventories with a net realizable value below the cost value are given in Note 9.

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

- The Company makes assumptions based on views of the technical personnel in the calculation of provision for recultivation of exploitation lands. As a result of these analyses, assessments of the provision for recultivation of exploitation lands are provided in Note 13.

Recognition and de-recognition of financial instruments

The company reflects the financial assets or liabilities on its balance sheet if it is a party to the related financial instrument contracts. The company derecognises all or part of the financial asset only when it loses control over the contractual rights to which the said assets are subject. The company writes off financial liabilities only if the obligation defined in the contract ceases to exist, is canceled or expires.

Going Concern

Financial statements have been prepared according to the going concern principle.

2.4 Significant accounting estimates, judgments, and assumptions

The preparation of the financial statements requires the disclosure of the amounts of assets and liabilities reported as of the balance sheet date, the disclosure of contingent assets and liabilities, and the use of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. The company makes predictions and assumptions about the future. Accounting estimates may not result in exactly the same amounts as the actual results due to their nature. Some estimates and assumptions that may cause significant adjustments to the carrying value of assets and liabilities in the upcoming financial reporting period are as follows:

Goodwill impairment assessment:

In accordance with the accounting policies regarding goodwill stated in Note 2. these amounts are reviewed by the Company for impairment every year or more frequently when there are conditions indicating the existence of impairment. The recoverable value of cash-generating units was determined based on value-in-use calculations. Certain estimates have been made for these calculations (Note 12). As a result of these studies, no impairment was detected.

Fair value calculation of financial investments

In accordance with the accounting policies related to financial investments stated in Note 2, these amounts are reviewed annually by the Company. The recoverable value of cash-generating units was determined based on value-in-use calculations. Certain estimates have been made for these calculations (Note 5). As a result of these studies, no significant increase in value was detected.

Useful lives

The company determines the nature of the capitalized asset for its tangible and intangible assets in TAS 16 and TMS 38 standards and based on this, the relevant assets are capitalized when they are ready for use.
Tangible assets and intangible assets excluding goodwill are amortized over their estimated useful lives. The company determines the useful life of an asset by considering the estimated useful life of that asset. Useful lives determined by management are disclosed in Note 2.3.

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3. Segment Reporting

The majority of the Company's overseas sales consist of one-time sales to different geographical regions, and the distribution of sales by geographical regions is not consistent over the years. Therefore, the details of the revenue are given in Note 18 as domestic and international sales.

The Company's business activities are managed and organized depending on the content of the services and products it provides. The company reports according to its segments in accordance with TFRS 8. Information on the Company's business areas includes the Company's earnings and profits from cement (including clinker and aggregate) and ready-mixed concrete activities as of 31 December 2024 and 31 December 2023.)

1 January - 31 December 2024	Cement	Ready- mixed concrete	Unallocated	Elimination	Total
Revenue	12,345,833	7,362,342	-	1,906,014	21,614,189
Cost of sales (-)	(9,030,947)	(7,072,073)	-	(1,906,014)	(18,009,034)
Gross profit	**3,314,886**	**290,269**	**-**	**-**	**3,605,155**
General administrative, marketing expenses (-)	(890,944)	(124,017)	-	-	(1,014,961)
Other income/expenses from operating activities (-), net	(47,544)	(37,549)	-	-	(85,093)
Operating profit	**2,376,398**	**128,703**	**-**	**-**	**2,505,101**
Income/expense from investing activities(-), net	2,239	566	108,863	-	111,668
Financial income/expense (-), net	-	-	(14,031)	-	(14,031)
Monetary Loss/(Gain)	-	-	(77,068)	-	(77,068)
Profit before tax from continuing operations	**2,378,637**	**129,269**	**17,764**	**-**	**2,525,670**
Profit before tax from continuing operations, net	**-**	**-**	**(853,163)**	**-**	**(853,163)**
Current tax expense (-)	-	-	(330,927)	-	(330,927)
Deferred tax income/(expense)	-	-	(522,236)	-	(522,236)
Profit from continuing operations	**2,378,637**	**129,269**	**(835,399)**	**-**	**1,672,507**

31 December 2024	Cement	Ready- mixed concrete	Unallocated	Elimination	Total
Assets and liabilities					
Segment assets	18,633,512	2,156,901	-	-	20,790,413
Associates	-	-	4,232,010	-	4,232,010
Unallocated assets	-	-	3,375,284	-	3,375,284
Total assets	**18,633,512**	**2,156,901**	**7,607,294**	**-**	**28,397,707**
Unallocated liabilities	-	-	28,397,707	-	28,397,707
Total liabilities	**-**	**-**	**28,397,707**	**-**	**28,397,707**

1 January - 31 December 2024	Cement	Ready- mixed concrete	Unallocated	Elimination	Total
Other segment information					
Capital expenditures (expenses)					
Tangible and intangible assets	1,038,776	128,910	-	-	1,167,686
Total capital expenditures	**1,038,776**	**128,910**	**-**	**-**	**1,167,686**
Amortization expenses	1,032,959	195,131	-	-	1,228,090
Depreciation expenses	40,019	300	-	-	40,319

3. Segment Reporting (Continued)

1 January – 31 December 2023	Cement	Ready- mixed concrete	Unallocated	Elimination	Total
Revenue	20,796,439	8,433,400	-	(2,195,697)	27,034,142
Cost of sales (-)	(15,707,845)	(7,779,292)	-	2,195,697	(21,291,440)
Gross profit	**5,088,594**	**654,108**	**-**	**-**	**5,742,702**
General administrative, marketing expenses (-)	(1,079,855)	(165,018)	-	-	(1,244,873)
Other income/expenses from operating activities (-), net	(410,560)	31,790	-	-	(378,770)
Operating profit	**3,598,179**	**520,880**	**-**	**-**	**4,119,059**
Income/expense from investing activities (-), net	(62,755)	(4,356)	277,909	-	210,798
Financial income/expense (-), net	-	-	243,142	-	243,142
Monetary Loss/(Gain)	-	-	(28,822)	-	(28,822)
Profit before tax from continuing operations	**3,535,424**	**516,524**	**492,229**	**-**	**4,544,177**
Tax income/(expense)	**-**	**-**	**(1,120,651)**	**-**	**(1,120,651)**
Current tax expense (-)	-	-	(1,169,405)	-	(1,169,405)
Deferred tax income/(expense)	-	-	48,754	-	48,754
Profit from continuing operations	**3,535,424**	**516,524**	**(628,422)**	**-**	**3,423,526**

31 December 2023	Cement	Ready- mixed concrete	Unallocated	Elimination	Total
Assets and liabilities					
Segment assets	17,986,840	2,342,913	-	-	20,329,753
Associates	-	-	3,865,225	-	3,865,225
Unallocated assets	-	-	4,119,543	-	4,119,543
Total assets	**17,986,840**	**2,342,913**	**7,984,768**		**28,314,521**
Unallocated liabilities	-	-	28,314,521	-	28,314,521
Total liabilities	**-**	**-**	**28,314,521**	**-**	**28,314,521**

1 January - 31 December 2023	Cement	Ready- mixed concrete	Unallocated	Elimination	Total
Other segment information					
Capital expenditures (expenses)					
Tangible and intangible assets	1,074,492	296,921	-	-	1,371,413
Total capital expenditures	**1,074,492**	**296,921**	**-**	**-**	**1,371,413**
Amortization expenses	962,160	173,848	-	-	1,136,008
Depreciation expenses	39,942	300	-	-	40,242

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4. Cash and Cash Equivalents

	31 December 2024	31 December 2023
Cash at banks (including short-term time deposits)	4,450,626	3,742,557
Checks due before the reporting period	58,720	183,981
Total	**4,509,346**	**3,926,538**

Time deposits are made with maturities varying between 1-30 days for Turkish Lira and 1-30 days for USD (1-30 days for 31 December 2023 TRY and US Dollars), depending on the Company's urgent cash needs, The interest rate is 50% for TRY and 5% for USD (43% for TRY on 31 December 2023, 5% for USD).

5. Financial Investments

Short-term financial investments

The Company's short-term financial investments are as follows;

	31 December 2024	31 December 2023
Other financial assets (*)	-	294,596
Total	**-**	**294,596**

(*) As of December 31, 2023, the Company's financial assets at fair value through profit or loss item has been recognized as an exchange rate protected deposit of TL 294,596, according to the December 2024 purchasing power, under other financial assets.

Long-term financial investments

The Company's long-term financial investments are as follows;

	31 December 2024			31 December 2023		
	Share (%)	Amount	2024 Increase in Value	Sale	Share (%)	Amount
Financial assets measured at fair value through other comprehensive income						
Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi (Çimsa)	8.98	3,956,989	359,968	-	8.98	3,597,021
Arpaş Ambarlı Römorkaj Pilataj Ticaret A.Ş. (Arpaş)	16.00	168,195	10,084	-	16.00	158,111
Liman İşletmeleri ve Nakliyecilik A.Ş. (Liman İşletmeleri)	15.00	95,585	5,491	-	15.00	90,094
Eterpark Endüstri Ürünleri İmalat Ticaret İthalat İhracat Pazarlama A.Ş. (Eterpark)	-	-	28,474	(39,034)	8.73	10,560
Ambarlı Kılavuzluk A.Ş.	16.00	3,601	(1,785)	-	16.00	5,386
Altaş Ambarlı Liman Tesisleri A.Ş. (Altaş)	14.00	7,640	3,587	-	14.00	4,053
Total		**4,232,010**	**405,819**	**(39,034)**		**3,865,225**

5. Financial Investments (Continued)

Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi, one of the Company's assets traded in the stock exchange, whose fair value difference is recorded in other comprehensive income, was valued with the best purchase price pending in the BIST on the balance sheet date, and the fair value determination was made.

Fair value increase (net) amounting to a total of TRY359,968 (31 December 2023: TRY480,594) of Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi, one of the assets whose fair value difference is recorded in other comprehensive income for the accounting period ending on 31 December 2024 (net). TRY22,498 (31 December 2023: TRY30,037), taking into account the deferred tax effect, was accounted for under the "Gains / losses from financial assets at fair value through other comprehensive income" account.

	2024	2023
As of 1 January	3,865,225	3,171,348
Change in fair value	405,819	693,877
Affiliate sale (Eterpark)	(39,034)	-
As of 31 December	**4,232,010**	**3,865,225**

The Company has valued its other financial investments at fair value as of December 31, 2024. In this analysis, the average of discounted cash flow estimates and comparable value estimates were used on the financial statements of financial investments projected until 2029. The main assumptions used in making the discounted cash flow estimate in TL, weighted average cost of capital and long-term growth rates are as follows for each company:

Altaş		**Long Term Growth Rate**		
Sensitivity Analysis		**4.00%**	**5.00%**	**6.00%**
WACC	34.2%	54.385	56.348	58.583
	36.7%	50.184	51.949	53.959
	39.2%	46.433	48.024	49.835

Ambarlı İskele		**Long Term Growth Rate**		
Sensitivity Analysis		**4.00%**	**5.00%**	**6.00%**
WACC	32.7%	23.908	24.569	25.333
	35.2%	22.404	22.998	23.684
	37.7%	21.051	21.586	22.203

Arpaş		**Long Term Growth Rate**		
Sensitivity Analysis		**4.00%**	**5.00%**	**6.00%**
WACC	33.9%	1.096.387	1,123,888	1.155.234
	36.4%	1.029.497	1.054,224	1.082.408
	38.9%	969.309	991.584	1.016.973

Liman İşlt.		**Long Term Growth Rate**		
Sensitivity Analysis		**4.00%**	**5.00%**	**6.00%**
WACC	32.7%	632.277	651.446	673.579
	35.2%	590.125	607.343	627.224
	37.7%	552.290	567.786	585.678

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

6. Financial Liabilities

Short-term financial liabilities

Financial debts	Currency	31 December 2024	31 December 2023
Short-term loans	TRY	2,463,696	2,529,165
Total short-term loans		**2,463,696**	**2,529,165**
Less than 3 months	TRY	727,516	759,183
Between 3-12 months	TRY	1,736,180	1,769,982
		2,463,696	**2,529,165**

The movement of the borrowing transactions is as follows:

	Principal	Interest	2024
1 January	2,352,511	176,654	2,529,165
Inflation accounting adjustments	(823,952)	(32,539)	(856,491)
Provision/currency difference received during the period	2,998,348	953,203	3,951,551
Interest capitalized during the period	-	317,158	317,158
Provision paid-canceled during the period	(2,176,907)	(1,300,780)	(3,477,687)
31 December	**2,350,000**	**113,696**	**2,463,696**

	Principal	Interest	2023
1 January	3,422,135	264,057	3,686,192
Inflation accounting adjustments	(1,412,582)	(69,158)	(1,481,740)
Provision/currency difference received during the period	3,933,152	760,214	4,693,366
Provision paid-canceled during the period	(3,590,194)	(778,459)	(4,368,653)
31 December	**2,352,511**	**176,654**	**2,529,165**

Payables from leases

	Currency	31 December 2024	31 December 2023
Payables from short-term lease transactions	TRY	56,284	57,819
Payables from long-term lease transactions	TRY	298,400	334,236
		354,684	**392,055**

Movement of debts from leasing transactions is presented below:

	2024	2023
1 January balance	**392,055**	**457,014**
Inflation accounting adjustments	(102,321)	(161,459)
Disposal	(11,066)	(5,587)
Additions	197,123	228,253
Interest expense	75,326	76,814
Payments	(196,433)	(202,980)
31 December balance	**354,684**	**392,055**

7. Trade Receivables and Payables

Trade receivables

Short-term trade receivables

	31 December 2024	31 December 2023
Trade receivables, net	2,549,594	2,982,514
Notes receivables and post-dated checks, net	737,941	902,745
Due from associates (Note 26)	66,327	26,402
Due from related parties (Note 26)	63,717	204,262
Doubtful receivables	43,883	86,545
Provision for doubtful receivables (-)	(43,883)	(86,545)
31 December Balance	**3,417,579**	**4,115,923**

The effective interest rates used to calculate net book value of the receivables are 48.25% for TRY, 4.3051 % for USD (31 December 2023: 43.25% for TRY, 5.5930% for USD).

The provision for doubtful receivables for trade receivables has been determined based on past experience of uncollectibility.

The movement of the provision for doubtful receivables for the period ended 31 December 2024 and 31 December 2023 is as follows:

	2024	2023
1 January	86,545	65,885
Inflation accounting adjustments	(24,972)	(34,838)
Provision for doubtful receivables in the current period (Note 19)	(16,918)	55,843
Collections (Note 19)	(772)	(345)
31 December	**43,883**	**86,545**

The collection period of trade receivables varies depending on the product quality and the contracts with the customers and the average is 52 days (31 December 2023: 47 days).

The Company has accounted for lifetime expected losses on trade receivables under trade receivables net account.

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7. Trade Receivables and Payables (Continued)

Trade receivables

As of 31 December 2024 and 31 December 2023, the maturity analysis of trade receivables is as follows:

	Receivables that are overdue but not provided for doubtful receivables						
	Not due receivables	Less than one month	1-2 months	2-3 months	3-4 months	More than 4 months	Total
31 December 2024	3,123,328	163,188	745	106	24	144	3,287,535
31 December 2023	3,814,529	69,660	123	135	812	-	3,885,259

Trade payables

Short-term trade payables

	31 December 2024	31 December 2023
Suppliers, net	3,696,585	4,101,409
Due to shareholders (Note 26)	4,199	4,192
Due to other related parties (Note 26)	46,233	237,752
Due to associates (Note 26)	6,321	12,418
	3,753,338	**4,355,771**

The effective interest rates used to calculate net book value of the payables are 48,25% for TRY and 4.3051% for USD (31 December 2023 43.25% for TRY – 5.5930% for USD).

8. Other Receivables, Other Payables, Deferred Income and Payables Within the Scope of Employee Benefits

Short-term other receivables

	31 December 2024	31 December 2023
Deferred VAT	95,594	166,436
Due from personnel (Note 26)	11,763	13,961
Insurance receivables	476	666
Other	1,587	11,943
	109,420	**193,006**

Short-term other payables

	31 December 2024	31 December 2023
Other payables	77,076	86,902
Taxes and funds payable	42,088	54,081
Deposits and guarantees received	8,116	14,688
	127,280	**155,671**

8. Other Receivables, Other Payables, Deferred Income and Payables Within the Scope of Employee Benefits (Continued)

Short-term deferred income

	31 December 2024	31 December 2023
Advances received	17,483	55,571
	17,483	**55,571**

Short-term liabilities within the scope of employee benefits

	31 December 2024	31 December 2023
Social security premiums payable	30,821	27,369
Taxes and funds payable	29,865	20,392
Due to personnel (Note 26)	16,412	13,880
	77,098	**61,641**

Other long-term receivables

	31 December 2024	31 December 2023
Deposits and guarantees given	12,108	12,658
	12,108	**12,658**

9. Inventories

	31 December 2024	31 December 2023
Raw materials, net	1,363,297	1,173,771
Semi-finished goods	401,239	522,173
Finished goods	245,373	149,413
Goods in transit (*)	57,520	407,881
	2,067,429	**2,253,238**

(*) Goods in transit consist of Petrocoke and coal stocks that were purchased as of 31 December 2024 and did not reach the Company.

As of 31 December 2024 and 2023, the movement of provision for impairment of inventories is presented below:

	2024	2023
1 January	**40,114**	**49,560**
Current year charge (*)	4,972	11,281
Period usage	(29,814)	(20,727)
31 December	**15,272**	**40,114**

(*) Accounted for under cost of sales.

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10. Property, Plant and Equipment

	1 January 2024	Additions	Transfers (**)	Disposals	31 December 2024
Cost					
Land and land improvements	2,959,435	110	32,285	-	2,991,830
Buildings	6,150,268	-	248,213	(1,562)	6,396,919
Machinery and equipment (*)	30,177,049	31,641	833,918	(14,484)	31,028,124
Furniture, fixtures and motor vehicles	1,488,066	8,828	222,322	(8,330)	1,710,886
Leasehold improvements	1,414,095	-	63,852	-	1,477,947
Construction-in-progress	616,572	1,127,107	(1,456,297)	-	287,382
Total	**42,805,485**	**1,167,686**	**(55,707)**	**(24,376)**	**43,893,088**
Minus: Accumulated depreciation:					
Land and land improvements	2,065,890	34,447	-	-	2,100,337
Buildings	4,896,878	128,422	-	(1,561)	5,023,739
Machinery and equipment	24,120,917	745,848	-	(13,658)	24,853,107
Furniture, fixtures and motor vehicles	1,206,752	101,445	-	(8,044)	1,300,153
Leasehold improvements	1,091,529	44,523	-	-	1,136,052
Total	**33,381,966**	**1,054,685**	**-**	**(23,263)**	**34,413,388**
Property, plant and equipment, net	**9,423,519**				**9,479,700**

(*) It consists of investment expenditures that meet the substitution, development, environmental and legal requirements for the Company to continue its activities.

	1 January 2023	Additions	Transfer	Disposals	31 December 2023
Cost					
Land and land improvements	3,024,766	-	32,630	(97,961)	2,959,435
Buildings	6,056,562	2,762	175,151	(84,207)	6,150,268
Machinery and equipment (*)	29,407,604	1,877	940,414	(172,846)	30,177,049
Furniture, fixtures and motor vehicles	1,435,480	25,502	70,263	(43,179)	1,488,066
Leasehold improvements	1,275,051	-	139,044	-	1,414,095
Construction-in-progress	639,701	1,341,272	(1,364,401)	-	616,572
Total	**41,839,164**	**1,371,413**	**(6,899)**	**(398,193)**	**42,805,485**
Minus: Accumulated depreciation:					
Land and land improvements	2,087,641	35,938	-	(57,689)	2,065,890
Buildings	4,830,874	141,685	-	(75,681)	4,896,878
Machinery and equipment	23,556,887	716,279	-	(152,249)	24,120,917
Furniture, fixtures and motor vehicles	1,168,934	73,941	-	(36,123)	1,206,752
Construction-in-progress	1,037,287	54,242	-	-	1,091,529
Total	**32,681,623**	**1,022,085**	**-**	**(321,742)**	**33,381,966**
Property, plant and equipment, net	**9,157,541**				**9,423,519**

(**) As of 31 December 2024, there is TRY14,978 transfer from investments to intangible assets and TRY40,729 to goodwill. (31 December 2023: TRY1,364,401).

As of 31 December 2024, the total cost of tangible assets purchased through financial leasing is TRY182,867 (31 December 2023: TRY128,817), total accumulated depreciation is TRY179,552 (31 December 2023: TRY125,797).

As of 31 December 2024, the cost value of tangible and intangible assets that are still in use but fully depreciated is TRY24,565.188 (31 December 2023: TRY16,334,455).

Pledge and mortgages on assets

There are no pledges or mortgages on Group's property, plant and equipment as of 31 December 2024 and 31 December 2023.

11. Intangible Assets

	1 January 2024	Additions/ Charge	Transfers from construction-in-progress	Disposals	31 December 2024
Cost					
Rights and other intangibles (*)	1,146,564	-	14,978	(245)	1,161,297
Minus: Accumulated amortisation					
Rights and other intangibles (**)	647,570	40,319	-	(245)	687,644
Intangible assets, net	**498,994**				**473,653**

	1 January 2023	Additions/ Charge	Transfers from construction-in-progress	Disposals	31 December 2023
Cost					
Rights and other intangibles (*)	1,510,831	-	6,899	(371,166)	1,146,564
Minus: Accumulated amortisation					
Rights and other intangibles (**)	788,951	40,242	-	(181,623)	647,570
Intangible assets, net	**721,880**				**498,994**

(*) As of 31 December 2024, intangible assets amounting to TRY526,237 consist of mining rights (31 December 2023 – TRY81,077).
(**) As of 31 December 2024, TRY122,427 of accumulated amortization related to intangible assets consists of accumulated amortization related to mining rights (31 December 2023 - TRY364,774).

12. Goodwill

As of 1 May 2007 the company has concluded all transactions regarding the fair value determination of the assets and liabilities of the purchased Ladik Cement factory, and as a result of this study, goodwill amounting to TRY129,458 has been reflected in the records, The value of the related goodwill at 2024 purchasing power is TRY2,481.873. (31 December 2023 purchasing power value: TRY1,718.999)

As of November 28, 2017, the Company has finalized all transactions regarding the determination of the fair value of the assets and liabilities of Çarşamba Ready-Mixed Concrete Plant, and as a result of this study, it has reflected goodwill amounting to TRY623 in the records. The purchasing power value of the relevant goodwill as of December 31, 2024 is TRY 5,399. (December 31, 2023 purchasing power value: TRY 3,739)

As of April 30, 2024, the Company has finalized all transactions regarding the determination of the fair value of the assets and liabilities of Beykoz Ready-Mixed Concrete Plant, and as a result of this study, it has reflected goodwill amounting to TRY 33,500 in the records. The purchasing power value of the relevant goodwill as of December 31, 2024 is TRY 40,729.

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12. Goodwill (Continued)

The details of the goodwill are as follows:

	31 December 2024	31 December 2023
Ladik Çimento Fabrikası	2,481,873	2,481,873
Çarşamba Hazır Beton Tesisi	5,399	5,399
Beykoz Hazır Beton Tesisi	40,729	-
	2,528,001	**2,487,272**

The goodwill impairment test was performed on the 5-year projections approved by the management between the dates of 1 January 2024 and 31 December 2028,

In order to calculate the recoverable value of the unit, the weighted average cost of capital ratio is used as the after-tax discount rate of 19.00% (31 December 2023: 32.79%) and it has been tested at a sensitivity of 1.00% (31 December 2023 -1.00%),

The after-tax rate has been adjusted for tax-related cash outflows, other future taxable cash flows, and the differences between the cost of assets and tax bases,

	31 December 2024		
	Currency	Discount Rate (%)	Discount Rate Change Effect 1% +/-
Akçansa	TRY	19.00	33.430,89/34.861,18

13. Provisions, Contingent Assets and Liabilities

Short-term provisions for employee benefits

	31 December 2024	31 December 2023
Bonus premium	72,000	107,993
Unused vacation provision	36,463	48,095
	108,463	**156,088**

Other short-term provisions

	31 December 2024	31 December 2023
Provision for lawsuits	44,355	67,382
Other provisions	5,775	66,642
	50,130	**134,024**

13. Provisions, Contingent Assets and Liabilities (Continued)

The movement chart of short-term provisions is as follows:

	Provision for lawsuits (Note 21)	Vacation pay liability	Provision for Premium	Other
1 January 2024	67,382	48,095	107,993	66,642
Inflation accounting adjustments	(20,368)	(15,839)	(28,150)	(14,931)
Change in vacations, net	-	12,872	-	-
Current year charge	13,774	-	64,844	(45,936)
Payments	(2,374)	(8,665)	(72,687)	-
Changes in estimates	(14,059)	-	-	-
31 December 2024	**44,355**	**36,463**	**72,000**	**5,775**

	Provision for lawsuits (Note 21)	Vacation pay Liability	Bonus Premium	Other
1 January 2023	45,823	26,059	70,589	10,259
Inflation accounting adjustments	(29,265)	(15,286)	(20,131)	(3,023)
Change in vacations, net	-	51,325	-	-
Current year charge	29,502	-	109,967	64,477
Payments	(1,641)	(14,003)	(52,432)	(5,071)
Changes in estimates	22,963	-	-	-
31 December 2023	**67,382**	**48,095**	**107,993**	**66,642**

Other long-term provisions

Provision to make mine fields natural	31 December 2024	31 December 2023
January 1	35,728	26,554
Inflation accounting adjustments	(12,084)	(16,993)
Current year charge/(reversal)	8,196	25,524
Discount effect	923	643
	32,763	**35,728**

Guarantees received and given

As of 31 December 2024 and 31 December 2023, the guarantees received and given on behalf of the Company's own legal entity are as follows:

		31 December 2024		31 December 2023	
	Currency	Original amount	TRY Equivalent	Original Amount	TRY Equivalent
Guarantee letters received	EUR	1,247	45,810	3,131	147,251
Guarantee letters received	USD	87	3,069	404	17,171
Guarantee letters received	TRY	3,031,326	3,031,326	2,463,596	3,556,915
Mortgages received	TRY	406,565	406,565	317,206	457,979
Cheques and notes received	TRY	35,768	35,768	35,768	51,641
Cheques and notes received	EUR	53	1,947	53	2,493
Cheques and notes received	USD	135	4,763	135	5,738
Total Guarantees received			**3,529,248**		**4,239,188**

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13. Provisions, Contingent Assets and Liabilities (Continued)

	31 December 2024		31 December 2023	
Currency	**Original Amount**	**TRY Equivalent**	**Original Amount**	**TRY Equivalent**
A. Given on Behalf of Its Legal Entity				
Total Amount of Collateral, Pledge and Mortgage (CPM)		**2,185,573**		**264,839**
TRY	2,143,408	2,143,408	137,928	199,139
USD	1,193	42,165	1,543	65,700
EUR	-	-	-	-
B. Total Amount of CPMs Given in Favor of Partnerships Included in Full Consolidation	-	-	-	-
C. Total Amount of CPM's Given by Other 3rd Persons for the Purpose of Ordinary Commercial Activities	-	-	-	-
D. Total Amount of Other CPMs Given	-	-	-	-
i. Total amount of guarantees given on behalf of main shareholder	-	-	-	-
ii. Total amount of guarantees given on behalf of group Company which is not under Section B and C	-	-	-	-
iii. Total amount of guarantees given on behalf of third parties which is not under Section C	-	-	-	-
Total guarantees given		**2,185,573**		**264,839**

The ratio of other CPM's given by the Company to the Company's equity is 0% as of 31 December 2024 (31 December 2023: 0%).

Insurance amount on assets

Insurance amount for cash, stocks and tangible assets included in the assets is TRY44,104,288 (31 December 2023: TRY36,655,304).

Lawsuits

As of 31 December 2024, the amount of pending lawsuits against the Company is TRY99,029 (31 December 2023: TRY70,598). These lawsuits mostly consist of lawsuits filed by workers or their families due to work accidents or the alleged negligence of the Company's employees by third parties. As of 31 December 2024, a provision of TRY44,355 has been reserved for the risky cases that are not covered by the employer's liability insurance and that the lawsuits are concluded against the Company (31 December 2023: TRY46,670 expressed in 2023 purchasing power).

Possible contingencies related to environment law and land protection and usage law

In accordance with the legislation on environmental protection, the Company has obligations related to activities such as mining and cement production. All taxes, fees and emission fees etc, arising from this legislation obligations are fulfilled by the Company. The aforementioned legislation also includes regulations regarding the elimination of soil polluting and degrading negativities that may arise during the abandonment of the mines. As a result of this, the Company has calculated the net present value of the estimated cost of the recovery plans that it thinks will meet the requirements of the legislation regarding the mining sites it operates. The net present value of this cost, which corresponds to the area of the land opened as of 31 December 2024, is TRY32,763 (31 December 2023: TRY35,728) as of the aforementioned date, by recording the mine sites as a provision for reclaiming the nature, and showed it under the "Long-Term Debt Provisions" item.

14. Right of Use Assets

	1 January 2024	Addition	Disposal	31 December 2024
Cost				
Property	715,882	181,184	(26,213)	870,853
Fixtures	91,635	30,561	-	122,194
Vehicles	211,257	14,656	(3,931)	221,984
Total	**1,018,774**	**226,401**	**(30,144)**	**1,215,031**
Minus: Accumulated depreciation				
Property	201,586	106,813	(5,485)	302,915
Fixtures	20,636	13,478	-	34,113
Vehicles	114,185	53,114	(1,569)	165,730
Total	**336,407**	**173,405**	**(7,054)**	**502,758**
Right of use assets, net	**682,367**			**712,273**

	1 January 2023	Addition	Disposal	31 December 2023
Cost				
Property	519,076	213,333	(16,527)	715,882
Fixtures	74,966	16,669	-	91,635
Vehicles	181,775	29,699	(217)	211,257
Total	**775,817**	**259,701**	**(16,744)**	**1,018,774**
Minus: Accumulated depreciation				
Property	142,030	59,556	-	201,586
Fixtures	14,432	6,204	-	20,636
Vehicles	66,023	48,162	-	114,185
Total	**222,485**	**113,922**	**-**	**336,407**
Right of use assets, net	**553,332**			**682,367**

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15. Employee Benefits

Long-term provision for employee termination benefits

	31 December 2024	31 December 2023
Provision for employee termination benefits	164,970	184,327
Seniority incentive premium	83,750	86,336
	248,720	**270,663**

According to the Turkish Labor Law, the Company is obliged to pay a certain amount of severance pay to employees who retire after serving at least one year or whose employment is terminated for reasons other than resignation or bad conduct. The compensation to be paid is the lesser of one month's salary or the severance pay ceiling for each year of service, and this amount is limited to TRY 41,828.42 (December 31, 2023: RY 23,489.83) as of December 31, 2024.

Actuarial calculation is required in order to calculate the Company's liabilities in accordance with Turkish Accounting Standards (TMS) 19 (Employee Benefits). The Company has reflected the provision for severance pay to the financial statements in accordance with TAS 19, using the "Projection Method" and based on the calculations made by the professional actuary, within the framework of actuarial methods and assumptions. All actuarial gains and losses incurred are reflected in equity as other comprehensive income/(expense).

The main actuarial assumptions used to calculate the liability at the balance sheet dates are as follows:

	31 December 2024	31 December 2023
Net Discount rate	3.33%	2.72%

The movement of provision for severance pay as of 31 December 2024 and 2023 is presented below:

Provision for employee termination benefits	31 December 2024	31 December 2023
January 1	184,327	505,877
Affiliate exit effect	(57,247)	(147,708)
Severance pay paid	(42,431)	(195,610)
Actuarial gain/loss	29,708	(26,911)
Interest expense	29,775	12,486
Charge for the year	20,838	36,193
	164,970	**184,327**

The Company has reached an agreement in the Collective Bargaining Agreement negotiations between the Cement Industry Employers' Union, to which it is affiliated, and T. Çimse-İş Union, and signed the Company Collective Bargaining Agreement with an effective period of 1 January 2024 – 31 December 2025 on 31 January 2024.

15. Employee Benefits (Continued)

Long-term provision for employee termination benefits (Continued)

The movement of severance incentive provision as of 31 December 2024 and 2023 is presented below:

Seniority incentive Premium	31 December 2024	31 December 2023
Opening	86,336	122,239
Inflation accounting adjustments	(29,033)	(51,394)
Paid seniority incentive premium	(15,246)	(17,685)
Interest expenses	16,695	8,747
Charge for the year	24,998	24,429
	83,750	**86,336**

It is the benefit provided to the employees in line with the Company policy in return for the severance incentive and is shown in the financial statements of the Company by reducing the obligation as of the balance sheet dates to its present value with the effective discount rate.

16. Prepaid Expenses, Other Assets and Liabilities

Short-term prepaid expenses

	31 December 2024	31 December 2023
Prepaid expenses	747,643	453,055
Advance payment	6,393	1,488
	754,036	**454,543**

Long-term prepaid expenses

	31 December 2024	31 December 2023
Advances given for capital expenditures	102,152	59,930
	102,152	**59,930**

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17. Shareholders' Equity

Capital

	31 December 2024	31 December 2023
Number of common shares (authorized and outstanding) TRY0.01 per value	19,144,706	19,144,706

As of 31 December 2024, the Company's paid-in capital is TRY191,447 (31 December 2023: TRY191,447) (based on historical costs).

As of 31 December 2024 and 31 December 2023, the Company's shareholding structure and shareholders' shares are as follows:

	31 December 2024		31 December 2023	
	Amount	%	Amount	%
Hacı Ömer Sabancı Holding A.Ş.	76,035	39.72	76,035	39.72
HeidelbergMaterials AG	76,035	39.72	76,035	39.72
Quoted shares	39,377	20.57	39,377	20.57
Total nominal capital	**191,447**	**100**	**191,447**	**100**
Capital adjustment differences (*)	**9,000,838**		**9,000,838**	

(*) Adjustment to share capital represents the difference between the restatement effect of cash and cash equivalent contributions to share capital in accordance with CMB Financial Reporting Standards and the pre-adjustment amount. Adjustment to share capital has no other use except to be added to share capital.

There is no additional right, privilege and restriction related with these shares.

Legal and other reserves

In accordance with the Turkish Commercial Code, legal reserves consist of first and second reserves. Until the legal reserves reach 20% of the Company's historical paid-in capital, 5% of the net profit for the period is set aside as primary legal reserves. The second legal reserve is reserved at the rate of 10% over the entire profit distribution above 5% of the Company's paid-in capital. According to the Turkish Commercial Code, legal reserves cannot be distributed unless they exceed 50% of the paid-in capital, but they can be used to cover losses at the point where profit reserves are exhausted.

17. Shareholders' Equity (Continued)

Listed companies distribute dividend in accordance with the Communiqué No, II-19,1 issued by the CMB which is effective as of 1 February 2014.

Partnerships distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation. Within the scope of the said communiqué, a minimum distribution rate has not been determined. Companies pay dividends as determined in their articles of association or dividend policy, In addition, dividends can be paid in installments of equal or different amounts, and dividend advances can be distributed in cash over the profit included in the financial statements.

Unless the reserves required to be set aside in accordance with the TCC and the dividend determined for the shareholders in the articles of association or the profit distribution policy are reserved; It cannot be decided to allocate other reserves, to transfer profits to the next year, and to distribute dividends to shareholders, members of the board of directors, partnership employees and non-shareholders.

Equity inflation adjustment differences and registered values of extraordinary reserves, bonus issue capital increase; cash can be used for profit distribution or loss offset. However, if the equity inflation adjustment differences are used in cash profit distribution, they will be subject to corporate tax.

In 2023, the company will provide full TRY 1,3058 gross to full-fledged taxpayer corporations and non-resident corporations partners who receive dividends through a workplace or permanent representative in Turkey, at the rate of 130.58% and with a nominal value of TRY1.00. The General Assembly decided to pay a net cash dividend of 130.58% to other shareholders and to pay a full TRY1.3058 gross and net full TRY 1,1753 cash dividends for shares with a nominal value of TRY1.00, a total of TRY250,000,000. The dividend payment of the amount of the amount has been made in cash as of 27 March 2023. With the effect of inflation accounting, the payment amount is TRY528,559.608 at 31/12/2024 purchasing power.

In 2024, the company will provide a gross amount of TRY 6,0069 to full-fledged taxpayer corporations and to non-resident corporations shareholders who receive dividends through a workplace or permanent representative in Turkey, at a rate of 600.69% and a nominal value of TRY1.00. The General Assembly decided to pay a net cash dividend of 6,0069TRY in gross and 600,69% in net total for shares with a nominal value of TRY1.00 and at the rate of 600,69% to other shareholders, a total of TRY1,150,000,000 The dividend payment of the amount of the amount has been made in cash as of 15 April 2024. With the effect of inflation accounting, the payment amount is TRY1,398,515,000 at 31/12/2024 purchasing power.

The historical values and inflation adjustment effects of the following accounts under equity of Akçansa Çimento Sanayi ve Ticaret A.Ş. are as follows as of December 31, 2024, in accordance with the TFRS and VUK financial statements:

31 December 2024 (TFRS)	Historical Value	Inflation adjustment effect	Indexed value
Capital Adjustment Differences	233,178	8,767,660	9,000,838
Restricted Reserves Allocated from Profit	512,036	3,189,309	3,701,345

31 December 2024 (TPL)	Historical Value	Inflation adjustment effect	Indexed value
Capital Adjustment Differences	216,898	6,749,985	6,966,883
Restricted Reserves Allocated from Profit	617,005	4,943,840	5,560,845

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18. Revenue and Cost of Sales

Revenue

	1 January – 31 December 2024	1 January – 31 December 2023
Domestic sales	17,069,654	20,762,383
Foreign sales	4,428,765	6,116,426
Sales discount (-)	(64,573)	(45,451)
Other discounts (-)	(283,055)	(319,480)
	21,150,791	**26,513,878**
Domestic service sales (*)	463,398	520,264
Total	**21,614,189**	**27,034,142**

Cost of sales

	1 January – 31 December 2024	1 January – 31 December 2023
Direct material and supplies expenses	13,185,416	16,138,221
Direct labor expenses	1,180,438	982,460
Depreciation and amortization expenses	1,116,296	1,037,409
Other production expenses	1,651,509	1,802,699
Total production cost	**17,133,659**	**19,960,789**
Change in work-in-process	**120,934**	**(4,690)**
Work-in-progress at the beginning of the period	522,173	517,483
Work-in-progress at the end of the period	401,239	522,173
Change in finished goods	**(95,960)**	**4,205**
Finished goods at the beginning of the period	149,413	153,618
Finished goods at the end of the period	245,373	149,413
Cost of trade goods sold	**707,386**	**1,106,075**
Cost of domestic service sold	**143,015**	**225,061**
Total	**18,009,034**	**21,291,440**

(*) Domestic service sales are the service income generated by the Company from port operations,

19. Marketing and General Administrative Expenses

	1 January – 31 December 2024	1 January – 31 December 2023
General administrative expenses	881,488	1,002,470
Marketing expenses	133,473	242,403
	1,014,961	**1,244,873**

	1 January – 31 December 2024	1 January – 31 December 2023
General and administrative expenses		
Personnel expenses	498,286	567,445
Depreciation and amortization	123,043	110,694
Outsourced benefit and services	86,738	88,351
Consultancy expenses	50,163	73,371
Representation and hospitality expenses	32,134	24,627
Traveling expenses	27,102	28,576
Advertisement, communication and announcement	11,156	38,056
Taxes, duties and fees	10,608	14,402
Insurance expenses	8,418	8,045
Employee termination benefits	4,425	7,994
Rent expenses	2,558	2,996
Other expenses	26,857	37,913
	881,488	**1,002,470**
Marketing expenses		
Personnel expenses	91,201	74,302
Sales guarantee expenses	14,727	14,723
Depreciation and depletion shares	10,697	9,516
Representation and hospitality expenses	7,427	60,159
Traveling expenses	6,854	6,246
Taxes, duties and fees	5,312	6,748
Outsourced benefit and services	3,369	2,363
Employee termination benefits	679	1,439
Rent expenses	279	1,039
Doubtful receivable expenses (Note 7)	(17,690)	55,498
Other expenses	10,618	10,370
	133,473	**242,403**

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20. Expenses by Nature

Depreciation and amortization expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Property, plant and equipment		
Production costs	1,091,901	1,019,096
General administrative expenses	108,475	89,540
Marketing expenses	10,697	9,516
Other operating expenses	17,017	17,856
Total amortization expenses	**1,228,090**	**1,136,008**
Intangible assets		
Production costs	24,395	18,313
General administrative expenses	14,568	21,154
Other operating expenses	1,356	775
Total depreciation expenses	**40,319**	**40,242**

Personnel expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses		
Wages and salaries	1,340,718	1,140,829
Other social expenses	413,473	456,616
Provision for employee termination benefits, net (Note 15)	20,838	36,193
	1,775,029	**1,633,638**

Fees for Services Obtained from an Independent Auditor/Independent Audit Firm

The Company's explanation regarding the fees for services rendered by independent audit firms, which is prepared by the KGK pursuant to the Board Decision published in the Official Gazette on 30 March 2021, and the preparation principles of which are based on the letter of the KGK dated 19 August 2021 are as follows,

	1 January - 31 December 2024	1 January - 31 December 2023
Independent audit fee for the reporting period	2,565	2,379
Fee for other assurance services	454	1,126
	3,019	**3,505**

21. Other Operating Income / Expenses

Other operating income

	1 January – 31 December 2024	1 January – 31 December 2023
Operational foreign exchange gains	150,474	285,130
Rent income	52,703	67,761
Gain on sale of auxiliary materials	32,643	45,904
Maturity difference income	31,604	7,729
Idemnity income	26,626	49,705
Rediscount revenues	26,177	58,096
Income from grants	9,159	28,189
Provisions that are no longer subject to legal proceedings	2,659	-
Other	17,678	12,384
	349,723	**554,898**

Other operating expenses (-)

	1 January – 31 December 2024	1 January – 31 December 2023
Operational foreign exchange losses	267,537	588,958
Help and donations	61,406	88,902
Rediscount expenses	53,018	98,974
Expenses for leased terminals	18,730	22,950
Property Tax	16,528	21,749
Provision to make mine fields natural (Note 13)	8,196	25,524
Disallowable expenses	5,287	9,880
Compensation and penalties	2,384	1,677
Provision for lawsuits (Note 13)	-	50,824
Other	1,730	24,230
	434,816	**933,668**

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22. Income and Expenses from Investment Activities

As of 31 December 2024 and 31 December 2023 income from investing activities are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Profit on sales of subsidiaries (*)	107,102	76,202
Valuation difference on financial assets at fair value through profit or loss	1,761	25,338
Dividend income	2,805	109,258
	111,668	**210,798**

(*) The details of dividend income as of 31 December 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Çimsa	105,620	74,155
Arpaş	1,482	2,047
	107,102	**76,202**

23. Financial Income and Expenses

Details of financial income as of 31 December 2024 and 31 December 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	941,567	641,572
Financial foreign exchange gains	179,418	527,661
Foreign exchange gain on derivative instruments	946	46,003
	1,121,931	**1,215,236**

As of 31 December 2024 and 31 December 2023 details of financial expenses are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest expense	1,077,466	926,564
Financial foreign exchange gains	43,471	37,286
Derivative instruments exchange difference expense	15,025	8,244
	1,135,962	**972,094**

24. Net Monetary Position Gains/(Losses)

The details of the Company's net monetary position gains/(losses) in accordance with TMS 29 as of December 31, 2024 and December 31, 2023 are as follows:

Monetary Asset Items	1 January - 31 December 2024	1 January - 31 December 2023
Cash and Cash Equivalents	(1,067,050)	(1,386,937)
Financial Investments	(9,254)	(80,667)
Trade Receivables	(1,344,578)	(1,691,832)
Short-Term Other Receivables	(159,821)	(282,548)
Long-Term Other Receivables	(20,953)	(16,207)
Monetary Liability Items		
Financial Liabilities	923,574	1,254,163
Financial Lease Liabilities	131,364	159,833
Trade Liabilities	1,112,245	1,523,005
Liabilities Under Employee Benefits	32,349	31,209
Short-Term Provisions for Employee Benefits	44,112	30,787
Other Short-Term Provisions	54,578	33,238
Deferred Income	9,992	28,930
Other Short-Term Liabilities	53,477	60,042
Current Profit Tax Liability	62,641	140,261
Long-term provisions for employee benefits	57,443	112,376
Other Long-Term Provisions	42,813	55,525
NET MONETARY POSITION GAINS (LOSSES)	**(77,068)**	**(28,822)**

25. Tax Assets and Liabilities (Including Deferred Tax Assets and Liabilities)

As of 31 December 2024 and 31 December 2023,details of deferred tax assets and liabilities are as follows:

	Deferred tax assets (*)		Deferred tax liabilities (*)		Deferred tax income/ (expense)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	1 January- 31 December 2024	1 January- 31 December 2023
Temporary differences on tangible and intangible assets	369,048	795,086	-	-	(426,038)	(320,052)
Goodwill	-	-	(624,552)	(621,818)	(2,734)	124,637
Inventories	-	-	(46,963)	(20,084)	(26,879)	7,554
Allowance for employee termination benefits	-	-	(9,528)	(15,773)	6,245	116,948
Rediscount on receivables and payables	27,611	30,312	(16,000)	(18,544)	(157)	(819)
Provision for recycling mine fields	26,918	29,672	-	-	(2,754)	(12,941)
Other temporary differences, net (including revaluation fund)	100,955	109,351	(190,473)	(128,950)	(69,919)	35,919
Tax income/expense related with other comprehensive income	-	-	(128,697)	(112,540)	(16,157)	68,568
	524,532	**964,421**	**(1,016,213)**	**(917,709)**	**(538,393)**	**19,814**

(*) The net total of these two balances is presented in the balance sheet as deferred tax asset with the amount of TRY491,681 (31 December 2023 : TRY46,712).

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25. Tax Assets and Liabilities (Including Deferred Tax Assets and Liabilities) (Continued)

Movement table of net deferred tax liabilities is as follows;

	1 January - 31 December 2024	1 January - 31 December 2023
Balance as at January 1	46,712	66,526
Deferred tax (income)/expense stated in the income statement	(522,236)	48,754
Tax (income) / expense related to other comprehensive income items	(16,157)	(68,568)
31 December net balances	**(491,681)**	**46,712**

Deferred tax is calculated by using the liability method as the temporary differences between recorded values and tax bases of assets and liabilities in the financial statements. This calculation is made by using the enacted tax rates as of the date of the statement of financial position.

On July 5, 2023, with the "Legislative Proposal on the Amendment of Certain Laws and the Decree Law No. 375 on the Amendment of Certain Laws and the Legislative Decree Law No. 375 with the Additional Motor Vehicles Tax for the Compensation of the Economic Losses Caused by the Earthquakes Occurring on February 6, 2023", which entered the agenda of the Turkish Grand National Assembly on July 5, 2023, as a result of a 5 percentage point increase in the corporate tax rate (from 25% to 30% for certain institutions, particularly financial institutions), the corporate tax rate was raised from 20% to 25%, and it was suggested that the regulation exempting gains from the sale of real estate from corporate tax be terminated. The law proposal in question was enacted into law on 15/07/2024.

Pursuant to the Law No. 7440 on "Restructuring of Certain Receivables and Amendments to Certain Laws" published in the Official Gazette on March 12, 2023, 2022 by being shown in the corporate tax return for the year, in accordance with the regulations in the laws, exemption and discount amounts deducted from the corporate income in accordance with the regulations in the laws and tax bases subject to discounted corporate tax should be calculated at the rate of 10% on the exemption and discount amounts deducted from the corporate income and on the bases subject to discounted corporate tax, without being associated with the period earnings, and an additional tax of 5% on the exempt earnings. As of December 31, 2023, the effect of the Company's tax expense for the period calculated within the scope of the aforementioned regulation is TRY4,095,375 and the first installment of TRY2,047,687 of the related tax payments was paid in May 2023 and the second installment was paid in September 2023.

The corporate tax rate is applied to the net corporate income of the corporations after deducting the non-deductible expenses, exemptions and deductions in accordance with the tax laws from the commercial income of the corporations. Corporate tax is payable by the twenty-fifth of the fourth month following the end of the year to which it relates, and is payable by the end of the relevant month.

In Turkey, the general corporate tax rate is 25%. However, within the scope of the "Law on the Amendment of the Law on the Collection Procedure of Public Receivables and Certain Laws" numbered 7316 published in the Official Gazette dated April 22, 2021, this rate is applied as 25% for the corporate income of the corporations for the taxation period of 2022 starting from the declarations to be submitted as of July 1, 2021 (31 December 2023: %25).

The corporate tax rate is applied to the net corporate income to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, and deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant year and is paid until the end of the relevant month.

25. Tax Assets and Liabilities (Including Deferred Tax Assets and Liabilities) (Continued)

Companies calculate a provisional tax of 25% on their quarterly financial profits and declare it by the 14th day of the second month following that period and pay it by the evening of the seventeenth day. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of provisional tax paid remains despite being deducted, this amount can be refunded in cash or offset against other financial debts to the state.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised.

The income tax payable as of 31 December 2024 and 31 December 2023 (assets related to current tax) is summarized follows:

	31 December 2024	31 December 2023
Current income tax liabilities	330,927	1,169,405
Prepaid income tax	(196.502)	(767,032)
Inflation effect	(16.816)	(155,045)
Current income tax liabilities, (assets related to current period tax liability)	**117,609**	**247,328**

	1 January- 31 December 2024	1 January- 31 December 2023
Profit before tax and non-controlling interests	**2,525,670**	**4,544,177**
At the effective statutory income tax rate of 25% (2023:25%)	(631,418)	(1,136,044)
Income not subject to tax	158,045	105,006
Expenses that are not deductible	(41,503)	(28,320)
Deferred Tax Asset within the Incentive Scope(*)	38,286	-
Tax advantage utilized within the Incentive Scope(*)	2,260	-
Effect of reduced tax rate within the scope of KVK 32/7 and 32/8	23,600	64,906
Inflation Effect	(397,315)	(158,704)
Other	(5,118)	32,505
	(853,163)	**(1,120,651)**

(*) Within the scope of the Company's investments in ship loaders and waste tire shredding units in Çanakkale and Ladik factories, a deferred tax asset has been created within the framework of the investment incentive system. This incentive contributes to the reduction of future tax liabilities.

The total investment amount for the Ladik Factory shredded tire unit investment is 12,618 TRY, the investment contribution rate is 40% and the investment contribution amount is 5,047 TRY. In 2024, 2,260 TRY of the portion was deducted from the corporate tax calculated for 2024. The total investment amount for the Çanakkale Factory ship loader investment is 177,493 TRY, the investment contribution rate is 20% and the investment contribution amount is 35,499 TRY.

All relevant investments are planned to be completed in 2026, and the investment contribution amounts for these parts will be subject to deduction for 2025 and 2026 corporate taxes.

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25. Tax Assets and Liabilities (Including Deferred Tax assets And Liabilities) (Continued)

Global Minimum Supplementary Corporate Tax

In September 2023, the POA published amendments to TAS 12, which introduce a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar income taxes. These amendments clarify that TAS 12 will apply to income taxes arising from tax laws that have entered into force or are close to entering into force for the purpose of implementing the Second Pillar Model Rules published by the Organization for Economic Co-operation and Development (OECD). These amendments also introduce certain disclosure provisions for businesses affected by such tax laws. The exception that information about deferred taxes in this context will not be recognized and disclosed and the disclosure provision that the exception has been applied will be implemented upon publication of the amendment.

With a Bill submitted to the Turkish Grand National Assembly on July 16, 2024, it has begun to adopt the OECD's Global Minimum Supplementary Corporate Tax regulations (Pillar 2). These regulations entered into force with the laws published in the Official Gazette on August 2, 2024. The application in Turkey is largely compatible with the OECD's Pillar 2 Model Rules and shows similarities in terms of scope, exemptions, consolidation, tax calculations and declaration periods. Although the secondary regulation regarding the calculation details and application method has not yet been published, it is evaluated that the said regulations will not have a significant impact on the financials in the preliminary assessments made by taking into account the regulations published by the OECD. However, legislative changes are being followed in Turkey and other countries where the Bank/Company operates.

Domestic Minimum Corporate Tax

Turkey has put into effect the Domestic Minimum Corporate Tax with the laws published in the Official Gazette dated August 2, 2024. This tax will be applied starting from the 2025 accounting period. "The institution of the Minimum Corporate Tax was introduced with Law No. 7524, and a regulation was made stating that the corporate tax calculated within this scope cannot be less than 10% of the corporate income before deductions and exemptions. The regulation will enter into force on the date of publication to be applied to the corporate income of the 2025 taxation period. In addition, the Corporate Tax General Communiqué No. 23 has been published on the subject.

26. Earnings Per Share

Profit/loss per share is calculated by dividing the net profit for the period by the weighted average of the number of shares outstanding as of the end of the year, As of 31 December 2024 and 31 December 2023, the weighted average number of shares is 19,144,706,825.

There are no ordinary shares issued or to be issued as of the date of preparation of the financial statements and prior to the completion of these Financial statements,

26. Earnings Per Share (Continued)

Earnings per share and dividends per share distributed as follows:

	2024	2023
Net profit for the year	1,672,507	3,423,526
Weighted average number of ordinary shares issued (kr 1 each)	19,144,707	19,144,707
Earnings per share (kr) (*)	**8,736**	**17,882**
Dividend distributed to shareholders	1,398,515	528,560
Gross dividends per share (kr) (*)	**7,305**	**2,761**

(*) Since all shareholders of the Company have the same equal rights and there are no privileged shares, the basic and diluted earnings per share and dividends distributed per share do not differ.

27. Related Party Disclosures

The definition of a company as a related company is determined by the fact that one of the companies has control over the other or has a significant influence on the financial and administrative decisions of the related company, The company, Hacı Ömer Sabancı Holding A.Ş. (39.72%) (31 December 2023 -39.72%) and Heidelberg Materials Group (39.72%) (31 December 2023 -39.72%). For the financial statements, shareholder companies and financial assets and their affiliates and subsidiaries and balances of other Sabancı and Heidelberg Materials Group companies are shown as separate items and these companies and the Company's senior managers are named as related companies.

The balances of related parties as of 31 December 2024 and 31 December 2023 and the total amount of transactions made with these institutions as of 31 December 2024 and 2023 are as follows:

Sales to related parties

	1 January - 31 December 2024			1 January - 31 December 2023		
Related Parties	**Product**	**Service**	**Other**	**Product**	**Service**	**Other**
Shareholders						
Hacı OmerSabancı Holding A.Ş.	-	-	-	-	-	-
Heidelberg Materials A.G.	-	-	1,835	-	-	-
Financial assets						
Çimsa Çimento Sanayi ve Ticaret A.Ş. (Çimsa)	426,503	-	-	616,554	-	1
Arpaş Ambarlı Römorkaj Pilotaj Tic. A.Ş.	-	-	-	1,074	-	-
Çukurova İth.ve İhr.Taş.	-	-	-	-	-	46,306
Other(*)						
Exsa Export San.Mam.Satış ve Araş.A.Ş.	-	-	-	-	-	270,455
Heidelberg Materials AG	-	-	-	-	-	12,787
Kordsa Teknik Tekstil A.Ş.	-	-	-	-	-	122
Temsa İş Makinaları İmalat Paz ve Sat.	-	-	14	-	-	-
HC Trading Americas, LLC	3,001,314	-	9	3,917,539	158	-
HM Trading Asia and Pasific Pte LTD	-	-	-	-	120	-
HM Trading GMBH	932,543	-	7,854	1,496,322	2,455	-

(*) Associated entities of shareholders.

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27. Related Party Disclosures (Continued)

Purchases from related parties

	1 January - 31 December 2024			1 January - 31 December 2023		
Related Parties	**Product**	**Service**	**Other (*)**	**Product**	**Service**	**Other(*)**
Shareholders						
Hacı Ömer Sabancı Holding A.Ş.	-	-	13,074	-	-	19,837
Heidelberger Materials A.G.	-	-	-	-	-	-
Financial assets						
Çimsa Çimento Sanayi ve Ticaret A.Ş.	-	-	61	-	-	-
Liman İşletmeleri ve Nakliyecilik A.Ş. (Liman İşletmeleri)	-	12,105	3,798	-	14,161	5,410
Altaş Ambarlı Liman Tesisleri Tic. A.Ş. (Altaş)	-	-	15,320	-	-	11,403
Arpaş Ambarlı Römorkaj Pilotaj Tic A.Ş (Arpaş)	-	211	-	-	191	-
Other(**)						
Aksigorta Sigortacılık A.Ş.	-	-	120,302	-	-	76,942
Afyon Çimento Sanayii Türk A.Ş.	-	-	-	-	-	817
Sabancı Dijital Teknoloji Hizmetleri Tic. A.Ş.	-	-	27,431	-	-	17,224
Agesa A.Ş.	-	-	1,518	-	-	1,402
Teknosa İç ve Dış Tic. A.Ş.	-	-	3,110	-	-	2,668
Carrefoursa	-	-	13,744	-	-	26,576
Enerjisa Üretim Santralleri A.Ş.(***)	-	-	706,160	-	-	2,042,010
Enerjisa Enerji A.Ş. (***)	-	-	496	-	-	504
Kordsa Teknik Tekstil A.Ş.	-	-	10,579	-	-	11
Vista Turizm ve Seyahat A.Ş.	-	-	30,265	-	-	83,167
HM Trading GMBH (****)	-	-	-	-	-	804,099
Temsa İş Makinaları İmalat Pazarlama ve Satış A.Ş.	-	-	227	-	-	844
Brisa Bridgestone Lastik Sanayi ve Ticaret A.Ş.	-	-	4,253	-	-	-

(*) The majority of the assets consist of the purchase or sale of tangible assets, the due date difference and the foreign exchange difference,
(**) Related companies of the Company's shareholders,
(***) The company covers its electricity expenses, which constitute a significant part of its production costs, from this company,.
(****) Consists of company import transactions

27. Related Party Disclosures (Continued)

	Due from related parties		Due to related parties	
	31 December 2024	**31 December 2023**	**31 December 2024**	**31 December 2023**
Shareholders				
Hacı Ömer Sabancı Holding A.Ş.	-	-	6,321	12,418
Heidelberg Materials A.G.	-	15,798	-	-
Total (*)	**-**	**15,798**	**6,321**	**12,418**
Financial assets				
Arpaş	-	-	37	31
Çimsa	66,327	26,402	-	-
Liman İşletmeleri	-	-	2,474	3,419
Altaş	-	-	1,688	741
Total (*)	**66,327**	**26,402**	**4,199**	**4,191**
Other(***)				
Aksigorta Sigortacılık A.Ş.	-	-	136	1,930
Brisa Bridgestone Lastik Sanayi ve Ticaret A.Ş.	-	-	3,541	1,729
Teknosa A.Ş.	-	-	944	224
Sabancı Dijital Teknoloji Hizmetleri Tic. A.Ş.	-	-	21,491	2,570
Agesa A.Ş.	58	-	-	1
Enerjisa Üretim Santralleri A.Ş.	-	42	16	-
Enerjisa Elektrik Enerji Toptan Satış A.Ş.	-	4,248	1,668	-
HM Trading GMBH	5,313	16,461	-	216,866
HM Trading Americas, LLC	58,345	167,705	-	-
Vista Turizm ve Seyahat A.Ş.	-	-	1,668	682
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	-	-	12,123	13,359
Temsa İş Makinaları İmalat Pazarlama ve Satış A.Ş.	-	-	37	392
Kordsa	-	-	4,609	-
Total	**63,716**	**188,456**	**46,233**	**237,753**
Personnel (**)	11,763	13,961	16,412	13,880
Total	**141,806**	**244,617**	**73,165**	**268,242**

(*) Presented in "Short-term trade receivables/payables" accounts (Note 7),
(**) Presented in "Other receivables/payables for employee benefits" accounts.
(***) Related parties of Company shareholders

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27. Related Party Disclosures (Continued)

As of 31 December 2024, TRY80,559 (31 December 2023: TRY42,434) of the receivables from the Direct Debit System (DBS) included in trade receivables belongs to Akbank T.A.Ş.

	31 December 2024	31 December 2023
Deposit at banks		
Akbank T.A.Ş.	2,138,401	2,008,375
Financial liabilities		
Akbank T.A.Ş.	-	151,227

	1 January - 31 December 2024	1 January - 31 December 2023
Financial expenses to related parties		
Akbank T.A.Ş.	4,773	47,138
Interest income from related parties		
Akbank T.A.Ş.	790,758	365,155
Donations		
Sabancı Üniversitesi	2,099	959
Vaksa Hacı Ömer Sabancı Vakfı	36,053	47,692
	38,152	**48,651**

Executive members' remuneration total;

	1 January - 31 December 2024	1 January - 31 December 2023
Short-term benefits provided to management	68,026	54,568
Post-employment benefits	6,279	2,005
Other long-term benefits	3,160	1,459
Total benefits	**77,465**	**58,032**
Employer's social security premium portion	**3,206**	**2,701**

28. The Nature and Level of Risks Arising from Financial Instruments

Financial risk management objectives and policies

The main financial instruments used by the Company are bank loans, financial leases, cash and short-term bank deposits, The main purpose of using these tools is to create financing for the Company's operations, The Company also has financial instruments such as trade receivables and trade payables arising directly from operations,
The risks arising from the instruments used are foreign currency risk, interest risk, credit risk and liquidity risk, Company management manages these risks as stated below, The company also monitors the market risk that may arise from the use of financial instruments,

Foreign currency risk

The Company has a foreign currency risk arising from its transactions, These risks arise from the Company's purchases and sales of goods in currencies other than the valuation currency,

The Company's net foreign currency debt as of 31 December 2024 including derivative receivables, is TRY156,274 and as of 31 December 2023, its net foreign currency receivable is TRY315,902.

Foreign currency position of the Company is as follows:

Table of foreign currency position						
Current Period 31 December 2024						
	TRY equivalent (functional currency)	USD	EUR	GBP	AUD	Other
1. Trade receivables	147,824	3,433	727	-	-	-
2a. Monetary financial assets (including cash and bank accounts)	1,003,722	25,020	3,294	-	-	-
Total currency assets (1+2a)	**1,151,547**	**28,453**	**4,021**	**-**	**-**	**-**
3. Trade payables	(1,307,820)	(26,749)	(9,845)	(2)	-	-
4. Financial liabilities	-	-	-	-	-	-
Total foreign currency liabilities	**(1,307,820)**	**(26,749)**	**(9,845)**	**(2)**	**-**	**-**
Net foreign currency position	**(156,273)**	**1,704**	**(5,824)**	**(2)**	**-**	**-**
Total fair value of financial instruments used for currency hedge	**-**	**-**	**-**	**-**	**-**	**-**
Exports (*)	**4,428,765**	**116,545**	**-**	**-**	**-**	**-**
Imports(*)	**2,448,650**	**39,918**	**24,421**	**79**	**75**	**-**

Table of foreign currency position						
Current Period 31 December 2023						
	TRY equivalent (functional currency) (**)	USD	EUR	GBP	SEK	Other
1. Trade receivables	184.191	4,325	7	-	-	-
2a. Monetary financial assets (including cash and bank accounts)	1.044.350	17,737	6,176	-	-	-
Total currency assets (1+2a)	**1.228.541**	**22,062**	**6,183**	**-**	**-**	**-**
3. Trade payables	(1.544.443)	(22,089)	(12,770)	(7)	(64)	-
4. Financial liabilities	-	-	-	-	-	-
Total foreign currency liabilities	**(1.544.443)**	**(22,089)**	**(12,770)**	**(7)**	**(64)**	**-**
Net foreign currency position	**(315.902)**	**(27)**	**(6,587)**	**(7)**	**(64)**	**-**
Total fair value of financial instruments used for currency hedge	**-**	**-**	**-**	**-**	**-**	**-**
Exports (*)	**6.116.426**	**139,509**	**-**	**-**	**-**	**-**
Imports(*)	**3.038.548**	**52,985**	**16,616**	**52**	**-**	**60**

(*) Import and export figures cover the January-December periods of 2024 and 2023 and are shown in 2024 purchasing power.
(**) TRY equivalent values for the 2023 period are shown in 2024 purchasing power.

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28. Nature and Level of Risks Arising from Financial Instruments (Continued)

The following table shows the effect of a 20% depreciation of TRY in the pre-tax profit level:

Foreign currency sensitivity analysis

	31 December 2024*	
	Profit/ loss	Profit/ loss
	Appreciation of foreign currency	Depreciation of foreign currency
If the US Dollar changes by 20% against TRY:		
1- USD denominated net asset/ liability	12,024	(12,024)
2- USD denominated hedging instruments (-)	-	-
3- Net effect in USD (1+2)	**12,024**	**(12,024)**
If the Euro changes 20% against TRY:		
4- EUR denominated net asset/ liability	(42,867)	42,867
5- EUR denominated hedging instruments (-)	-	-
6- Net effect in EUR (4+5)	**(42,867)**	**42,867**
Average 20% change in other exchange rates against TRY:		
7- Other foreign currency denominated net assets, liabilities	(18)	18
8- Other foreign currency hedging instruments (-)	-	-
9- Net effect in other foreign currency (7+8)	**(18)**	**18**
Total (3+6+9)	**(30,861)**	**30,861**

	31 December 2023**	
	Profit/ loss	Profit/ loss
	Appreciation of foreign currency	Depreciation of foreign currency
If the US Dollar changes by 20% against TRY:		
1- USD denominated net asset/ liability	(230)	230
2- USD denominated hedging instruments (-)	-	-
3- Net effect in USD (1+2)	**(230)**	**230**
If the Euro changes 20% against TRY:		
4- EUR denominated net asset/ liability	(62,069)	62,069
5- EUR denominated hedging instruments (-)	-	-
6- Net effect in EUR (4+5)	**(62,069)**	**62,069**
Average 20% change in other exchange rates against TRY:		
7- Other foreign currency denominated net assets, liabilities	(74)	74
8- Other foreign currency hedging instruments (-)	-	-
9- Net effect in other foreign currency (7+8)	**(74)**	**74**
Total (3+6+9)	**(62,373)**	**62,373**

(*) The change in the exchange rate has no effect on the Company's equity items.
(**) December 31, 2023 values are shown in 2024 purchasing power.

28. Nature and Level of Risks Arising from Financial Instruments (Continued)

Price risk

Price risk is a combination of foreign currency, interest and market risk and is naturally managed by the Company through hedging, by meeting the debts and receivables in the same currency, and interest bearing assets and liabilities. Market risk is closely monitored by the Company through the analysis of market information and appropriate valuation methods.

The Company does not have any variable interest rate financial instruments. Current loans are fixed interest rate.

Credit risk

Credit risk is the risk that the other party will incur financial loss as a result of the failure of one of the parties in a mutual relationship to fulfill its obligations regarding a financial instrument. The Company tries to manage its credit risk by limiting transactions with certain parties and by constantly evaluating the reliability of the parties with which it is in contact. The Company's total credit risk is shown in the balance sheet.

Credit risk concentration is related to the fact that certain companies operate in similar business areas, are located in the same geographical region, or that the changes that may occur in economic, political and other conditions affect the contractual obligations of these companies within the framework of similar economic conditions. Concentration of credit risk indicates the sensitivity of the Company's performance to developments affecting a particular sector or geographic region.

The Company tries to manage its credit risk by spreading its sales activities over a wide area, avoiding unwanted concentration on individuals or companies in a certain sector or region. The company also obtains collateral from its customers when it deems necessary.

	Receivables				
	Trade receivables		Other Receivables		
31 December 2024	**Related party**	**Other party**	**Related party**	**Other party**	**Deposit at banks**
Maximum credit risk exposures as of report date (A+B+C+D) (1)	**130,044**	**3,287,535**	**11,763**	**109,765**	**4,450,626**
- Guaranteed portion of credit risk by guarantees, etc,	-	3,139,919	11,763	-	-
A. Net book value of financial assets which are not overdue or not impaired (2)	130,044	3,112,712	11,763	109,765	4,450,626
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired (3)	-	10,616	-	-	-
C. Net book value of assets which are overdue but not impaired assets	-	164,207	-	-	-
- Under guarantee	-	141,113	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	43,883	-	-	-
- Impairment (-)	-	(43,883)	-	-	-

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28. Nature and Level of Risks Arising from Financial Instruments (Continued)

	Receivables				
	Trade receivables		Other Receivables		
31 December 2023	Related party	Other party	Related party	Other party	Deposit at banks
Maximum credit risk exposures as of report date (A+B+C+D) (1)	**230,664**	**3,885,259**	**13,961**	**191,703**	**3,742,557**
- Guaranteed portion of credit risk by guarantees, etc,	-	3,859,590	13,961	-	-
A. Net book value of financial assets which are not overdue or not impaired (2)	230,664	3,811,552	13,961	191,703	3,742,557
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired (3)	-	2,977	-	-	-
C. Net book value of assets which are overdue but not impaired assets	-	70,730	-	-	-
- Under guarantee	-	57,709	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	86,545	-	-	-
- Impairment (-)	-	(86,545)	-	-	-

(1) When determining the amount, guaranties received and factors increasing the reliability of the loan are not considered,
(2) Guarantees consist of letters of guarantee, guarantee cheques and mortgages taken from customers,
(3) There has been no collection issues related to these customers in the past,

Liquidity risk

Liquidity risk is the risk of not meeting the net funding requirement. Liquidity risk is reduced by balancing cash inflows and outflows with the support of credit limits given by reliable credit institutions.

In the liquidity table, the breakdown of non-derivative financial liabilities according to their maturities is shown by considering the period from the balance sheet date to the maturity date under the written contracts and taking into account the contractual undiscounted cash flows.

The company has no derivative assets or liabilities as of 31 December 2024

31 December 2024

Maturities per agreement	Carrying value	Total cash outflows pursuant to the contract (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Over 5 years (IV)
Non-derivative financial liabilities	**6,571,718**	**7,164,750**	**4,596,478**	**1,841,356**	**236,492**	**490,424**
Bank loans	2,463,696	2,493,189	743,189	1,750,000	-	-
Financial lease liabilities	354,684	848,724	30,452	91,356	236,492	490,424
Trade payables	3,753,338	3,822,837	3,822,837	-	-	-

28. Nature and Level of Risks Arising from Financial Instruments (Continued)

31 December 2023

Maturities per agreement	Carrying value	Total cash outflows pursuant to the contract (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Over 5 years (IV)
Non-derivative financial liabilities	7,276,991	7,943,293	5,204,383	1,854,207	229,401	655,302
Bank loans	2,529,165	2,540,812	759,626	1,781,186	-	-
Financial lease liabilities	392,055	972,534	14,810	73,021	229,401	655,302
Trade payables	4,355,771	4,429,947	4,429,947	-	-	-

Capital management

The Company's objectives when managing capital are to create returns for its shareholders and value for other stakeholders. In addition, the Company aims to maintain its capital structure, which will ensure that the cost of capital is at the lowest level.

In capital management, the company monitors the debt-to-equity ratio in parallel with other companies in the sector, This ratio is found by dividing net debt by total capital.

	31 December 2024	31 December 2023
Total liabilities	7,842,945	8,393,705
Minus: Cash and cash equivalents (Note 4)	4,509,346	3,926,538
Net debt	**3,333,599**	**4,467,167**
Total shareholder's equity	**20,554,762**	**19,920,816**
Total assets	**191,447**	**191.447**
Debt to equity ratio	**0.16**	**0,22**

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29. Financial Instruments (Fair Value Disclosures and Disclosures Under Hedge Accounting)

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

It is assumed that the amortized cost and cost value and the fair values of the financial assets and liabilities carried in the balance sheet are close to their carrying values due to the following reasons.

Monetary assets

It is accepted that the fair values of the balances in foreign currency translated with the period-end rates approximate their book values. It is accepted that the fair values of some financial assets shown at cost, including cash and receivables from banks, approximate their book values due to their short-term nature and negligible loss of receivables. The fair values of securities investments have been estimated based on the market prices at the date of the statement of financial position. Trade receivables are valued at their amortized cost using the effective interest method and it is accepted that their carrying values, together with the related doubtful receivables provisions, approximate their fair values.

Fair values of financial liabilities carried at cost or amortized cost in the balance sheet:

Due to the short-term nature of trade payables and other monetary liabilities, their fair values are considered to be close to their carrying values. Bank loans are expressed at discounted cost and transaction costs are added to the initial cost of the loans. Since the interest rates of long-term floating rate bank loans are updated by taking into account the changing market conditions, it is considered that the fair values of these loans represent the value they carry. When the long-term fixed interest bank loans are valued with the fixed interest rate valid as of the balance sheet date, it is seen that the fair value is close to the carrying value. Since the maturities of short-term loans are short, it is assumed that their carrying values reflect their fair values.

Fair value hierarchy table

The Company classifies its financial instruments, which are reflected with their fair values in its financial statements, according to the source of the valuation inputs of each financial instrument class, using a three-level hierarchy as follows.

Level 1:	Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)
Level 2:	Other valuation techniques includes direct or indirect observable inputs
Level 3:	Valuation techniques does not contains observable market inputs

29. Financial Instruments (Fair Value Explanations and Disclosures Within the Framework of Hedge Accounting) (Continued)

Fair value hierarchy table (Continued)

As of 31 December 2024 and 31 December 2023 the Group's assets at fair value and its levels are as follows:

31 December 2024	Level 1 (*)	Level 2	Level 3
a) Assets indicated by fair value			
Financial assets			
Çimsa Çimento Sanayi ve Ticaret A.Ş.	3,956,989	-	-
Arpaş Ambarlı Römorkaj Pilataj Ticaret A.Ş.	-	-	168,195
Liman İşletmeleri ve Nakliyecilik A.Ş.	-	-	95,585
Altaş Ambarlı Liman Tesisleri A.Ş.	-	-	7,640
Ambarli Kılvuzluk AŞ	-	-	3,601
Eterpark Endüstri Ürünleri İmalat Ticaret İthalat İhracat Pazarlama A.Ş.	-	-	-
Total Assets	**3,956,989**	**-**	**275,021**

31 Aralık 2023	Level 1 (*)	Level 2	Level 3
b) Assets indicated by fair value			
Financial assets			
Çimsa Çimento Sanayi ve Ticaret A.Ş.	3,597,021	-	-
Arpaş Ambarlı Römorkaj Pilataj Ticaret A.Ş.	-	-	158,111
Liman İşletmeleri ve Nakliyecilik A.Ş.	-	-	90,094
Altaş Ambarlı Liman Tesisleri A.Ş.	-	-	4,053
Ambarli Kılvuzluk AŞ	-	-	5,386
Eterpark Endüstri Ürünleri İmalat Ticaret İthalat İhracat Pazarlama A.Ş.	-	-	10,560
Total Assets	**3,597,021**	**-**	**268,204**

(*) It is valued at the market prices as of the balance sheet date in the stock market.

In determining the fair value of Arpaş, Ambarlı Klavuzluk, Altaş and Liman İşletmeleri, discounted cash flow ("DCF") and comparable value were applied.

The DCF method estimates the value of a business's equity by subtracting the market value of the debts used to finance its operations from the estimated total value of the business.

The total value of the entity consists of the following basic elements:

The sum of the present value of cash flows from the Company's activities for the estimated period and the value of other non-essential assets and securities.

An estimated "continuing value" that expresses the present value of business attributable to operations after the estimated period.

Cash flow from operations is equal to the difference between cash inflows from operations and cash outflows allocated to pay taxes. Cash outflows should also include working capital and fixed asset investments needed to support the company's strategies. Net cash flow after taxes represents the cash available to pay debts and dividends to shareholders (or to reinvest in the future in the company's operations).

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29. Financial Instruments (Fair Value Explanations and Disclosures Within the Framework of Hedge Accounting) (Continued)

Fair value hierarchy table (Continued)

The cash flow from operations is equal to the difference between the cash inflows related to the operations and the cash outflows allocated for the cash taxes payable. Cash outflows should also include the working capital and fixed asset investments necessary to support company strategies. Net cash flow after tax refers to cash available to pay off debt and dividends to shareholders (or to reinvest in the business's operations in the future).

The ongoing value is calculated as follows:
Future cash flows can be considered as a constant growing income (cash flows that continue to increase at the same rate every year forever). The value of such a permanent income (ie the value of the business at the end of the projected period) is calculated by dividing the annual cash flow expected to last indefinitely by the weighted average cost of capital. The continuing value calculated in this way is discounted to the present value using the normal method.

Discount Rate: The discount rate expresses the expected return on investment in a particular business or project. This ratio is applied to the future cash flows of a business or project, taking into account the risk premium expected by investors in addition to the normal return expected from a risk-free investment. The discount rate used in the INA calculations is based on the weighted average cost of capital ("AOSM"). The weighted average cost of capital is the combined rate of return on equity that shareholders expect to achieve and the return on lenders to the company, which is the typical cost of borrowing.

Beta: The beta multiplier indicates the sensitivity of any company's additional returns (returns above risk-free returns) to total additional returns (investment index over Rf) above some market return. Therefore, it is one of the criteria of market risk (systematic risk), which is one of the two components of risk according to capital market theory. Beta multipliers above one indicate higher volatility than the market average. In our study, the beta of the group composed of peer companies was used to calculate the discount rate.

Country Risk Premium: Compared to the developed markets, underdeveloped or developing countries include additional risks that investors should take. Measuring these risks constitutes the risk premium of that country. The most common method used to determine this premium is the calculation of the difference between the government bonds of the country concerned and the government bonds of a developed country.

According to the Adjusted Net Asset Value Method, a company's share value is valued with an asset-based technique that adjusts the book value of the company for unrealized value changes in the company's assets and liabilities.

30. Subsequent Events

None.

AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.

PROFIT DISTRIBUTION PROPOSAL

AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş. DIVIDEND DISTRIBUTION STATEMENT FOR 2024 (TL)		
1. PAID IN CAPITAL/ISSUED CAPITAL		**191.447.068,25**
2. Total Legal Reserves (According to Statutory Income Statements)		**379.884.517,91**
Information on privileges in profit distribution if any in the Articles of Association		None
	CMB Result	**Local Tax Result**
3. Current period profit	**2.525.669.488,00**	**1.864.997.442,99**
4. Taxes payable (-)	-853.162.839,00	-304.892.819,83
5. Net profit (=)	**1.672.506.649,00**	**1.560.104.623,16**
6. Previous years losses (-)	0,00	0,00
7. 1st Legal reserves (-)	0,00	0,00
8. NET DISTRIBUTABLE NET PROFIT FOR THE PERIOD (=)	**1.672.506.649,00**	**1.560.104.623,16**
9. Donations made during the year (+)	61.406.290,00	
10. Net Distributable Profit added donations for the calculations of 1st Reserves	1.733.912.939,00	
11. First dividend to Shareholders	**9.572.353,41**	
-Cash	9.572.353,41	
-Bonus		
-Total	9.572.353,41	
12. Dividend to privileged shareholders		
13. Dividend to the Board members and Employees		
-BoD		
-Employees		
-Non Shareholders		
14. Dividend to redeemed shareholders		
15. Secondary dividends to shareholders	**1.190.427.646,59**	
16. Secondary legal reserves	**119.042.764,66**	
17. Statutory reserves		
18. Special reserves	6.703.414,67	6.703.414,67
19. EXTRAORDINARY RESERVES	**346.760.469,67**	**234.358.443,83**
20. Other Distributable Reserves		
-Previous Year Profit		
-Extraordinary reserves		
-Other distributable reserves as per the law and the Articles of Association		

TABLE OF DIVIDEND RATIO					
	TOTAL DISTRIBUTED DIVIEND		**TOTAL DISTRIBUTED DIVIEND / NET DISTRIBUTABLE PROFIT FOR THE PERIOD**	**DIVIDEND CORRESPONDING TO SHARE AMOUNTING TO 1 TL NOMINAL VALUE**	
	CASH (TL)	**NON CASH (TL)**	**RATE (%)**	**TUTARI (TL)**	**ORANI (%)**
BRÜT	**1.200.000.000,00**	-	71,75%	6,2681	626,81
NET*	**1.020.000.000,00**	-	60,99%	5,3278	532,78

* The net calculation is made with the assumption that there will be 15% income tax withholding.

According to our financial statements related to the term January 01, 2024 – December 31, 2024; prepared in accordance with the Series II no:14.1 "Communiqué on the Principles of Financial Reporting in Capital Market" of the Capital Markets Board and audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.; net profit for the period of TL 1,672,506,649.00 has been generated.

As explained at the below profit distribution chart, in accordance with the Article 33 of the Articles of Association and communiqués of Capital Markets Board, TL 1,672,506,649.00 profit calculated for the period of 2024 according to the Capital Markets Board legislation and the remaining net distributable period profit will be distributed according to the below stated table.

First share of profit	TL 9,572,353.41
Second share of profit	TL 1,190,427,646.59
Total gross profit share	TL 1,200,000,000.00
General legal reserve fund (second edition)	TL 119,042,764.66
Special Reserve	TL 6,703,414.67
Excess Reserve Fund	TL 346,760,469.67

Upon the profit distribution to be made according to the above principles, taking into consideration our legal records, prepared according to the Tax Procedure Law, The Board has unanimously decided to;

- Afford the gross share profit of TL 1,200,000,000.00 to be distributed to shareholders from net distributable period profit,
- Spare the TL 6,703,414.67 profit share from subsidiaries sales income related to year 2024 as special reserve to benefit from the corporation tax exempt, stated at Article 5/1 (e) of the Corporation Tax Law, spare TL 234,358,443.83 as excess reserve fund; of the net distributable profit in our legal records,

Thus, the Board has unanimously decided to submit to the approval of the Ordinary General Assembly to be held on March 18, 2025 that total TL 1,200,000,000.00 Profit share for 2024 shall be distributed in cash as of March 24, 2025 to the shareholders representing the capital of 191.447.068,25 TL according to their legal status on the proportion of %626.81 (Gross), %532.78 (Net).

We would like to submit to the approval of the General Assembly.

Best regards,

Board of Directors

APPENDICES

AKÇANSA

TSRS 1 AND 2 COMPLIANCE REPORT

TSRS 1 COMPLIANCE TABLE

TSRS Title	Main Disclosure Requirement	Standard Clause	Explanations/Relevant Report Section
Governance	a) Governance Body/Bodies (May Include a Board, Committee, or Equivalent Body Responsible for Senior Management) or Individuals Responsible for Overseeing Sustainability-Related Risks and Opportunities	TSRS-1 27.a.i	Sustainability Governance
		TSRS-1 27.a.ii	Sustainability Governance
		TSRS-1 27.a.iii	Sustainability Governance
		TSRS-1 27.a.iv	Sustainability Governance
		TSRS-1 27.a.v	Sustainability Governance Combating Climate Change - Governance
	b) The Role of Management in Governance Processes, Controls, and Procedures Used to Monitor, Manage, and Oversee Sustainability-Related Risks and Opportunities	TSRS-1 27.b.i	Sustainability Governance
		TSRS-1 27.b.ii	Sustainability Governance
Strategy	a) Sustainability-related risks and opportunities	TSRS-1 30.a	Corporate Risk Management
			Climate Change
			Resource Use and Circularity
			Air Quality
			Water Management
			Biodiversity and Land Use
		TSRS-1 30.b	Corporate Risk Management
			Climate Change
			Resource Use and Circularity
			Air Quality
			Water Management
			Biodiversity and Land Use
		TSRS-1 30.c	Climate Change - Strategy

TSRS Title	Main Disclosure Requirement	Standard Clause	Explanations/Relevant Report Section
Strategy	b) Business model and value chain	TSRS-1 32.a	Corporate Risk Management
			Climate Change
			Resource Use and Circularity
			Air Quality
			Water Management
			Biodiversity and Land Use
		TSRS-1 32.b	Corporate Risk Management
			Climate Change
			Resource Use and Circularity
			Air Quality
			Water Management
			Biodiversity and Land Use
	c) Strategy and decision-making	TSRS-1 33.a	Sustainability Strategy
			Materiality Analysis
			2030 Sustainability Targets and Progress Status
			Climate Change
			Alternative Fuel Usage
			Sustainable Products and Solutions
		TSRS-1 33.b	2030 Sustainability Targets and Progress Status
			Climate Change
			Sustainable Products and Solutions
			Alternative Fuel Usage
			Alternative Raw Material Usage
			Air Quality
			Water Management
			Biodiversity and Land Use
		TSRS-1 33.c	Sustainability Governance

TSRS 1 AND 2 COMPLIANCE REPORT

TSRS 1 COMPLIANCE TABLE

TSRS Title	Main Disclosure Requirement	Standard Clause	Explanations/Relevant Report Section
Strategy	d) Financial position, financial performance and cash flows	TSRS-1 34.a	Corporate Risk Management
			Climate Change
			Water Management
		TSRS-1 34.b	Corporate Risk Management
			Climate Change
			Water Management
			Air Quality
		TSRS-1 35.a	Corporate Risk Management
			Climate Change - Climate Risks and Opportunities
			Water Management - Impact, Risk, and Opportunity Management of Water and Marine Resources
		TSRS-1 35.b	Corporate Risk Management
		TSRS-1 35.c.i	Corporate Risk Management
			Climate Change - Climate Risks and Opportunities
			Water Management - Impact, Risk, and Opportunity Management of Water and Marine Resources
			Environmental Management
		TSRS-1 35.c.ii	Corporate Risk Management
			Climate Change - Akçansa Climate Transition Plan
			Climate Change - Climate Risks and Opportunities
			Environmental Management
		TSRS-1 35.d	Climate Change - Climate Risks and Opportunities
			Water Management - Impact, Risk, and Opportunity Management of Water and Marine Resources
		TSRS-1 40.a	Corporate Risk Management
		TSRS-1 40.b	Corporate Risk Management
			Climate Change
			Sustainable Products and Solutions
			Alternative Fuel Usage
			Alternative Raw Material Usage
			Air Quality
			Water Management
			Biodiversity and Land Use
		TSRS-1 40.c	Corporate Risk Management
			Climate Change
			Water Management
	e) Resilience	TSRS-1 41	Climate Change - Climate Resilience and Scenario Analysis

TSRS Title	Main Disclosure Requirement	Standard Clause	Explanations/Relevant Report Section
Risk Management	a) Processes and Related Policies Used to Identify, Assess, Prioritize, and Monitor Sustainability-Related Risks	TSRS-1 44.a.i	Corporate Risk Management
		TSRS-1 44.a.ii	Corporate Risk Management
			Climate Change - Climate Resilience and Scenario Analysis
			Climate Change - Climate-Related Risk Management
		TSRS-1 44.a.iii	Corporate Risk Management
		TSRS-1 44.a.iv	Corporate Risk Management
		TSRS-1 44.a.v	Corporate Risk Management
		TSRS-1 44.a.vi	Corporate Risk Management
	b) Processes Used by the Entity to Identify, Assess, Prioritize, and Monitor Sustainability-Related Opportunities	TSRS-1 44.b	Corporate Risk Management
			Climate Change - Climate-Related Risk Management
	c) The Extent and Manner in Which the Processes for Identifying, Assessing, Prioritizing, and Monitoring Sustainability-Related Risks and Opportunities Are Integrated into the Entity's Overall Risk Management Process and How They Inform the General Risk Management Process	TSRS-1 44.c	Corporate Risk Management
			Climate Change - Climate-Related Risk Management

TSRS 1 AND 2 COMPLIANCE REPORT

TSRS 1 COMPLIANCE TABLE

TSRS Title	Main Disclosure Requirement	Standard Clause	Explanations/Relevant Report Section
Metrics and targets	a) Metrics Required by the Relevant TSRS	TSRS-1 46.a	Disclosed in TSRS 2 Compliance Table
		TSRS-1 49	2030 Sustainability Targets and Progress Status
			Climate Change
			Sustainable Products and Solutions
			Alternative Fuel Usage
			Alternative Raw Material Usage
			Air Quality
			Water Management
			Biodiversity and Land Use
	c) The Entity's Performance Related to the Identified Sustainability Risk or Opportunity, Including Progress Toward Its Self-Determined Targets and Those Required by Regulations	TSRS-1 51.a	2030 Sustainability Targets and Progress Status
			Climate Change
			Sustainable Products and Solutions
			Alternative Fuel Usage
			Alternative Raw Material Usage
			Air Quality
			Water Management
			Biodiversity and Land Use
		TSRS-1 51.b	2030 Sustainability Targets and Progress Status
			Climate Change
			Sustainable Products and Solutions
			Alternative Fuel Usage
			Alternative Raw Material Usage
			Air Quality
			Water Management
			Biodiversity and Land Use
		TSRS-1 51.c	2030 Sustainability Targets and Progress Status
			Climate Change
			Sustainable Products and Solutions
			Alternative Fuel Usage
			Alternative Raw Material Usage
			Air Quality
			Water Management
			Biodiversity and Land Use
Metrics and targets	c) The Entity's Performance Related to the Identified Sustainability Risk or Opportunity, Including Progress Toward Its Self-Determined Targets and Those Required by Regulations	TSRS-1 51.d	2030 Sustainability Targets and Progress Status
			Climate Change
			Sustainable Products and Solutions
			Alternative Fuel Usage
			Alternative Raw Material Usage
			Air Quality
			Water Management
			Biodiversity and Land Use
		TSRS-1 51.e	2030 Sustainability Targets and Progress Status
			Climate Change
			Sustainable Products and Solutions
			Alternative Fuel Usage
			Alternative Raw Material Usage
			Air Quality
			Water Management
			Biodiversity and Land Use
		TSRS-1 51.f	2030 Sustainability Targets and Progress Status
			Climate Change
			Sustainable Products and Solutions
			Alternative Fuel Usage
			Alternative Raw Material Usage
			Air Quality
			Water Management
			Biodiversity and Land Use
		TSRS-1 51.g	2030 Sustainability Targets and Progress Status
			Climate Change
			Sustainable Products and Solutions
			Alternative Fuel Usage
			Alternative Raw Material Usage
			Air Quality
			Water Management
			Biodiversity and Land Use

TSRS 1 AND 2 COMPLIANCE REPORT

TSRS 2 COMPLIANCE TABLE

TSRS Title	Main Disclosure Requirement	Standard Clause	Explanations/Relevant Report Section
Governance	a) Governance body(s) (which may include a board, committee or equivalent body responsible for governance) or person(s) responsible for oversight of climate- related risks and opportunities	TSRS-2 6.a.i	Sustainability Governance
			Climate Change - Governance
		TSRS-2 6.a.ii	Sustainability Governance
			Climate Change - Governance
		TSRS-2 6.a.iii	Sustainability Governance
			Climate Change - Governance
		TSRS-2 6.a.iv	Sustainability Governance
			Climate Change - Governance
		TSRS-2 6.a.v	Sustainability Governance
			Climate Change - Governance
	b) Management's role in governance processes, controls and procedures used to monitor, manage and control climate-related risks and opportunities	TSRS-2 6.b.i	Sustainability Governance
			Climate Change - Governance
		TSRS-2 6.b.ii	Sustainability Governance
			Climate Change - Governance
Strategy	a) Climate Related Risk and Opportunities	TSRS-2 10.a	Climate Change - Climate Risks and Opportunities
		TSRS-2 10.b	Climate Change - Climate Risks and Opportunities
		TSRS-2 10.c	Climate Change - Climate Risks and Opportunities
		TSRS-2 10.d	Climate Change - Climate Risks and Opportunities
	b) Business Model and Value Chain	TSRS-2 13.a	Climate Change - Climate Risks and Opportunities
		TSRS-2 13.b	Climate Change - Climate Risks and Opportunities
	c) Strategy and Desicion Making	TSRS-2 14.a.i	Climate Change - Climate Transition Plan
			Climate Change - Climate Risks and Opportunities
			Climate Change - Impact of Climate Risks and Opportunities on Our Business Strategy
		TSRS-2 14.a.ii	Climate Change - Climate Transition Plan
			Climate Change - Climate Risks and Opportunities
			Climate Change - Impact of Climate Risks and Opportunities on Our Business Strategy
Strategy	c) Strategy and Desicion Making	TSRS-2 14.a.iii	Climate Change - Climate Transition Plan
			Climate Change - Climate Risks and Opportunities
			Climate Change - Impact of Climate Risks and Opportunities on Our Business Strategy
			Energy Management
			Alternative Fuel Usage
			Alternative Raw Material Usage
		TSRS-2 14.a.iv	Climate Change - Climate Transition Plan
		TSRS-2 14.a.v	Climate Change - Climate Transition Plan
			Climate Change - Investments and Expenditures Related to Climate Risks and Opportunities
			Climate Change - Metrics and Targets
			Energy Management
			Alternative Fuel Usage
			Sustainable Products and Solutions
			Alternative Raw Material Usage
		TSRS-2 14.b	Climate Change - Investments and Expenditures Related to Climate Risks and Opportunities
		TSRS-2 14.c	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
			Alternative Fuel Usage
			Alternative Raw Material Usage
	d) Financial position, financial performance and cash flows	TSRS-2 15.a	Climate Change - Climate Risks and Opportunities
			Climate Change - Impact of Climate Risks and Opportunities on Financial Planning and Performance
		TSRS-2 15.b	Climate Change - Climate Risks and Opportunities
			Climate Change - Impact of Climate Risks and Opportunities on Financial Planning and Performance

TSRS 1 AND 2 COMPLIANCE REPORT

TSRS 2 COMPLIANCE TABLE

TSRS Title	Main Disclosure Requirement	Standard Clause	Explanations/Relevant Report Section
Strategy	d) Financial position, financial performance and cash flows	TSRS-2 16.a	Climate Change - Climate Risks and Opportunities
		TSRS-2 16.b	Corporate Risk Management
			Climate Change - Climate Risks and Opportunities
		TSRS-2 16.c.i	Climate Change - Climate Transition Plan
			Climate Change - Climate Risks and Opportunities
			Climate Change - Impact of Climate Risks and Opportunities on Our Business Strategy
		TSRS-2 16.c.ii	Climate Change - Climate Risks and Opportunities
			Climate Change - Investments and Expenditures Related to Climate Risks and Opportunities
		TSRS-2 16.d	Climate Change - Climate Risks and Opportunities
		TSRS-2 21.a	Corporate Risk Management
			Climate Change - Climate Risks and Opportunities
	e) Climate Resilience	TSRS-2 22.a.i	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.a.ii	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.a.iii(1)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.a.iii(2)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.a.iii(3)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.b.i(1)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.b.i(2)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.b.i(3)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.b.i(4)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.b.i(5)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.b.i(6)	Climate Change - Climate Resilience and Scenario Analysis
Strategy	e) Climate Resilience	TSRS-2 22.b.i(7)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.b.ii(1)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.b.ii(2)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.b.ii(3)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.b.ii(4)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.b.ii(5)	Climate Change - Climate Resilience and Scenario Analysis
		TSRS-2 22.b.iii	Climate Change - Climate Resilience and Scenario Analysis
Risk Management	a) Processes and relevant policies used by the business to identify, assess, prioritize and monitor climate-related risks	TSRS-2 25.a.i	Corporate Risk Management
			Climate Change – Climate Related Risk Management
		TSRS-2 25.a.ii	Climate Change - Climate Resilience and Scenario Analysis
			Climate Change – Climate Related Risk Management
		TSRS-2 25.a.iii	Corporate Risk Management
			Climate Change - Climate-Related Risks and Opportunities
		TSRS-2 25.a.iv	Corporate Risk Management
			Climate Change - Climate-Related Risk Management
		TSRS-2 25.a.v	Corporate Risk Management
			Climate Change - Climate-Related Risk Management
		TSRS-2 25.a.vi	Corporate Risk Management
			Climate Change - Climate-Related Risk Management
	b) Including information on whether and how it uses climate-related scenario analysis; The processes the business uses to identify, evaluate, prioritize and monitor climate-related opportunities	TSRS-2 25.b	Corporate Risk Management
			Climate Change - Climate Risks and Opportunities
			Climate Change - Climate Resilience and Scenario Analysis
			Climate Change - Climate-Related Risk Management
	c) Processes for identifying, evaluating, prioritizing and monitoring climate-related risks and opportunities; to what extent and how it is integrated into the business's overall risk management process and to what extent and how it informs the business's overall risk management process	TSRS-2 25.c	Corporate Risk Management
			Climate Change - Climate-Related Risk Management

TSRS 1 AND 2 COMPLIANCE REPORT

TSRS 2 COMPLIANCE TABLE

TSRS Title	Main Disclosure Requirement	Standard Clause	Explanations/Relevant Report Section
Metrics and Targets	a) Climate Related Metrics	TSRS-2 29.a	Climate Change - Metrics and Targets
			Environmental Performance Indicators
		TSRS-2 29.b	Climate Change - Climate Risks and Opportunities
		TSRS-2 29.c	Climate Change - Climate Risks and Opportunities
		TSRS-2 29.d	Climate Change - Climate Risks and Opportunities
			Financial Metrics Aligned with Climate-related Opportunities
			Sustainable Products and Solutions
		TSRS-2 29.e	Climate Change - Investments and Expenditures Related to Climate Risks and Opportunities
		TSRS-2 29.f	Climate Change - Metrics and Targets
		TSRS-2 29.g	Climate Change - Governance
	b) Sector-based metrics associated with other common characteristics that characterize particular business models, activities or participation in a sector (Guidelines for Sector-Based Application of TSRS-2)	TSRS-2 32	Explanations in accordance with the Guide on Sector-Based Application of TSRS-2
	c) Climate Related Targets	TSRS-2 33.a	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
			Alternative Fuel Usage
			Alternative Raw Material Usage
		TSRS-2 33.b	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
			Alternative Fuel Usage
			Alternative Raw Material Usage
		TSRS-2 33.c	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
			Alternative Fuel Usage
			Alternative Raw Material Usage
		TSRS-2 33.d	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
			Alternative Fuel Usage
			Alternative Raw Material Usage
		TSRS-2 33.e	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
			Alternative Fuel Usage
			Alternative Raw Material Usage

TSRS Title	Main Disclosure Requirement	Standard Clause	Explanations/Relevant Report Section
Metrics and Targets	c) Climate Related Targets	TSRS-2 33.f	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
			Alternative Fuel Usage
			Alternative Raw Material Usage
		TSRS-2 33.g	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
			Alternative Fuel Usage
			Alternative Raw Material Usage
		TSRS-2 33.h	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
			Alternative Fuel Usage
			Alternative Raw Material Usage
		TSRS-2 34.a	About the Report
			Climate Change - Metrics and Targets
			Assurance Statement
		TSRS-2 34.b	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
		TSRS-2 34.c	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
		TSRS-2 34.d	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
		TSRS-2 35	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
			Alternative Fuel Usage
			Alternative Raw Material Usage

TSRS 1 AND 2 COMPLIANCE REPORT

TSRS 2 COMPLIANCE TABLE

TSRS Title	Main Disclosure Requirement	Standard Clause	Explanations/Relevant Report Section
Metrics and Targets	c) Climate Related Targets	TSRS-2 36.a	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
		TSRS-2 36.b	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
		TSRS-2 36.c	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
		TSRS-2 36.d	2030 Sustainability Targets and Progress Status
			Climate Change - Metrics and Targets
		TSRS-2 36.e.i	Climate Change - Carbon Offset Credits
		TSRS-2 36.e.ii	Climate Change - Carbon Offset Credits
		TSRS-2 36.e.iii	Climate Change - Carbon Offset Credits
		TSRS-2 36.e.iv	Climate Change - Carbon Offset Credits

Explanations in accordance with the Guide on Sector-Based Implementation of TSRS-2

Topic	Metric	Metric Details	Code	Comments That Indicate Company Compliance
Greenhouse Gas Emissions	Sustainability Disclosure Topics and Metrics	Gross Total Scope 1 Emissions, Percentage Under Emission-Limiting Regulations	EM-CM-110a.1	Climate Change
		Negotiation of Long- and Short-Term Strategies or Plans to Manage Scope 1 Emissions and Emission Reduction Targets, and Analysis of Performance Against These Targets	EM-CM-110a.2	Climate Change
Air Quality	Sustainability Disclosure Topics and Metrics	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (2) SOx, (3) particulate matter (PM_{10}), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	EM-CM-120a.1	Air Quality
Energy Management	Sustainability Disclosure Topics and Metrics	(1) Total energy consumed, (2) percentage of grid electricity, (3) percentage of alternative energy, and (4) percentage of renewable energy	EM-CM-130a.1	Energy Management
Water Management	Sustainability Disclosure Topics and Metrics	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	EM-CM-140a.1	Water Management
Waste Management	Sustainability Disclosure Topics and Metrics	Total waste generated, percentage of hazardous waste, and percentage of waste recycled	EM-CM-150a.1	Waste Management
Product Innovation	Sustainability Disclosure Topics and Metrics	Percentage of products eligible for credits in sustainable building design and construction certifications	EM-CM-410a.1	We are currently unable to determine the exact percentage of products eligible for credits in sustainable building design and construction certifications within our product portfolio. Our work in this area is ongoing. However, our products qualify for credits in sustainable building design and construction certifications in various ways. We have EPD-certified products and CSC-certified buildings.
		Total addressable market and market share for products that reduce energy, water, or material impacts during use or production	EM-CM-410a.2	We have not yet been able to determine the exact percentage of market share. However, we view sustainable products as a strategic priority. In 2024, revenue from sustainable products accounted for 33.11% of our total revenue.
	Activity Metric	Production by main product group	EM-CM-000.A	Economic Performance

SASB DISCLOSURE TABLE

Topic	Code	Section Containing the Relevant Disclosure
Production by Main Product Group	EM-CM-000.A	Economic Performance *Cement Production 6.48 million tons* *Clinker Production 6.52 million tons* *Ready-Mix Concrete Production 2.51 million m³*
Greenhouse Gas Emissions	EM-CM-110 a.1	Combating Climate Change, Metrics and Targets
	EM-CM-110 a.2	Combating Climate Change, Metrics and Targets
Air Quality	EM-CM-120 a.1	Air Quality, Metrics and Targets
Energy Management	EM-CM-130 a.1	Energy Management
		Alternative Fuel Usage
Water Management	EM-CM-140 a.1	Water Management, Metrics and Targets
Waste Management	EM-CM-150a.1	Waste Management
Impacts on Biodiversity	EM-CM-160 a.1	Biodiversity and Land Use
	EEM-CM-160 a.2	Biodiversity and Land Use
Occupational Health and Safety	EM-CM-320 a.1	Occupational Health and Safety
	EM-CM-320 a.2	Occupational Health and Safety
Product Innovation	EM-CM-410 a.1	Sustainable Products and Solutions
	EM-CM-410 a.2	Sustainable Products and Solutions
Pricing Integrity and Transparency	EM-CM-520 a.1	There have been no legal proceedings in the relevant areas during the reporting period that have been concluded and resulted in a financial loss to Akçansa.

ESRS CONTENT INDEX

ESRS Standard	Indicator	Explanations	Page
ENVIRONMENTAL STANDARDS			
ESRS E1	**Climate Change**		
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	Combating Climate Change	52-68
E1-1	Transition plan for climate change mitigation	Combating Climate Change	52-68
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Combating Climate Change	52-68
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Combating Climate Change	52-68
E1-2	Policies related to climate change mitigation and adaptation	Combating Climate Change	52-68
E1-3	Actions and resources in relation to climate change policies	Combating Climate Change Energy Management Alternative Fuel Usage	52-68 70 71
E1-4	Targets related to climate change mitigation and adaptation	Combating Climate Change Energy Management Alternative Fuel Usage	52-68 70 71
E1-5	Energy consumption and mix	Combating Climate Change Energy Management Alternative Fuel Usage	52-68 70 71
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Combating Climate Change	67
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Combating Climate Change	68
E1-8	Internal carbon pricing	Combating Climate Change	68
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Combating Climate Change	52-68

ESRS Standard	Indicator	Explanations	Page
ESRS E2	**Pollution**		
ESRS 2, IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Air Quality - Impact, Risk and Opportunity Management	90-92
E2-1	Policies related to pollution	Air Quality	90-92
E2-2	Actions and resources related to pollution	Air Quality	90-92
E2-3	Targets related to pollution	Air Quality	90-92
E2-4	Pollution of air, water and soil	Air Quality	90-92
E2-5	Substances of concern and substances of very high concern	Air Quality	90
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Air Quality	90-92
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CORPORATE MEMBERSHIPS

Non-Governmental Organizations
AGGREGATE PRODUCERS ASSOCIATION - AGÜB
TURKISH GREEN BUILDING COUNCIL – ÇEDBİK
FOUNDATION OF ENVIRONMENTAL PROTECTION AND RECYCLING PACKAGING WASTE – ÇEVKO
CEMENT INDUSTRY EMPLOYERS' ASSOCIATION – ÇEİS
TURKISH MARINE ENVIRONMENT PROTECTION ASSOCIATION – TURMEPA
BUSINESS WORLD AND SUSTAINABLE DEVELOPMENT ASSOCIATION - SKD TÜRKİYE
THE WOMEN'S EMPOWERMENT PRINCIPLES – WEPS
TURKISH CEMENT MANUFACTURERS' ASSOCIATION - TÜRKÇİMENTO
TURKISH INDUSTRY AND BUSINESS ASSOCIATION - TÜSİAD
THE UNION OF CHAMBERS OF TURKISH ENGINEERS AND ARCHITECTS - CHAMBER OF CIVIL ENGINEER – TMMOB
TÜRKİYE READY MIXED CONCRETE ASSOCIATION – THBB
THE INSTITUTE OF INTERNAL AUDITORS - TIDE
ASSOCIATION OF CONSTRUCTION MATERIAL PRODUCERS - İMSAD
CORPORATE GOVERNANCE ASSOCIATION OF TÜRKİYE – TKYD
PORT OPERATORS ASSOCIATION OF TÜRKİYE - TÜRKLİM
TURKISH MINERS ASSOCIATION - TMDTHE
UNION OF CHAMBERS AND COMMODITY EXCHANGES OF TÜRKİYE – TOBB
TURKISH RISK MANAGEMENT ASSOCIATION
TURKISH ARTIFICIAL INTELLIGENCE INITIATIVE
UNITED NATIONS GLOBAL COMPACT - UNGC
TURKISH INVESTOR RELATIONS SOCIETY – TUYİD
BOARD DIRECTORS ASSOCIATION TÜRKİYE
CEO WATER MANDATE
INTEGRATED REPORTING NETWORK TÜRKİYE – ERTA
FOREIGN ECONOMIC RELATIONS BOARD OF TÜRKİYE – DEİK
30% CLUB TÜRKİYE
TURKISH QUALITY ASSOCIATION – KALDER

Chambers of Commerce and Industry
ALIAGA CHAMBER OF COMMERCE
GERMAN-TURKISH CHAMBER OF COMMERCE AND INDUSTRY
BALIKESIR CHAMBER OF INDUSTRY
BANDIRMA CHAMBER OF COMMERCE
BIGA CHAMBER OF COMMERCE AND INDUSTRY
BURSA CHAMBER OF COMMERCE AND INDUSTRY
CANAKKALE CHAMBER OF COMMERCE AND INDUSTRY
CERKEZKOY CHAMBER OF COMMERCE AND INDUSTRY
CORLU CHAMBER OF COMMERCE AND INDUSTRY
EDREMIT CHAMBER OF COMMERCE
AGEAN REGION CHAMBER OF INDUSTRY
GEBZE CHAMBER OF COMMERCE
ISTANBUL CHAMBER OF INDUSTRY
ISTANBUL CHAMBER OF COMMERCE
ISTANBUL AND MARMARA, AEGEAN, MEDITERRANEAN AND BLACK SEA REGIONS CHAMBER OF SHIPPING
KESAN CHAMBER OF COMMERCE AND INDUSTRY
KORFEZ CHAMBER OF COMMERCE
LULEBURGAZ CHAMBER OF COMMERCE AND INDUSTRY
MANISA CHAMBER OF COMMERCE AND INDUSTRY
MENEMEN CHAMBER OF COMMERCE
MERZIFON CHAMBER OF COMMERCE AND INDUSTRY
SAMSUN CHAMBER OF COMMERCE AND INDUSTRY
TEKIRDAG CHAMBER OF COMMERCE AND INDUSTRY
TOKAT CHAMBER OF COMMERCE AND INDUSTRY
YALOVA CHAMBER OF COMMERCE AND INDUSTRY

STAKEHOLDER RELATIONS

Key Stakeholders	Communication Method	Communication Frequency
Employees	Digital Channels	Daily
	Akçansa Magazine	Every 2 months
	Annual and Sustainability Reports	Annually
	Satisfaction Surveys	Biannually
Shareholders and Investors	Digital Channels	Continuously
	Investor Presentations, One-to-one Meetings	Upon request
	Ordinary General Assembly Meeting	Annually
	Carbon Disclosure Project Climate Change and Water Management pro- grams (Carbon Disclosure Project – CDP	Annually
	Analysts Meeting	Quarterly
	PDP (Public Disclosure Platform)	Quarterly
	Board Meetings	Quarterly
	Financial Performance Reports	Quarterly
	Special Case Explanations	As necessary
	Digital and Print Publications	Continuously
	Annual and sustainability reports	Annually
	Press Releases	Continuously
Dealers	Digital Channels	Continuously
	Press Releases	Continuously
	Digital and Print Publications	Continuously
	Dealers Meeting	Annually
	Annual and Sustainability Reports	Annually
	Dealers Gathering	Annually
Suppliers	Digital Channels	Continuously
	Press Releases	Continuously
	One-to-one Meetings	Upon request
	Digital and Print Publications	Continuously
	Annual and Sustainability Reports	Annually
Customers	Satisfaction Surveys	Annually
	Neighborhood Council	Annually
	Annual and Sustainability Reports	Annually
	Order Evaluation Surveys	Every 2 months
	Grievance system /Call center	Upon request
	Digital Channels	Daily
Local Governments	Digital Channels	Continuously
	Press Releases	Continuously
	Digital and Print Publications	Continuously
	Visits	Upon request
	Neighborhood Council	Annually
	Annual and Sustainability Reports	Annually

Key Stakeholders	Communication Method	Communication Frequency
Non-Governmental Organizations, Associations and Trade Unions	Digital Channels	Continuously
	Press Releases	Continuously
	Digital and Print Publications	Continuously
	Participation to Academic Congresses and Seminars	Upon request
	Joint Project and Initiatives	Upon request
	Annual and Sustainability Reports	Annually
	Meetings and Discussions	Upon request
Neighbor Organizations (Other industrial establishments near plants)	Digital Channels	Continuously
	Press Releases	Continuously
	Digital and Print Publications	Continuously
	Annual and Sustainability reports	Annually
	Neighborhood Council	Annually
Product End Users	Satisfaction Surveys	Annually
	Product labels, Marketing Communication Studies	Continuously
	Participation to Trade Fairs	Continuously
	Product Information Training Courses	Continuously
	Order Evaluation Surveys	Every 2 months
	Grievance System /Call Center	Upon request
	Annual and Sustainability Reports	Annually
	Digital Channels	Daily
Media and Opinion Leaders	Digital Channels	Continuously
	Press Releases	Continuously
	Digital and Print Publications	Continuously
	Event Participation, Special Meetings, Journalist Event Hosting	Upon request
	Annual and Sustainability Reports	Annually
Universities	Digital Channels	Continuously
	Student Clubs	Continuously
	R&D Project Partnerships	At least once a month
	Scholarship and Internship Opportunities	At least once a month
	Sponsorship and Support	Upon request
	Career Days	At least once a month
	Participation to Academic Congresses and Seminars	Upon request
	Annual and Sustainability Reports	Annually
Consultancy and Audit Firms	Meetings and Discussions	Continuously
	Digital Channels	Continuously
	Annual and Sustainability Reports	Continuously

PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

Emissions

Greenhouse Gas Emissions ESRS E1-5	Unit	2022	2023	2024
Scope 1 Emissions (gross)	ton CO_2e	5,533,084	5,309,000	5,484,834
Scope 1 Emissions (net)	ton CO_2e	5,276,965	5,011,227	5,259,903
Scope 2 Emissions (Location-based)	ton CO_2e	301,672	300,057	292,562
Scope 2 Emissions (Market-Based)	ton CO_2e	138,070	0	0
Scope 3 Emissions	ton CO_2e	1,457,047	1,718,887	1,758,743
Total Greenhouse Gas Emissions	ton CO_2e	7,128,201	7,027,887	7,243,577
Cement Business Line Total (Scope 3)	ton CO_2e	737,521	1,130,521	1,243,692
Other Business Lines Total (Scope 3)	ton CO_2e	719,526	588,366	515,049.96

Scope 3 Categories	Unit	2022	2023	2024
Category 1: Purchased Goods and Services				
Cement Business Line	ton CO_2e	195,112	693,783	788,860
All Business Lines Total	ton CO_2e	525,883	894,386	952,612
Category 3: Emissions from Fuel and Energy				
All Business Lines Total	ton CO_2e	276,203	256,645	241,013
Category 4: Upstream Transportation and Distribution				
Cement Business Line	ton CO_2e	52,753	32,114	25,144
All Business Lines Total	ton CO_2e	73,802	48,193	32,117
Category 6: Business Travel				
All Business Lines Total	ton CO_2e	115	102	89
Category 7: Employee Commuting				
All Business Lines Total	ton CO_2e	2,174	3,139	1,720
Category 9: Downstream Transportation and Distribution				
Cement Business Line	ton CO_2e	136,576	101,938	122,195
All Business Lines Total	ton CO_2e	150,32	116,258	135,470
Category 10: Processing of Sold Products				
Cement Business Line	ton CO_2e	74,588	42,799	64,672
All Business Lines Total	ton CO_2e	428,549	400,162	395,723

Greenhouse Gas Emissions Intensity per Revenue ESRS E1-5	Unit	2022	2023	2024
Greenhouse Gas Emissions Intensity[1]	kg CO_2e/TL	0.23	0.20	0.25
Greenhouse Gas Emissions Intensity (Scope 1 and Scope 2)	kg CO_2e/TL	0.24	0.20	0.25

Carbon Removals and Carbon Credits ESRS E1-7	Unit	2024
Total Greenhouse Gas Emissions Removed or Stored Within The Value Chain or Company Operations	ton CO_2e	34,614
Carbon Offsets Purchased	ton CO_2e	0

Energy Consumption by Fuel Type ESRS E1-6	Unit	2022	2023	2024
Natural Gas	MWh	5,278	3,890	5,278
Electricity Consumption	MWh	752,336	732,876	733,897
Total Coal	MWh	1,768,903	1,610,382	1,351,122
Fuel Oil	MWh	7,778	17,395	12,778
Diesel	MWh	5,673	35,547	41,498
Total Petroleum Coke	MWh	3,347,527	3,195,074	3,783,919
Alternative Fuels	MWh	1,422,511	1,466,300	1,311,399
Total	**MWh**	**7,310,006**	**7,061,464**	**7,239,891**
Alternative Fuel Usage Rate	%, calorific	21.7	23.3	20.3

1 The calculation is based on Scope 1, Scope 2, and Scope 3 emissions.

PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

Total Energy Savings	Unit	2022	2023	2024
Total Energy Savings	GJ	33,042	82,439	32,523

Energy Intensity ESRS E1-6	Unit	2022	2023	2024
Energy Intensity	MWh/thousand TRY	0.30	0.26[2]	0.33[3]

Renewable Energy ESRS E1-6	Unit	2022	2023	2024
Waste Heat Generation	MWh	70,612	59,728	56,660
Wind Energy Generation	MWh	6,842	6,442	6,282
Total Renewable Energy Generation	**MWh**	**77,454**	**66,170**	**62,942**
Geothermal/Hydropower Consumption	MWh	366,000	666,705	670,955
Total Renewable Energy Consumption	**MWh**	**443,454**	**732,876**	**733,897**

Energy Generation and Consumption ESRS E1-6	Unit	2022	2023	2024
Amount of Non-Renewable Electricity Purchased	MWh	308,882	0	0
Electricity Consumption	MWh	752,336	732,876	733,897
Amount of Renewable Energy Purchased	MWh	366,000	666,705	670,955
Total Energy Generation	MWh	77,454	66,170	62,942
Total Energy Consumption	MWh	7,304,333	7,025,916	7,239,891

Energy Savings ESRS E1-6	Unit	2022	2023	2024
Total Annual Energy Savings	MWh	9,178	22,900	9,034
Total Annual Greenhouse Gas Reduction	ton CO_2e	4,117	10,265	4,327
Total Annual Energy Savings	TL	35,967,983	170,319,666	144,210,529

Air Emissions ESRS E2-4	Unit	2022	2023	2024
NOx	ton	8,356.00	7,841.00	8,770.48
SOx	ton	142.00	84.43	72.18
Persistent Organic Pollutants (POP)	kg	0.000124	0.000071	0.000147
Total Organic Compounds (TOC)	ton	380.00	298.80	272.71
Hazardous Air Pollutants (HAP)[4]	ton	0.85	38.29	16.18
Particulate Matter (PM)	ton	162.00	120.00	63.26
Dust	mg/Nm³	9.23	7.80	3.93
NOx	mg/Nm³	477.00	509.90	544.71
SOx	mg/Nm³	8.00	5.50	4.48
TOC	mg/Nm³	22.00	19.40	16.94

2 Recalculated due to inflation accounting.
3 Recalculated due to inflation accounting.

4 NOx and SOx emissions are reported separately and therefore have not been included.

PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

Water Management

Water Withdrawal by Source ESRS E3-4	Unit	2022	2023	2024
Mains Water	m^3	75,506	44,146	52,602
Surface Waters (Wetlands, rivers, lakes, sea, etc.)	m^3	2,488	-	-
Groundwater (Well water)	m^3	2,021,002	2,009,837	1,669,078
Rainwater	m^3	81,000	81,000	81,000
Water Used From 3rd Party Sources (Purchase water)	m^3	364,177	332,381	413,085
Total Water Withdrawal	**m^3**	**2,544,173**	**2,467,365**	**2,215,765**

Freshwater ESRS E3-4	Unit	2022	2023	2024
Amount of Freshwater Withdrawn[5]	m^3	2,098,996	2,053,983	1,721,680

Amount of recovered water (Rainwater) ESRS E3-4	Unit	2022	2023	2024
Amount of Recovered Water (Rainwater)	m^3	81,000	81,000	81,000

Amount of Reused Water ESRS E3-4	Unit	2022	2023	2024
Amount of Reused Water	m^3	1,973,129	1,931,953	1,686,617

Total Water Discharge ESRS E3-4	Unit	2022	2023	2024
Receiving Water Body	m^3	138,918	148,117	155,723
Waste Water Channel	m^3	75,506	41,249	49,161
Total amount of wastewater	**m^3**	**214,424**	**189,366**	**204,884**

5 Freshwater withdrawal: Defined as water with a total dissolved solids (TDS) concentration of 1,000 mg/L or less. Includes data on municipal water and groundwater withdrawal.

Total Water Consumption ESRS E3-4	Unit	2022	2023	2024
Mains Water	m^3	-	-	-
Surface Waters (Wetlands, rivers, lakes, sea, etc.)	m^3	2,488	-	-
Groundwater (Well water)	m^3	2,246,261	2,196,998	2,082,162
Rainwater	m^3	81,000	81,000	81,000
Other	m^3	-	-	-
Total Water Consumption	**m^3**	**2,329,749**	**2,277,998**	**2,010,880**
Water Reuse Rate	%	92	82	90

Biodiversity

Number of Plants Located in Biodiversity Conservation Areas ESRS E4-5	2024
Legally Protected Areas	0
UNESCO World Heritage Sites	0
UNESCO Man and the Biosphere Programme Reserves	0
Ramsar Sites	0
Key Biodiversity Areas[6]	4
Other[7]	9

6 The identification standard related to KBAs is based on the plant's distance from the KBA. Plants located within less than 2.5 km are considered 'very close', and those within less than 5 km are considered 'close' and have been included accordingly.
7 9 of our mining sites are located in areas classified as 'forest' under the ownership of the forestry administration, and are therefore considered protected areas. For this reason, they are reported under the 'Other' category in the table.

PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

Resource Use and Circularity

Amount of Raw Materials Used / Resource Inputs ESRS E5-4	Unit	2022	2023	2024
Limestone	ton	7,291,448	6,504,938	6,338,224
Clay and Shale	ton	1,837,648	1,765,953	1,839,125
Gypsum	ton	339,088	310,792	336,455
Aggregates	ton	286,633	342,427	362,844
Alternative Raw Materials[8]	ton	342,104	361,901	416,682
Iron Ore	ton	11,898	36,709	9,550
Silica Sand	ton	98,482	102,943	126,414
Kaolin	ton	275,874	178,515	232,364
Bauxite	ton	0	0	3,523
Pozzolan (Trass)	ton	80,799	74,084	55,534

Materials Used for Packaging ESRS E5-4	Unit	2022	2023	2024
Paper Bag	ton	1,556	1,554	1,390
Plastic Bag (Polypropylene)	ton	0	0	0
Sling-Bag	ton			22
Packaging Made from Recycled Materials	ton	0	0	0

Alternative Raw Material ESRS E5-4	Unit	2022	2023	2024
Share of Alternative Raw Materials in Concrete	%	3.44	3.54	3.78
Share of Recycled Aggregates in Concrete	%	0.49	0.73	0.62
Share of Alternative Raw Materials in Cementitious Products	%	5.1	4.2	5.10
Clinker Ratio	%	89.3	87.5	85.80

Hazardous Waste ESRS E5-5	Unit	2022	2023	2024
Amount of Waste Recovered for Energy Purposes	ton	558	180	660
Amount of Waste Recycled	ton	15	241	97
Amount of Waste Sent to Landfill/Sanitary Landfill	ton	0.19	0.234	0.145
Total E-Waste Generated	ton	15	18	11
Total	**ton**	**573**	**438**	**768**

Non-Hazardous Waste ESRS E5-5	Unit	2022	2023	2024
Amount of Waste Recovered for Energy Purposes	ton	0	8	18
Amount of Waste Recycled	ton	3,017	3,854	3,172
Amount of Waste Sent to Landfill/Sanitary Landfill	ton	123	193	208
Total	**ton**	**3,140**	**4,055**	**3,398**
Waste Recovery Rate	%	97	96	95

8 Foundry sand, Grit, Fly ash, Pyrite ash, Marble dust, Iron slag, Excavated soil

PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

Employee Demographics

Employee Demographics ESRS S1-6, S1-9	Unit	2022	2023	2024
Akçansa Employee				
Women	Number	82	82	86
Men	Number	931	923	921
Ratio of Women Employees	%	8	8,2	8,5
Ratio of Male Employees	%	92	91,8	91,5
Total Number of Employees	Number	1,013	1,005	1,007
Subcontractor Company Employee				
Women	Number	53	56	64
Men	Number	1,122	1,216	1,286
Ratio of Women Employees	%	4.51	4.4	4.7
Ratio of Male Employees	%	95.49	95.6	95.3
Subcontractor Company Employee	**Number**	**1,175**	**1,272**	**1,340**
Total Akçansa and Subcontractor Employees	**Number**	**2,188**	**2,277**	**2,357**
Total Women	**Number**	**135**	**138**	**150**
Total Men	**Number**	**2,053**	**2,139**	**2,207**

Number of Employees by Contract Type ESRS S1-7	Unit	2022	2023	2024
Indefinite Term of Employment Contract				
Women	Number	82	82	86
Men	Number	931	915	919
Total	Number	1,013	997	1,005
Temporary Employment Contract				
Women	Number	-	-	0
Men	Number	-	-	2
Total	Number	-	8	2
Number of Employees Covered by Collective Bargaining Agreements	**Number**			**504**

Total Number of Employees by Education Level ESRS S1-6	Unit	2022	2023	2024
Primary education				
Women	Number	2	2	2
Men	Number	63	51	49
Total	Number	65	53	51
High School (Includes associate degree graduates)				
Women	Number	6	7	10
Men	Number	651	652	662
Total	Number	657	659	672
University and Above				
Women	Number	74	73	74
Men	Number	217	220	210
Total	**Number**	**291**	**293**	**284**

Total Number of Employees by Age Group ESRS S1-9	Unit	2022	2023	2024
Women				
Under 30 years old	Number	26	28	22
30 – 50 years old	Number	56	61	59
Over 50 years old	Number	0	3	5
Total	Number	82	82	86
Men				
Under 30 years old	Number	112	132	142
30 – 50 years old	Number	764	715	679
Over 50 years old	Number	55	76	100
Total	**Number**	**931**	**923**	**921**

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Average Number of Full-Time Employees ESRS S1-6	Unit	2022	2023	2024
Average Number of Full-Time White Collar Employees				
Women	Number	79	78	81
Men	Number	312	318	313
Average Number of Full-Time Blue Collar Employees				
Women	Number	3	4	5
Men	Number	619	605	608

Total Number of Employees by Nationality ESRS S1-6	Unit	2022	2023	2024
Citizen of the Republic of Türkiye				
Women	Number	82	82	86
Men	Number	929	921	920
Total	Number	1.011	1.003	1.006
Number of Foreign Employees				
Women	Number	0	0	0
Men	Number	2	2	1
Total	Number	2	2	1

Working Times by Year ESRS S1-6	Unit	2022	2023	2024
Women				
0-5 years	Number	44	42	52
5-10 years	Number	21	17	21
10 years and over	Number	17	23	13
Men				
0-5 years	Number	235	262	303
5-10 years	Number	117	173	185
10 years and over	Number	519	4	433

Number of Employees in R&D, Innovation, and Digitalization Departments ESRS S1-6	Unit	2022	2023	2024
Women	Number	2	2	0
Men	Number	5	13	14
Total	**Number**	**7**	**15**	**14**

Number of Employees of the Board of Directors ESRS S1-6, S1-9	Unit	2022	2023	2024
Women				
Under 30 years old	Number	0	1	0
30-50 years old	Number	1	1	0
Over 50 years old	Number	0	0	1
Ratio of Women Executives	%	16.67	16.67	16.67
Men				
Under 30 years old	Number	0	0	3
30-50 years old	Number	2	3	1
Over 50 years old	Number	3	2	1
Nationality				
Citizen of the Republic of Türkiye				
Women	Number	1	1	1
Men	Number	3	3	4
Total	Number	4	4	5
Foreign National				
Women	Number	0	0	0
Men	Number	2	2	1
Total	Number	2	2	1

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Number of Senior Executives ESRS S1-6, S1-9	Unit	2022	2023	2024
Women	Number	0	3	1
Men	Number	6	9	7
Nationality				
Citizen of the Republic of Türkiye				
Women	Number	0	3	1
Men	Number	4	7	6
Total	Number	4	10	7
Foreign National				
Women	Number	0	0	0
Men	Number	2	2	1
Total	Number	2	2	1

Number of Middle and First-Level Executives ESRS S1-6, S1-9	Unit	2022	2023	2024
Number of Mid-Level Executives				
Women	Number	7	5	6
Men	Number	41	44	42
Ratio of Mid-Level Women Executives	%	14.6	10.2	12.5
Number of First-Level Executives				
Women	Number	18	19	20
Men	Number	82	84	83
Ratio of First Level Women Executives	%	18.0	18.4	19.4

Number of Employees in Revenue-Generating Roles ESRS S1-6, S1-9	Unit	2022	2023	2024
Women	Number	18	7	5
Men	Number	55	60	37
Total	Number	73	67	42
Total Number of Managers in Revenue Generating Roles	Number	49	35	23
Women Managers in Revenue in Generating	Number	8	4	2
Ratio of Women Executives in Revenue Generating Roles	%	16	11	8,7

Number of Disabled Employees ESRS S1-12	Unit	2022	2023	2024
Women	Number	1	2	1
Men	Number	22	28	25
Total	Number	23	30	26
Number of Disabled Employees to be Employed by Legal Obligation	Number	30	30	30

Employees in STEM Roles ESRS S1-6	Unit	2022	2023	2024
Total Number of Employees in STEM (e.g., IT, Engineering) Roles	Number	146	105	85
Number of Women Employees in STEM (e.g., IT, Engineering) Roles	Number	19	8	8
Percentage of Women Employees in STEM (e.g., IT, Engineering) Roles	%	13	8	9

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Employee Turnover

Number of Employees Hired ESRS S1-6	Unit	2022	2023	2024
Women				
Under 30 years old	Number	13	5	15
30-50 years old	Number	17	5	5
Over 50 years old	Number	0	1	0
Total	Number	30	11	20
Men				
Under 30 years old	Number	42	71	46
30-50 years old	Number	42	30	40
Over 50 years old	Number	0	3	3
Total	Number	84	104	89

Number of Employees Who Voluntarily Left[9] ESRS S1-6	Unit	2022	2023	2024
Women				
Under 30 years old	Number	3	3	3
30-50 years old	Number	8	4	5
Over 50 years old	Number	0	0	2
Total	Number	11	7	10
Men				
Under 30 years old	Number	7	17	19
30-50 years old	Number	25	21	31
Over 50 years old	Number	0	1	2
Total	Number	32	39	52

Number of Employees Hired by Managerial Level	Unit	2022	2023	2024
Senior Executive				
Women	Number	0	1	0
Men	Number	2	0	1
Total	Number	2	1	1
Mid-Level Executive				
Women	Number	0	0	0
Men	Number	1	2	2
Total	Number	1	2	2
First Level Executive				
Women	Number	2	0	1
Men	Number	12	4	8
Total	Number	12	4	9

Number of Employees Left by Managerial Level	Unit	2022	2023	2024
Senior Executive				
Women	Number	0	0	0
Men	Number	0	0	1
Total	Number	0	0	1
Mid-Level Executive				
Women	Number	1	1	0
Men	Number	4	0	3
Total	Number	5	0	3
First Level Executive				
Women	Number	1	2	2
Men	Number	9	6	9
Total	Number	10	8	11

9 Refers to employees who left the company voluntarily.

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Duration of Employees Who Leave Their Jobs ESRS S1-6	Unit	2022	2023	2024
Women				
Under 30 years old	Day	617	336	378
30-50 years old	Day	1,266	1,499	1,780
Over 50 years old	Day	0	0	5,103
Total	Day	1,883	1,835	1,845
Men				
Under 30 years old	Day	486	390	645
30-50 years old	Day	1,444	1,572	3,092
Over 50 years old	Day	0	9,451	7,964
Total	Day	1,910	11,413	2,853

Positions Filled with Internal Candidates ESRS S1-6	Unit	2022	2023	2024
Women	Number	0	3	4
Men	Number	36	34	32
Total	**Number**	**36**	**37**	**36**

Number of Employees Left[10] ESRS S1-6	Unit	2022	2023	2024
Women				
Under 30 years old	Number	3	4	4
30-50 years old	Number	10	5	9
Over 50 years old	Number	2	2	2
Total	Number	15	12	15
Men				
Under 30 years old	Number	10	18	25
30-50 years old	Number	40	68	60
Over 50 years old	Number	12	26	5
Total	Number	62	112	90

Number of Employees Left by Managerial Level	Unit	2022	2023	2024
Senior Executive				
Women	Number	1	0	0
Men	Number	2	0	3
Total	Number	3	0	3
Mid-Level Executive				
Women	Number	2	1	0
Men	Number	5	1	5
Total	Number	7	2	5
First Level Executive				
Women	Number	2	3	2
Men	Number	11	10	12
Total	Number	13	13	14
Number of All Open Positions	**Number**	**120**	**130**	**120**

10 Includes resignation, retirement, mutual agreement (severance), transfer, health-related departures, and dismissals.

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Employee Turnover Rates* ESRS S1-6	Unit	2022	2023	2024
Voluntarily Left Employee Turnover Rate by Gender				
Women	%	13	9	8
Men	%	3	4	5
Employee Turnover Rates by Gender				
Women	%	18	15	17
Men	%	7	12	9
Voluntarily Left Employee Turnover Rate by Age				
Under 30 years old	%	7	13	14
30-50 years old	%	4	3	4
Over 50 years old	%	0	1	2
Employee Turnover Rate by Age				
Under 30 years old	%	9	17	19
30-50 years old	%	6	10	8
Over 50 years old	%	25	25	7
High Potential Employee Turnover Rate	%	**2.2**	**2.2**	**1.9**
Voluntarily Left Employee Turnover Rate	%	**4.24**	**4.6**	**6.7**
Employee Turnover Rate	%	**7.6**	**12**	**10**
Voluntarily Left Employee Turnover Rate by Managerial Level	%	**10**	**6**	**7**
Employee Turnover Rate by Managerial Level	%	**14.94**	**9**	**12.5**

*Retired employees are included within the scope of employee turnover calculations.

Maternity/Paternity Leave

Maternity/Paternity Leave ESRS S1-15	Unit	2022	2023	2024
Total Number of Employees on Maternity /Paternity Leave				
Maternity Leave	Number	2	2	0
Paternity Leave	Number	22	16	25
Total	Number	24	18	25
Number of Employees Returning from Maternity/Paternity Leave				
Women	Number	2	0	2
Men	Number	22	16	25
Total	Number	24	16	27
The Number of Employees who did not Leave the Job in the Last 12 Months After Returning From Maternity/ Paternity Leave				
Women	Number	2	2	2
Men	Number	22	16	24
Total	Number	24	18	26
Ratio of Employees Returning to Work After Maternity Leave				
Women	%	100	100	100
Men	%	100	100	100
Ratio of Employees Returning to Work After Maternity Leave	%	100	100	100

Parental Leave Duration ESRS S1-11, S1-15	Unit	2022	2023	2024
Paid Parental Leave Duration for Women Employees	Week			16
Paid Parental Leave Duration for Male Employees	Day			5

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Employee Engagement

Employee Engagement Survey Results	Unit	2022	2023	2024
Employee Engagement Score[11]	%	45		51

Succession Rate	Unit	2022	2023	2024
Succession Rate	%	96	96	90

Performance Management

Performance Evaluation ESRS S1-13	Unit	2022	2023	2024
Blue Collar				
Women	Number	3	4	5
Men	Number	619	605	608
Total	Number	622	609	613
White Collar				
Women	Number	79	78	81
Men	Number	312	318	313
Total	Number	391	396	394

Remote Working ESRS S1-15	Unit	2022	2023	2024
Number of People Remote Working				
Women	Number	64	64	60
Men	Number	110	116	109
Number of Remote Work Days				
Women	Number	5,352	-	-
Men	Number	7,104	-	-
Total	Number	12,456	-	-

11 The Employee Engagement Survey is carried out biennially.

Training and Development

Total Hours of Trainings ESRS S1-13	Unit	2022	2023	2024
Total Hours of Trainings by Gender				
Women	Hour	3,196.9	2,104.1	3,441.2
Men	Hour	42,929.6	9,261.2	45,419.4
Blue Collar				
Women	Hour	129.3	23	170.9
Men	Hour	29,806.1	5,631.7	37,183.5
White Collar				
Women	Hour	3,067.6	2,081.1	3,270.4
Men	Hour	13,123.6	3,629.4	8,235.9
Total Hours of Trainings	**Hour**	**46,126.5**	**11,365.3**	**48,860.6**

Total Hours of Trainings by Managerial Level ESRS S1-13	Unit	2022	2023	2024
Senior Executive	Hour	7.5	251	266.5
Mid-Level Executive	Hour	1,286.9	464.8	1,549.4
First Level Executive	Hour	6,068.3	2,326	2,677.9
Other	Hour	38,764.0	8,323.5	44,366.9
Total	**Hour**	**46,126.5**	**11,365.3**	**48,860.6**

Total Hours of Trainings by Age ESRS S1-13	Unit	2022	2023	2024
Under 30 years old	Hour	8,231	4,891.3	10,295.8
30-50 years old	Hour	35,843.3	6,347.4	34,727.5
Over 50 years old	Hour	2,052.3	126.6	3,837.3
Total	**Hour**	**46,126.5**	**11,365.3**	**48,860.6**

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Environmental Training ESRS S1-13	Unit	2022	2023	2024
Akçansa Employee Number of Participants				
Women	Person	11	8	62
Men	Person	146	292	388
Akçansa Employee Training Hours				
Women	Hour	39.5	46	76
Men	Hour	156.75	318	430
Total Environmental Training Hours	Hour	196.25	364	506

Anti-Bribery and Anti-CorruptionTraining[12] ESRS S1-13	Unit	2022	2023	2024
Akçansa Employee Number of Participants				
Women	Person	0	0	0
Men	Person	0	0	0
Akçansa Employee Training Hours				
Women	Hour	0	0	0
Men	Hour	0	0	0
Total	**Hour**	**0**	**0**	**0**

Sustainability Training ESRS S1-13	Unit	2022	2023	2024
Akçansa Employee Number of Participants				
Women	Person	5	15	90
Men	Person	88	319	434
Akçansa Employee Training Hours				
Women	Hour	13	50	350
Men	Hour	108.5	362.5	883
Total	Hour	121.5	412.5	1,233

ESG Training ESRS S1-13	Unit	2024
Akçansa Employee Number of Participants		
Women	Person	174
Men	Person	1,065
Akçansa Employee Training Hours		
Women	Hour	2,430.5
Men	Hour	19,923.3
Total	**Hour**	**22,353.8**

12 Akçansa does not currently offer training programs specifically focused on anti-corruption and anti-bribery. However, these topics are addressed within the broader context of ethics trainings conducted in alignment with the Sabancı Code of Business Ethics. These trainings emphasize core principles such as integrity, transparency, and legal compliance, and incorporate anti-corruption and anti-bribery as part of a comprehensive ethical framework. While not addressed through standalone modules, these issues are covered indirectly as part of our overall ethics training efforts.

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Ethics Training ESRS S1-13	Unit	2022	2023	2024
Total Ethics Training Hours	Hour	161	221	229.5

Cost of Training ESRS S1-13	Unit	2022	2023	2024
Total Cost of Training	TL	5,065,679.9	8,640,668	9,112,568.7
Training Costs per Employee	TL	5,020.4	8,597.7	9,013.4

Volunteering	Unit	2022	2023	2024
Total Hours Spent by Employees on Volunteering Activities	Hour	825	2,592	2,380
Number of Employees Participating in Volunteering Activities	Number			420
Total Number of Volunteering Projects Conducted	Number			95

Community Investments	Unit	2022	2023	2024
Total Number of CSR Programs	Number		4	4
Percentage of Plants with Stakeholder Engagement Plans	%		0	0
Charitable Donations	TL			7,267,484
Community Investments	TL			41,411,366

Occupational Health and Safety

Total Working Hours (ESRS S1-14)	Unit	2022	2023	2024
Women	Hour	93,060	376,536	403,319
Men	Hour	6,076,564	6,130,928	6,310,261
Total Working Hours	Hour	6,169,624	6,507,465	6,713,580
Akçansa Employee				
Women	Hour	93,060	194,659	204,812
Men	Hour	2,156,902	2,179,236	2,193,390
Total	Hour	2,249,962	2,373,895	2,398,202
Subcontractor Employee				
Women	Hour	-	181,877	198,507
Men	Hour	3,919,682	3,951,693	4,116,871
Total	Hour	3,919,682	4,133,570	4,315,379

Occupational Disease (ESRS S1-14)	Unit	2022	2023	2024
Number of Akçansa Employee Occupational Disease				
Women	Number	0	0	0
Men	Number	0	0	0
Number of Subcontractor Employee Occupational Disease				
Women	Number	0	0	0
Men	Number	0	0	0
Total Occupational Disease Rate				
Women	%	0	0	0
Men	%	0	0	0
Akçansa Employee Occupational Disease Rate				
Women	%	0	0	0
Men	%	0	0	0
Subcontractor Employee Occupational Disease Rate				
Women	%	0	0	0
Men	%	0	0	0

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Number of Accidents (ESRS S1-14)	Unit	2022	2023	2024
Women	Number	0	0	0
Men	Number	40	49	33
Total	Number	40	49	33
Akçansa Employee Number of Accidents				
Women	Number	0	0	0
Men	Number	5	7	6
Total	Number	5	7	6
Subcontractor Employee Number of Accidents				
Women	Number	0	0	0
Men	Number	35	42	27
Total	**Number**	**35**	**42**	**27**

Number of Lost Time Accidents[13] (ESRS S1-14)	Unit	2022	2023	2024
Number of Lost Time Accidents	Number	11	11	12

Number of Fatal Accidents (ESRS S1-14)	Unit	2022	2023	2024
Women	Number	0	0	0
Men	Number	0	0	0
Total	Number	0	0	0
Akçansa Employee Fatal Accident Number				
Women	Number	0	0	0
Men	Number	0	0	0
Total	Number	0	0	0
Subcontractor Employee Fatal Accidents Number				
Women	Number	0	0	0
Men	Number	0	0	0
Total	Number	0	0	0

13 This data includes Akçansa employees, subcontractors, visitors, interns, and third parties.

Injury Frequency Rate[14] (ESRS S1-14)	Unit	2022	2023	2024
Injury Frequency Rate for Akçansa Employees	Number	2.1	3	2.5

Injury-Related Absenteeism (ESRS S1-14)	Unit	2022	2023	2024
Women	Number	0	0	0
Men	Number	394	287	145
Total	Number	394	287	145
Akçansa Employee Injury-Related Absenteeism				
Women	Number	0	0	0
Men	Number	29	170	77
Total	Number	29	170	77
Subcontractor Injury-Related Absenteeism				
Women	Number	0	0	0
Men	Number	365	117	68
Total	Number	365	117	68

Total Absenteeism Rate (ESRS S1-14)	Unit	2022	2023	2024
Women	%	0.02	0.15	1.2
Men	%	0.01	0.63	0.8
Akçansa Employee Absenteeism Rate				
Women	%	1.78	0.29	2.2
Men	%	3.56	1.76	2.2
Subcontractor Employee Absenteeism Rate				
Women	%	0	0	0
Men	%	0	0	0

14 (Fatalities + Lost Time Injuries + Medical Treatment Cases) / 1,000,000 Working Hours

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Lost Workday Rate[15] (ESRS S1-14)	Unit	2022	2023	2024
Women	LDR	0.0	0.0	0.0
Men	LDR	63.9	46.8	23.0
Total	LDR	63.9	44.1	21.6
Akçansa Employee Lost Day Rate				
Women	LDR	0.0	0.0	0.0
Men	LDR	12.9	78.0	35.1
Total	LDR	12.9	71.6	32.1
Subcontractor Employee Lost Day Rate				
Women	LDR	0.0	0.0	0.0
Men	LDR	93.1	29.6	16.5
Total	LDR	93.1	28.3	15.8

Number of People Working in an Environment or Tasks with a High Risk of Accident or Occupational Disease (ESRS S1-14)	Unit	2022	2023	2024
Akçansa	Sayı	797	800	884
Subcontractor Employee	Sayı	1,756	1,369	1,340
Total	Sayı	2,563	2,169	2,224

Occupational Accidents by Injury Type (ESRS S1-14)	Unit	2022	2023	2024
Laceration	Number		16	12
Slip/drop	Number		8	6
Object fall	Number		8	9
Pressure	Number		2	1
Brunt	Number		7	2
Other	Number		8	3
Fatal accident rate	Number	0	0	0

15 (Lost Time Due to Injuries / Total Working Hours) * 1,000,000

Road Safety (ESRS S1-14)	Unit	2022	2023	2024
Total Expedition	Km	7,746,073	10,891,140	7,475,613
Total Traffic Accidents	Number	-	-	0
Traffic Accident Injury (including the other party)	Number	-	-	0
Traffic Accident Death (including the other party)	Number	-	-	0
Total Material Loss (product + asset)	TL	-	-	0

OHS Training (ESRS S1-13)	Unit	2022	2023	2024
Akçansa OHS Training Hour	Hour	29,759	61,676	43,010
Subcontractor OHS Training Hour	Hour	22,250	28,900	27,531
Total OHS Training Hour	Hour	52,009	90,576	70,541
OHS Training Hour Per Person	Hour	19	23	25.5

Customer Relationship (Cement)

Customer Relationship Metrics	Unit	2022	2023	2024
Number of Complaints Received	Number	41	26	25
Number of Complaints Resolved	Number	41	26	24
Customer Relations Training Hours	Hour	30	40	40
Number of Employees Participating in Customer Relations Training[16]	Number	14	20	22
Customer Satisfaction Score	%	-	88	-
Number of Respondents to Customer Experience Survey	Number	-	25	-

Customer Relationship (Concrete)

Customer Relationship Metrics	Unit	2022	2023	2024
Number of Complaints Received	Number	478	667	658
Number of Complaints Resolved	Number	478	667	657
Customer Relations Training Hours	Hour	30	40	40
Customer Satisfaction Score	%	-		93.6
Number of Respondents to Customer Experience Survey[16]	Number	-		123

16 On the concrete side, the customer satisfaction survey is conducted twice a month.

PERFORMANCE INDICATORS

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Supply Chain (ESRS G1-2)	Unit	2022	2023	2024
Percentage of Suppliers Compliant with Payment Terms and Policies	Percentage (%)	100	100	100
Total Number of Suppliers	Number	23,184	23,756	24,259
Total Number of Local Suppliers	Number	22,277	22,832	23,311
Total Number of Critical Local Suppliers	Number			250
Total Payments Made to Suppliers	TL	7,713,353,237	11,390,055,029	16,378,864,067
Total Payments Made to Local Suppliers	TL	6,277,232,927	9,308,996,187	14,474,638,809
Total Number of New Suppliers	Number	523	572	503
Total Hours of Sustainability Training Provided to Suppliers	Person*Hour	22,250	28,900	27,531[16]
Total number of suppliers who received training	Number	1,196	1,257	983
Percentage of Suppliers Provided with Sustainability Training	Percentage (%)	5,2	5,3	4,1
Number of Suppliers Audited Against Environmental and Social Criteria	Number	30	50	80
Percentage of Critical Local Suppliers Audited for Environmental and Social Criteria	Percentage (%)	0	0	0
Percentage of Suppliers Meeting Environmental and Social Criteria	Percentage (%)	100	100	100
Percentage of Critical Global Suppliers Assessed for Sustainability	Percentage (%)	0	0	0
Percentage of Suppliers Compliant with Environmental and Social Criteria	Percentage (%)	100	100	100

16 Occupational health and safety trainings provided to subcontractors are shared.

ECONOMIC PERFORMANCE INDICATORS

Sustainable Investments/ Financial Savings and Environmental/Social Benefit Through Operations	Unit	2022	2023	2024
Environmental Benefit	kWh	91,78,478	22,899,773	9,034,206
Environmental Benefit	ton CO_2e	238,536	260,716	182,568
Financial Saving	TRY	35,967,983	170,319,666	144,210,529
Total Environmental Expenditures	TRY	25,336,675	73,656,511	84,896,954
Legally Mandatory Expenditures	TRY	4,382,245	6,999,942	14,597,780
Non-Legally Mandatory Expenditures	TRY	20,954,430	66,656,570	70,299,174
Environmental Investments	TRY	404,474,829	296,934,989	289,385,997
Total Environmental Investments	TRY	404,474,829	296,934,989	289,385,997
ESG Investment Ratio within Total Investments (%) (Total ESG Investments for 2025-2030 / Total Investments for 2025-2030)	Percentage (%)		5	33

Sustainable Business Model	Unit	2022	2023	2024
Ratio of Sustainable Products and Services Revenues to Total Revenues	%	16.58	27.61	33.1
Ratio of Sustainability Focused R&D and Innovation Investments to Total R&D and Innovation Investments	%	100	100	100
Ratio of R&D and Innovation Investments to Total Revenue	%	0.15	0.12	0.12
Number of Sustainable Products and Services	Number	24	24	22
Sustainable Product and Service Revenues	TRY	2,766,846,363	5,169,431,585	7,156,782,201
R&D and Innovation Investments	TRY	24,601,876	22,404,279	25,882,718
Sustainability Focused R&D and Innovation Investments	TRY	24,601,876	22,404,279	25,882,718
Revenue Ratio of Sustainable Cement Products to Total Cement Product Revenue (%)	Percentage (%)	27.9	27	40.3
Revenue Ratio of Sustainable Concrete Products to Total Concrete Product Revenue (%)	Percentage (%)	12.2	27	34

REPORTING PRINCIPLES

Annex-1 Akçansa 2024 Integrated Annual Report - Reporting Principles

These reporting principles ("Reporting Principles") provide information on the methodologies for the preparation, calculation and reporting of data for the indicators of Akçansa Çimento A.Ş. (the "Company" or "Akçansa") within the scope of limited assurance in the Akçansa Integrated Annual Report 2024 ("2024 Integrated Annual Report").

These indicators cover social, environmental and economic indicators. It is the responsibility of the Company's management to ensure that appropriate procedures are in place to prepare these indicators, in all material respects, in accordance with the Guidelines.

The information contained in this manual covers the financial year ending 31 December 2024 and the related operations under the responsibility of Akçansa Çimento A.Ş. as detailed in the "Key Definitions and Scope of Reporting" section and covers all activities carried out in Turkey under the Akçansa Çimento, Agregasa and Betonsa brands. The indicators where subcontractors are included in the scope are specified in the "Basic Definitions and Reporting Scope" section, and subcontractors are not included in the indicators that are not specified.

General Reporting Principles

The following principles have been considered in the preparation of this guidance document:

- In the preparation of information - to emphasise the basic principles of relevance and reliability of information to users of information,
- In the reporting of information - emphasising the principles of comparability / consistency of information with other data, including the previous year, and the principles of understandability / transparency providing clarity to users.

Basic Definitions and Reporting Scope

For the purpose of this report, the Company makes the following definitions:

Type	Metric	Scope
Social Metrics	**Health and Safety**	
	Total Working Hours (hours)	In the reporting period, it refers to the total hours worked by the Company's employees during the year, which are monitored through the Company's Human Resources tracking platform and payroll records.
	Number of Accidents (#)	In the reporting period, it refers to the total number of occupational accidents occurred during a work-related activity of the Company's employees and reported to the Social Security Institution, within the scope of the Occupational Health and Safety Law No. 6331, including death, lost time injury, limited incapacity for work and medical treatment applications, in the breakdown of male and women gender.
	Number of Fatal Accidents (#)	In the reporting period, it refers to the number of fatal occupational accident incidents of the Company's employees in the breakdown of male and women employees who meet the definition of "fatal occupational accident" within the scope of the Occupational Health and Safety Law No. 6331 and who were reported to the Social Security Institution.
	Subcontractor Employee Working Hours (hours)	In the reporting period, it refers to the total working hours of the personnel working for the subcontractors. This indicator is used to measure the labour contribution of subcontractor and subcontractor employees, to monitor occupational health and safety processes and to monitor working conditions.
	Number of Occupational Diseases (#)	In the reporting period, it refers to the total number of employees with occupational diseases in the breakdown of male and women employees who comply with the definition of "occupational disease" within the scope of the Occupational Health and Safety Law No. 6331 and who have been notified to the Social Security Institution.
	Injury Related Absenteesim(days)	In the reporting period, it refers to the Company's total lost working days of the employees in the breakdown of men and women due to incidents requiring death, lost time injury, limited incapacity for work and medical treatment applications, which occurred during a work-related operation and prevented the employee from coming to work on the next shift or the next working day, and which are monitored through notifications made to the Social Security Institution.
	Lost Workday Rate (#)	In the reporting period, it refers to the ratio of the total number of days of absenteeism due to occupational accidents to total daily working hours.
	OHS Trainings (hours)	In the reporting period, it refers to the total number of compulsory or non-compulsory Occupational Health and Safety training hours, according to the hazard class within the scope of the Occupational Health and Safety Law No. 6331, which were followed from the Company's Human Resources training platform, attended by the Company's employees and subcontractor employees during the reporting period.
	Environmental Trainings (hours)	In the reporting period, it refers to the total environmental training hours attended by the Company's employees and subcontractor employees, which were monitored through the Company's Human Resources training platform.
	Anti-Bribery and Anti-Corruption Trainings (hours)	In the reporting period, it refers to the total number of anti-corruption and anti-bribery training hours attended by the Company's employees and subcontractor employees, monitored through the Company's Human Resources training platform.
	Sustainability Training (hours)	In the reporting period, it refers to the total number of compulsory or non-compulsory training hours organised to raise awareness on sustainability principles, environmental, social and governance (ESG) issues, which are monitored through the Company's Human Resources training platform and attended by Company employees and subcontractor employees. Trainings cover topics such as climate change, carbon footprint, energy efficiency, circular economy, social responsibility and corporate sustainability strategies.
	Number of Subcontractor Employee Occupational Diseases (#)	In the reporting period, it refers to the total number of occupational disease cases detected among the personnel working under the subcontractors. This indicator is monitored to assess occupational health and safety performance, identify areas for improvement to prevent occupational diseases and monitor the health conditions of subcontractor employees.
	Subcontractor Employee Occupational Disease Rate (%)	In the reporting period, it refers to the ratio of occupational disease cases detected among subcontractor employees to the total number of subcontractor employees.

REPORTING PRINCIPLES

Type	Metric	Scope
Social Metrics	**Health and Safety**	
	Subcontractor Employee Number of Accidents (#)	In the reporting period, it refers to the total number of occupational accidents involving subcontractor's employees. This indicator is monitored to monitor the occupational health and safety performance of subcontractor employees, to take measures to reduce occupational accidents and to assess safe working conditions. Accidents can be categorised as minor injuries, serious injuries or fatal accidents.
	Subcontractor Employee Number of Fatal Accidents (#)	In the reporting period, it refers to the total number of occupational accidents that occurred among the personnel working under the subcontractor and resulted in death. This indicator is monitored to evaluate occupational health and safety performance, to develop measures to reduce risks and to provide a safe working environment.
	Subcontractor Employee Absenteeism (day)	In the reporting period, it refers to the total number of days that the personnel working under the subcontractor cannot come to work due to accidents. This indicator is monitored to measure the severity of occupational accidents and their impact on employees, to evaluate occupational health and safety performance and to take remedial measures.
	Subcontractor Employee Absenteeism Rate (%)	In the reporting period, it refers to the ratio of absenteeism due to accidents, illnesses or other reasons in the total working hours of subcontractor employees.
	Number of People Working in Environments or Tasks with High Risk of Accidents or Occupational Diseases (#)	In the reporting period, it refers to the total number of people working in environments or tasks that involve high risk in terms of occupational health and safety.
	Occupational Accidents by Type of Injury (#)	In the reporting period, it refers to the monitoring of occupational accidents by classifying them according to their types. This classification is used for risk analysis and taking preventive measures in occupational health and safety management.
	Road Safety	In the reporting period, it refers to the Company's road safety practices, measures taken and performance indicators monitored. Road safety is monitored to ensure the safety of employees, vehicles carrying cargo and other stakeholders

Type	Metric	Scope
Social Metrics	**Employee Demographics**	
	Total Number of Employees (#)	In the reporting period, it refers to the the total number of male and women employees, who are monitored through the Company's Human Resources data platform and who have an Employment Declaration to the Social Security Institution during the reporting period. Interns and subcontractors are not included in the total number of employees.
	Total Number of Women Employees (#)	In the reporting period, it refers to the total number of women employees who are monitored through the Company's Human Resources data platform and who have an Employment Entry Declaration to the Social Security Institution. Interns and subcontractors are not included in the total number of employees.
	Total Number of Male Employees (#)	In the reporting period, it refers to the total number of male employees, who are monitored through the Company's Human Resources data platform and who have an Employment Entry Declaration to the Social Security Institution. Interns and subcontractors are not included in the total number of employees.
	Women Employee Ratio (%)	In the reporting period, it refers to the ratio of the total number of women employees, who are monitored through the Company's Human Resources data platform and who have an Employment Entry Declaration to the Social Security Institution, to the total number of employees. The number of women employees does not include interns and subcontractor employees.
	Ratio of Top, Middle and First Level Women Executives (%)	In the reporting period, it refers to the ratio of the number of women managers in the positions defined as first, middle and senior management levels, which are monitored by the Company's Human Resources data platform and for which the Social Security Institution has an Employment Declaration, to the total number of managers. The Company's first level managers (N-3) are Chief and Manager, mid-level managers (N-2) are Manager, Group Manager, Plant Manager and Director and senior managers (N-1) are General Manager and Assistant General Manager.
	Ratio of Women Executives in Revenue Generating Roles (%)	In the reporting period, it refers to the ratio of the number of women managers working in the Sales and Marketing departments, which are defined as income generating positions by the Company and monitored through the Company's Human Resources data platform, to the total number of managers working in these positions.
	Ratio of Women Employees in STEM (IT, engineering, etc.) Roles	In the reporting period, it refers to the ratio of the number of women employees working in information technologies and engineering positions, which the Company defines as STEM (Science, Technology, Engineering, Mathematics) positions, to the total number of employees in STEM positions, monitored by the Company's Human Resources data platform.
	Total Number of Employees on Maternity Leave (#)	In the reporting period, it refers to the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave, it refers to the number of women employees of the Company who went on maternity leave within the periods specified in the regulation.
	Total Number of Employees on Paternity Leave (#)	In the reporting period, it refers to the scope of the Regulation on Part-Time Work to be Performed After Maternity Leave or Unpaid Leave, it refers to the number of male employees of the Company who took paternity leave within the periods specified in the regulation.

REPORTING PRINCIPLES

Type	Metric	Scope
Social Metrics	**Trainings**	
	Total Training Hours (hours)	In the reporting period, it refers to the total hours of training attended by the Company's employees, monitored through the Human Resources training tracking platform. It is tracked by type of training (Ethics, Anti-Corruption and Anti-Bribery, Sustainability, Environment Trainings), by age (under 30, 30-50, over 50), by management level (first level managers (N-3) are "Chief" and "Manager", mid-level managers (N-2) are "Manager", "Group Manager", "Plant Manager" and "Director" and senior managers (N-1) are "General Manager" and "Assistant General Manager") and by gender.
	Total Training Cost (TL)	In the reporting period, it refers to the the value in TL of the total expenditures for trainings provided to employees, which are monitored through the Company's accounting system and purchase invoices.
	Training Cost per Employee (TL/person)	In the reporting period, it refers to the the training cost value in TL per employee, which is obtained by dividing the training expenditures tracked through the Company's accounting system and purchase invoices by the total number of employees receiving training.
	Anti-Bribery and Anti-Corruption Trainings (hours)	In the reporting period, it refers to the anti-corruption and anti-bribery trainings provided by the Company to its employees, suppliers and business partners. These trainings are provided to raise awareness on the Company's code of ethics, anti-corruption and anti-bribery policies, legal obligations and transparency in the workplace.
	Sustainability Training (hours)	In the reporting period, it refers to the trainings provided by the Company to its employees, suppliers or business partners on sustainability principles and practices. These trainings cover topics such as compliance with environmental, social and governance (ESG) criteria, resource efficiency, waste management, combating climate change and social responsibility.
	Subcontractor OHS Training Hours	In the reporting period, it refers to the total occupational health and safety (OHS) training hours provided to subcontractor employees. These trainings cover the trainings provided to subcontractor employees in order to prevent occupational accidents, reduce health risks and provide safe working environments.
	Customer Relations Metrics	In the reporting period, it refers to the customer relationship metrics are indicators for measuring a company's interactions, satisfaction and loyalty with its customers. These metrics are used to improve the customer experience.

Type	Metric	Scope
Social Metrics	**Recruitment and Resignations**	
	Number of Employees Hired (#)	In the reporting period, it refers to the the total number of employees recruited by the Company, whose Employment Declaration was declared to the Social Security Institution within the reporting year, and who are monitored in terms of gender and age (under 30 years old, between 30-50 years old, over 50 years old).
	Number of Employees Hired by Managerial Level (#)	In the reporting period, it refers to the the total number of employees recruited by the Company and whose Employment Declaration was declared to the Social Security Institution within the reporting year, broken down by gender and management level (first level managers (N-3) "Chief" and "Manager", mid-level managers (N-2) "Manager, "Group Manager", "Factory Manager" and "Director" and senior managers (N-1) "General Manager" and "Assistant General Manager").
	Number of Employees Left (#)	In the reporting period, it refers to the total number of voluntary and involuntary leavers, whose Resignation Declaration was declared to the Social Security Institution of the Company within the reporting year, and who were monitored in gender and age breakdowns.
	Number of Employees Left by Managerial Level (#)	In the reporting period, it refers to the total number of voluntary and involuntary resignations from managerial positions that were declared to the Social Security Institution within the reporting year, broken down by gender and managerial level (first level managers (N-3) "Chief" and "Manager", mid-level managers (N-2) "Manager, "Group Manager", "Factory Manager" and "Director" and senior managers (N-1) "General Manager" and "Assistant General Manager").
	Employee Turnover Rate (%)	In the reporting period, it refers to the ratio of the number of employees who left their jobs. The total number of employees declared by the Company to the Social Security Institution with the Declaration of Leaving Work within the reporting year. Gender, age (under 30, between 30-50, over 50), voluntary resignation and total resignation are analysed.

REPORTING PRINCIPLES

Type	Metric	Scope
Environmental Indicators	**Energy Consumption by Fuel Type**	
	Natural Gas (MWh)	In the reporting period, it refers to the the total amount of natural gas (by volume- m^3) used for heating, kitchen, and other heat energy-requiring operations at the Company locations, monitored through the invoices obtained from service provider institutions. It is reported on a consolidated basis in MWh.
	Total Coal (MWh)	In the reporting period, it refers to the the amount of domestic and imported coal (weight – tons) used for production and/or heating purposes, monitored through the Company's purchase invoices. It is reported on a consolidated basis in MWh.
	Fuel-Oil (MWh)	In the reporting period, it refers to the the total amount of fuel oil (volume – liters) used for energy generation purposes, monitored through the Company's purchase invoices . It is reported on a consolidated basis in MWh.
	Total Petrocoke (MWh)	In the reporting period, it refers to the the total amount of petroleum coke (by mass – tons) used as an alternative fuel, monitored through the Company's purchase invoices and mapped through financial reporting systems. It is reported on a consolidated basis in MWh.
	Alternative Fuels (MWh)	In the reporting period, it refers to the the consumption amounts of waste oil, waste tires, refuse-derived fuel (RDF), and wastewater sludge used for energy generation purposes, monitored through the Company's purchase invoices and mapped through financial reporting systems. It is reported on a consolidated basis in MWh.
	Electricity Consumption (MWh)	In the reporting period, it refers to the the total amount of electricity purchased for use in air conditioning, lighting, and other electricity-requiring operations, monitored through the invoices obtained from service provider institutions. It is reported on a consolidated basis in MWh.
	Renewable Energy Generation (MWh)	In the reporting period, it refers to the the total amount of renewable waste heat and wind energy produced at the Company's Çanakkale location. It is monitored by the Republic of Turkey Ministry of Energy and Natural Resources ABYS Survey information management system.
	Renewable Energy Consumption (MWH)	In the reporting period, it refers to the the amount of renewable energy from waste heat and wind sources, and the amount of renewable electricity purchased from service providers, tracked with e International Renewable Energy Certificate (IREC) and Renewable Energy Resource Guarantee System (YEK-G) certificates. It is reported on a consolidated basis in MWh.
	Total Energy Consumption (MWh)	In the reporting period, it refers to the the total amount of energy consumed to carry out the Company's production operations. It is reported on a consolidated basis in MWh.
	Total Energy Generation (MWh)	In the reporting period, it refers to the sum of total renewable energy generation from waste heat and wind in Çanakkale location of the Company which is tracked by Republic of Türkiye Ministry of Energy and Natural Resources' ABYS Survey platform.
	Amount of Purchased Renewable Electricity (MWh)	In the reporting period, it refers to total renewable energy purchased which is certificated by I-REC (International Renewable Energy Certificate) and YEK-G.

Type	Metric	Scope
Environmental Indicators	**Energy Consumption by Fuel Type**	
	Energy Intensity (MWh/ thousand TL)	In the reporting period, it refers to the ratio of the Company's Total Energy Consumption amount to the total annual TL turnover amount declared by the Company in its financial reporting.
	Total Energy Saving (GJ)	In the reporting period, it refers to the the amount of energy savings achieved through the energy efficiency projects and cement-clinker production efficiency projects. It is reported on a consolidated basis in GJ.
	Total Annual Energy Savings (MWh)	In the reporting period, it refers to the the amount of energy savings achieved through the energy efficiency projects and cement-clinker production efficiency projects. It is reported on a consolidated basis in MWh.
	Total Annual Greenhouse Gas Reduction (ton CO_2e)	In the reporting period, it refers to the the annual total greenhouse gas reduction amount achieved through the energy savings from the energy efficiency projects and cement-clinker production efficiency projects. It is reported on a consolidated basis in tons of carbon dioxide equivalent.
	Total Annual Energy Savings (TL)	In the reporting period, it refers to the the financial gains achieved through the energy savings from the energy efficiency projects and cement-clinker production efficiency projects. It is reported on a consolidated basis in Turkish Lira (TL).
	Scope 1, 2 and 3 GHG Emissions	
	Scope 1 Emissions (tCO_2e)	In the reporting period, it refers to the the greenhouse gas emissions generated from the use of natural gas, coal, fuel oil, petroleum coke, alternative fuels, R22, refrigerant gases, and fire extinguishers at the Company's locations. The Company calculates its greenhouse gas emissions in tons of carbon dioxide equivalent according to the "TS EN ISO 14064-1:2018 Greenhouse Gases – Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard. It is calculated both on a gross and net basis.
	Scope 2 Emissions (Location-Based) (tCO_2e)	In the reporting period, it refers to the the amount of indirect market-based greenhouse gas emissions resulting from all electricity consumption purchased by the Company' locations. The Company calculates its greenhouse gas emissions in tons of carbon dioxide equivalent according to the "TS EN ISO 14064-1:2018 Greenhouse Gases – Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard.
	Scope 2 Emissions (Market-Based) (tCO_2e)	In the reporting period, it refers to the the amount of indirect market-based greenhouse gas emissions resulting from electricity consumption not produced from renewable sources, purchased by the Company's locations. The Company calculates its greenhouse gas emissions in tons of carbon dioxide equivalent according to the "TS EN ISO 14064-1:2018 Greenhouse Gases – Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard.
	Greenhouse Gas Intensity (Scope 1 and Scope 2) (kg CO_2 / TL)	In the reporting period, it refers to the ratio of the sum of the Company's Scope 1 and Scope 2 emissions to the total annual TL turnover amount declared by the Company in its financial reporting.

REPORTING PRINCIPLES

Type	Metric	Scope
Environmental Indicators	**Scope 1, 2 and 3 GHG Emissions**	
	Scope 3 Category 1 – Purchased Goods and Services (tCO_2e/year)	In the reporting period, it refers to the total amount of greenhouse gas emissions generated due to the purchase of raw materials, semi-finished goods, final products, and services required for the Company's production operations.
	Scope 3 Category 3 – Fuel- and Energy-Related Activities (tCO_2e/year)	In the reporting period, it refers to the Well-to-Tank (WTT) emissions from the purchased fuels—petroleum coke, coal, fuel oil, natural gas, and diesel—and the emissions corresponding to transmission and distribution (T&D) losses of purchased electricity.
	Scope 3 Category 4 – Upstream Transportation and Distribution (tCO_2e/year)	In the reporting period, it refers to the total amount of greenhouse gas emissions generated due to the transportation of raw materials, semi-finished goods, final products, and services purchased for the Company's production operations to the relevant plants.
	Scope 3 Category 9 – Downstream Transportation and Distribution (tCO_2e/year)	In the reporting period, it refers to the greenhouse gas emissions generated from sea and land transportation during the delivery of the Company's produced and sold goods to the customer.
	Scope 3 Category 10 – Processing of Sold Products (tCO_2e/year)	In the reporting period, it refers to the greenhouse gas emissions generated from the processing activities required to make the Company's sold products ready for use after the point of sale.
	Scope 3 Category 6 – Business Travel (tCO_2e/year)	In the reporting period, it refers to the the indirect greenhouse gas emissions from business travel, specifically from Category 6 of the Greenhouse Gas Protocol (GHG Protocol), which includes emissions from flights booked through agencies and travel distances tracked during the reporting period. The Company calculates its greenhouse gas emissions according to the "TS EN ISO 14064-1:2018 Greenhouse Gases – Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard.
	Scope 3 Category 7 – Employee Commuting (tCO_2e/year)	In the reporting period, it refers to the the indirect greenhouse gas emissions from employee commuting, specifically from Category 7 of the Greenhouse Gas Protocol (GHG Protocol), which includes emissions tracked through distance-based invoices and summaries/contracts with service providers during the reporting period. The Company calculates its greenhouse gas emissions according to the "TS EN ISO 14064-1:2018 Greenhouse Gases – Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals" standard.

Type	Metric	Scope
Environmental Indicators	**Water Management**	
	Total Water Withdrawal (m^3)	In the reporting period, it refers to total main water, ground water and rain water withdrawal which is tracked by the invoices, tanker records and meter readings
	Mains Water (m^3)	In the reporting period, it refers to the total purchased main water withdrawal which is tracked by the invoices from the service providers.
	Surface Waters (Wetlands, Rivers, Lakes, Sea etc.) (m^3)	In the reporting period, it refers to the total surface water withdrawal which is tracked by accounting recording system of the Company in 12 months period.
	Ground Water (Well Water) (m^3)	In the reporting period, it refers to the total ground water withdrawal which is tracked by accounting recording system of the Company in 12 months period.
	Rain Water (m^3)	In the reporting period, it refers to the total rain water withdrawal which is tracked and found by calculations with weighbridge transfer records and capacities.
	Water Used from 3rd Party Sources (Purchase Water) (m^3)	In the reporting period, it refers to the water withdrawal purchased from a 3rd party and service providers which is tracked on BIGS platform.
	Amount of Recovered Water (Rainwater) (m^3)	In the reporting period, it refers to the total rain water withdrawal which is tracked and found by calculations with weighbridge transfer records and capacities .
	Amount of Reused Water (m^3)	In the reporting period, it refers to the amount of reused water, which is calculated by the difference of sum of main water, ground water and rain water between discharged water.
	Total Water Discharge (m^3)	In the reporting period, it refers to amount of water discharged which is calculated with Waste Water Plant Identity Report (WWTP Flow Rate * Work Days) with the estimation of operated at full capacity.
	Total Water Withdrawal in Water-Stressed Areas (m^3)	In the reporting period, it refers to the the distribution of total water withdrawals made in water-stressed areas. It categorized according to the water stress regions defined in the WRI Water Risk Atlas.

REPORTING PRINCIPLES

Type	Metric	Scope
Environmental Indicators	**Total Water Consumption**	
	Total Water Consumption (m^3)	In the reporting period, it refers to the sum of ground water withdrawal and rain water withdrawal which is calculated by excluding amount of discharged water from the total water withdrawal.
	Ground Water (Well Water) (m^3)	In the reporting period, it refers to the water withdrawn from ground and used in internal consumptions, which is reported to the Ministry of Environment, Urbanization and Climate Change on BIGS platform.
	Rain Water (m^3)	In the reporting period, it refers to the water withdrawn from rain water and used in internal consumptions, it is calculated based on weighbridge records, and is tracked on the Ministry of Environment, Urbanization and Climate Change on BIGS platform.
	Waste Management	
	Total Amount of Hazardous Waste (tons)	
	Amount of Waste Recovered for Energy Purposes (tons)	In the reporting period, it refers to the amount recovered for energy purposes (incineration, thermal recovery, etc.) within the hazardous wastes generated by the Company, which is monitored through MOTAT and Waste Declaration Forms (Mobile Waste Tracking System system) on the portal of the Ministry of Environment, Urbanization and Climate Change (Integrated Environmental Information System).
	Amount of Recycled Waste (ton)	In the reporting period, it refers to the amount of waste recycled, reused or sent for recovery within the hazardous wastes generated by the Company, which is monitored from MOTAT and Waste Declaration Forms (Mobile Waste Tracking System system) in the portal of the Ministry of Environment, Urbanization and Climate Change (Integrated Environmental Information System).
	Amount of Waste Going to Landfilling/Solid Waste Site (ton)	In the reporting period, it refers to the amount of waste transported for disposal at the landfill site within the hazardous waste generated by the Company, which is monitored from MOTAT and Waste Declaration Forms (Mobile Waste Tracking System system) on the portal of the Ministry of Environment, Urbanization and Climate Change (Integrated Environmental Information System).
	Total Amount of E-Waste (ton)	In the reporting period, it refers to the electronic and electronic derivative wastes generated by the Company, which are monitored through MOTAT and Waste Declaration Forms (Mobile Waste Tracking System system) on the portal of the Ministry of Environment, Urbanization and Climate Change (Integrated Environmental Information System).
	Total Amount of Non-Hazardous Waste (ton)	
	Amount of Waste Recovered for Energy Purposes (ton)	In the reporting period, it refers to the amount recovered for energy purposes (incineration, thermal recovery, etc.) within the non-hazardous waste generated by the Company, which is monitored through the Waste Declaration Forms on the Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System).
	Amount of Recycled Waste (ton)	In the reporting period, it refers to the amount of waste recycled, reused or sent for recovery within the non-hazardous waste generated by the Company, which is monitored from the Waste Declaration Forms on the Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System).
	Amount of Waste Going to Landfill / Solid Waste Site (ton)	In the reporting period, it refers to the wastes transported for disposal at the landfill site within the non-hazardous wastes generated by the Company, which are monitored from the Waste Declaration Forms on the Ministry of Environment, Urbanization and Climate Change portal (Integrated Environmental Information System).
	Waste Recovery Ratio (%)	In the reporting period, it refers to the ratio of the Company's Recycled Waste amount to the sum of Total Hazardous Waste and Total Non-Hazardous Waste amount.

Type	Metric	Scope
Economic Indicators	**Environmental Expenditures & Investments**	
	Total Environmental Investments (TL)	In the reporting period, it refers to the investments made by the Company in the nature of mitigation (products and activities that directly reduce carbon emissions), transition (products that are not inherently sustainable but are produced with sustainable methods) and enabling (which do not contribute directly to carbon emission reduction but have the effect of accelerating the product to become sustainable).
	Total Environmental Expenditures (TL), Environmental and Climate Investments (TL)	In the reporting period, it refers to the amount in TL of the Company's environmental expenditures, both legally mandatory and non-mandatory, that can be mapped through the Company's financial reporting system.
	Sustainable Business Model	
	Number of Sustainable Products and Services (#)	In the reporting period, it refers to the number of products and services that the Company has classified with the definition of sustainable product taking into account the European Union Taxonomy (EU Taxonomy), that are guided by the sustainable financing framework, that provide environmental and social benefits, and that provide mitigation and facilitation.
	Sustainable Products and Services Revenues (TL)	In the reporting period, it refers to the revenue generated from products and services that the Company classifies with the definition of sustainable product by taking into account the European Union Taxonomy (EU Taxonomy), that guide the sustainable financing framework, that provide environmental and social benefits, and that provide mitigation and facilitation.
	Ratio of Sustainable Products and Services Revenues to Total Revenue (%)	In the reporting period, it refers to the ratio of the revenue generated from sustainable products and services realized by the Company, which can be mapped through the Company's financial reporting system, to the revenue disclosed in the Company's yearend financial report.
	R&D and Innovation Investments (TL)	In the reporting period, it refers to the amount spent for the Company's R&D and innovation investments, which can be mapped through the Company's financial reporting system.
	Sustainability Focused R&D and Innovation Investments (TL)	In the reporting period, it refers to the amount of sustainability-focused, environmental and social impact investments within the Company's R&D and innovation investments that can be mapped through the Company's financial reporting system
	Ratio of Sustainability Focused R&D and Innovation Investments to Total R&D and Innovation Investments (%)	In the reporting period, it refers to the ratio of sustainability focused R&D and Innovation investments which can be mapped with financial reporting systems and have an impact of environmental and social effect, to the total R&D and Innovation investments.
	Ratio of Sustainability focused R&D and Innovation Investments to Total Revenue (%)	In the reporting period, it refers to the ratio of sustainability focused R&D and Innovation investments which can be mapped with financial reporting systems and have an impact of environmental and social effect, to the total revenue.

REPORTING PRINCIPLES

Type	Metric	Scope
	Sustainable Business Model	
Economic Indicators	Financial/Environmental Savings and Social Benefit by Sustainable Investments/Operations (KWh, CO_2, TL)	In the reporting period, it refers to the financial savings and environmental/social benefits realized within the scope of projects that the Company defines as sustainable investments and/or activities. Within the scope of this indicator, savings in tons of CO_2 and TL savings realized by the Company are reported. Energy savings refers to savings in kWh from energy efficiency projects. CO_2 savings refers to the savings in CO_2 achieved through energy efficiency projects and investment projects. Financial savings represent savings in TL achieved through energy efficiency projects.
	Ratio of ESG Investments to Total Investments (%)	In the reporting period, it refers to the ratio of investments aligned with environmental, social and governance (ESG) criteria within the Company's total investment expenditures. This ratio indicates the share of the investments made by the Company towards its sustainability goals within total investments.
	Ratio of Sustainable Cement Product Revenue to Total Cement Product Revenue (%)*	In the reporting period, it refers to the ratio of cement products produced in accordance with sustainability criteria to total cement product revenues. Sustainable cement products include cement types that minimize environmental impacts, have a low carbon footprint, or contain recycled materials.
	Ratio of Suppliers Complying with Payment Terms and Policies (%)	In the reporting period, it refers to the ratio of suppliers that act in compliance with the payment terms and policies set by the Company. This ratio indicates the level of compliance by suppliers with contract terms, payment deadlines, and other financial arrangements.
	Total Number of Suppliers	In the reporting period, it refers to the total number of suppliers doing business with the Company. This number includes all suppliers providing materials, services, or products and reflects the scale and diversity of the Company's supply chain.
	Total Number of Local Suppliers	In the reporting period, it refers to the number of suppliers operating within the region or country in which the Company operates and doing business with the Company.
	Total Payments Made to Suppliers (TL)	In the reporting period, it refers to the total amount of payments made by the Company to its suppliers. This includes all financial payments made to suppliers providing materials, services, or products.
	Total Payments Made to Local Suppliers (TL)	In the reporting period, it refers to the total amount of payments made by the Company to its local suppliers. This includes all financial payments made to suppliers operating within the region or country where the Company operates and indicates the contribution to the local economy.
	Total Number of New Suppliers	In the reporting period, it refers to the total number of new suppliers who signed a contract or conducted business with the Company for the first time. This number reflects the Company's efforts to expand its supplier network and establish new business partnerships.
	Training Hours Provided to Suppliers	In the reporting period, it refers to the total number of training hours provided by the Company to its suppliers. These trainings aim to inform suppliers on topics such as quality standards and occupational health and safety.
	Number of Suppliers Who Received Training	In the reporting period, it refers to the total number of suppliers that received training provided by the Company. This includes suppliers who were informed and developed through trainings on various topics (e.g. occupational health and safety, sustainability, quality standards).

Type	Metric	Scope
	Sustainable Business Model	
Economic Indicators	Number of Suppliers Trained on Sustainability	In the reporting period, it refers to the total number of suppliers that received training from the Company on sustainability-related topics. These trainings aim to inform suppliers about environmental, social and governance (ESG) principles, promote the adoption of sustainability practices, and encourage environmentally friendly business processes.
	Percentage of Suppliers Provided with Sustainability Training (%)	In the reporting period, it refers to the ratio of suppliers trained on sustainability to the total number of suppliers. This ratio indicates the level of participation in training programs aimed at ensuring compliance with environmental, social and governance (ESG) principles.
	Number of Audited Suppliers	In the reporting period, it refers to the total number of suppliers audited by the Company. These audits are conducted to ensure the compliance of suppliers with environmental, social and governance (ESG) criteria, quality standards, and contract terms and aim to increase the transparency and compliance of the supply chain.
	Number of Suppliers Audited for Environmental and Social Criteria	In the reporting period, it refers to the total number of suppliers audited for compliance with environmental and social criteria. These audits aim to assess the environmental impacts and social responsibilities of suppliers (e.g. occupational health and safety, labor rights, sustainability practices) and ensure environmental and social compliance in the Company's supply chain.
	Ratio of Critical Local Suppliers Audited for Sustainability (Environmental and Social Criteria) (%)	In the reporting period, it refers to the ratio of critical local suppliers audited for environmental and social criteria to the total number of local suppliers. This ratio indicates the extent to which critical local suppliers are involved in the assessment process to ensure their compliance with sustainability and responsibility requirements.
	Ratio of Suppliers Meeting Environmental and Social Criteria (%)	In the reporting period, it refers to the ratio of suppliers that comply with environmental and social criteria to the total number of suppliers. This ratio indicates the extent to which suppliers comply with social responsibility criteria such as environmental impacts, occupational health and safety, labor rights, and sustainability practices.
	Ratio of Critical Global Suppliers Evaluated for Sustainability	In the reporting period, it refers to the ratio of critical global suppliers evaluated based on sustainability criteria to the total number of global suppliers. This ratio indicates whether critical suppliers have been subject to audits and evaluations regarding environmental and social responsibilities.
	Percentage of Suppliers Compliant with Environmental and Social Criteria (%)	In the reporting period, it refers to the ratio of suppliers that comply with environmental and social criteria to the total number of suppliers. This ratio indicates the extent to which suppliers comply with social responsibility criteria such as environmental impacts, occupational health and safety, labor rights, and sustainability practices.

REPORTING PRINCIPLES

Type	Metric	Scope
Supply Chain	**Amount of Raw Materials Used / Resource Inputs**	
	Limestone (limestone)	In the reporting period, it refers to the the total amount of limestone used by the Company in its production processes.
	Clay (+shale)	In the reporting period, it refers to the total amount of clay and shale used by the Company in its production processes or utilised.
	Gypsum	In the reporting period, it refers to the the total amount of gypsum used in the Company's production processes.
	Aggregates	In the reporting period, it refers to the total amount of aggregate used by the Company in its production processes or utilised.
	Alternative raw materials (foundry sand, grid, fly ash, pyrite ash, marble dust, iron slag, excavation soil)	In the reporting period, it refers to the the total amount of alternative raw materials used by the Company in its production processes. These raw materials include foundry sand, grid, fly ash, pyrite ash, marble dust, iron slag and excavation soil.
	Iron Ore	In the reporting period, it refers to the the total amount of iron ore used by the Company in its production processes.
	Silica Sand	In the reporting period, it refers to the the total amount of silica sand used by the Company in its production processes.
	Kaolin	In the reporting period, it refers to the the total amount of kaolin used in the Company's production processes.
	Bauxite	In the reporting period, it refers to the the total amount of bauxite used by the Company in its production processes.
	Pozzolan (Trass)	In the reporting period, it refers to the the total amount of pozzolan (tras) used by the Company in production processes.
	Share of alternative raw materials in concrete (%)	In the reporting period, it refers to the the proportion of total alternative raw materials used in the Company's concrete production.
	Share of recycled aggregate in concrete	In the reporting period, it refers to the the proportion of recycled aggregates used in the Company's concrete production.
	Share of alternative raw materials in cementitious product	In the reporting period, it refers to the the proportion of total alternative raw materials used in the Company's cementitious productions.
	Clinker ratio	In the reporting period, it refers to the ratio of the total amount of clinker used in the Company's cement production to the cement produced.
	Materials Used for Packaging	
	Paper bag	In the reporting period, it refers to the the total amount of paper bags used by the Company in packaging processes.
	Other (please specify) (export sling-bag)	In the reporting period, it refers to the the total amount of sling bags (large volume carrier bags) used by the Company in export processes.

Type	Metric	Scope
Governance	**Ethics and Compliance Indicators**	
	Number of business partners/suppliers audited for ethical compliance in the supply chain	In the reporting period, it refers to the the total number of business partners and suppliers subjected to audit within the framework of the Company's ethics and compliance policies.
	Proportion of departments with completed risk assessment (%)	In the reporting period, it refers to the ratio of departments that have passed the risk assessment process to total departments.
	Proportion of employees who declare that they have read and understood the policies (%)	In the reporting period, it refers to the ratio of employees who officially declared that they have read and understood the Company's corporate policies such as ethics, compliance, occupational health and safety to total employees.
	Number of environmental complaints	In the reporting period, it refers to the total number of complaints submitted to the competent authorities, local communities or directly to the company due to environmental impacts related to the Company's activities.
	Hours of ethical training provided to suppliers	In the reporting period, it refers to the the total number of hours of training on ethics, compliance and responsible business practices organised by the Company for suppliers.

Data Preparation

Social Indicators

Health and Safety Data
The following definitions and formulae are used in the calculation of occupational health and safety indicators.

The accidents recorded during the reporting period were evaluated as occupational accidents, fatal cases within these accidents and the number of employees reported as occupational diseases.

The number of accidents means the total number of occupational accidents. It is followed and calculated with the table where SSI notifications are listed.

No occupational disease or fatal case was encountered during the relevant period.

During the reporting period, the Lost Work Day Rate, which is the ratio of the number of days not worked by the Company employees (refers to the days not worked for various reasons (annual leave, administrative leave, maternity, unpaid leave, temporary incapacity, etc.) to the total number of working days in the relevant year, has been evaluated.

H&S training hours were monitored through online and field training forms for Company employees.

Formulas:
Lost Workday Rate = Absenteeism due to Accident / Total Working Hours * 1.000.000

Women Employee Distribution Data
The following definitions and formulae are used in the calculation of indicators of women employee distribution. The data required for the calculations of total number of employees, total number of women employees, ratio of senior and mid-level women managers, ratio of women employees in STEM roles (IT, engineering, etc.) and ratio of women managers in income-generating roles (positions that directly affect the company's turnover), maternity and paternity leaves in this indicator group were created from the "All Employee List Report" as of 31 December 2024, including the following gender, position and manager level information.

Manager levels are expressed as N-1, N-2 and N-3. N-1 (GMY, Factory Manager, Group Manager level employees) refers to the top level manager reporting to the CEO level, N-2 (Managers) refers to the middle level manager who is 2 levels below the CEO level, and N-3 (Managers and Supervisors) refers to the first level manager who is 3 levels away from the CEO level.

The total number of employees is calculated based on the information contained in the annual reports or human resources systems of the companies as of the end of the reporting year and published as of 31 December 2024.

REPORTING PRINCIPLES

Formulas:
Women Employee Ratio = Number of Women Employees / Total Number of Employees

Ratio of First, Top and Middle Level Women Managers = Number of First, Top and Middle Level Women Managers / Total Number of First, Top and Middle Level Managers

Ratio of Women Employees in STEM (IT, engineering, etc.) Roles = Number of Women Employees in STEM (IT, engineering, etc.) Roles / Total Number of Employees in STEM (IT, engineering, etc.) Roles

Ratio of Women Managers in Income Generating Roles = Number of Women Managers in Income Generating Roles / Total Number of Managers in Income Generating Roles

Training Datas
During the reporting period, the total training hours of the trainings provided by the Company other than OHS by gender (women, male), age (under 30, 30-50, over 50), manager level (N-1, N-2 and N-3) and training category (Ethics, Anti-Bribery and Corruption, Sustainability and Environment) were monitored through the HR system, including distance and classroom trainings.

Recruited and Resigned Employees
Total number of employees hired and terminated during the reporting period. It is reported broken down by gender, age and management levels.

Formulas:
Employee Turnover Rate = Number of Employees Resignated/ Total Number of Employees

Formulas; Occupational Disease Rate = (Number of Employees with Occupational Disease / Total Number of Employees) × 1000

Absenteeism Rate = (Number of Absent Days / Number of Employee Days) × 100

Fatality Rate = (Number of Fatalities / Total Number of Accidents) × 100
Formulas: Customer satisfaction score / score : (Number of Satisfied Customers / Total Number of Responses) × 100

Supply Chain Indicators
Proportion of suppliers complying with payment terms and policies = (Number of suppliers complying with payment terms / Total number of suppliers) × 100

Ratio of suppliers trained on sustainability = (Number of suppliers trained on sustainability / Total number of suppliers) × 100

Number of suppliers subjected to audit
Proportion of critical local suppliers subject to sustainability (environmental and social criteria) audit = (Number of critical local suppliers subject to sustainability audit / Total number of critical local suppliers) × 100

Proportion of suppliers meeting environmental and social criteria = (Number of suppliers meeting environmental and social criteria / Total number of suppliers) × 100

Proportion of critical global/global suppliers subject to sustainability assessment = (Number of critical global/global suppliers subject to sustainability assessment / Total number of critical global/global suppliers) × 100

Proportion of suppliers meeting environmental and social criteria = (Number of suppliers meeting environmental and social criteria / Total number of suppliers) × 100

Environmental Indicators

Fuel consumption values according to fuel type and intended use
Within the scope of energy consumption data, primary fuel sources including electricity, natural gas, diesel, coal, fuel oil, petroleum coke and other alternative fuels are reported.

Electricity consumption data is obtained from service providers' meters and invoices. Diesel consumption is obtained from service providers' invoices for generators and Company-owned vehicles. Gasoline consumption is obtained from service providers' invoices for company vehicles.

Other Energy Consumption Datas
Energy sources included in other environmental performance data include petcoke, waste oil, waste tires, waste derived fuel (RDF) and waste sludge. Emission factors used for GHG calculations are shown under Emission Factors - Scope 1 Primary Fuel Sources table. Energy obtained from waste heat and wind power plant is reported as renewable energy generation and all of the energy obtained is used in the Company's operations.

Greenhouse Gas and Energy Intensity (tCO_2 -e / TL revenues)
Greenhouse gas intensity is calculated by dividing the sum of Scope 1, Scope 2, and Scope 3 (Category 6 and Category 7) emissions by the total TL revenue in the reporting period.Energy intensity is calculated by dividing the Company's total energy consumption (in MWh) in the reporting period by the total TL revenue in the reporting period.The total TL revenue refers to the Company's total comprehensive income as of the end of the reporting year, as stated in the Akçansa Annual Report published as of 31.12.2024.

Formulas:
Greenhouse Gas Emission Intensity (Market-Based) = Scope 1 and Scope 2 (Market Based) Total Emissions (tCO_2-e) / TL

Revenues
Energy Intensity = Total Energy Consumption (MWh) / TL Revenues

Share of Renewable Energy Consumption in Total Energy Consumption
Renewable energy consumption represents the share of electricity generated from waste heat generated in the production process and electricity generated from wind farms in total energy consumption. Electricity from renewable energy represents data reported to the Ministry of Energy and Natural Resources.

Energy Saving:
While calculating the energy saving data (GJ), environmental impact (KWh) and the annual total energy saving (MWh), the conversion factors below is used between these three metrics; 1 GJ = 0.277778 MWh 1 MWh = 1.000 KWh

Formulas:
Share of Renewable Energy Consumption in Total Energy Consumption = Renewable Energy Consumption/Total Energy Consumption

Scope 1, 2 and 3 Emissions
Scope 1, scope 2 and scope 3 emissions are calculated in accordance with "Greenhouse Gases Protocol: Corporate Accounting and Reporting Standard" , as well as ISO 14064-1.

Scope 1 emissions are calculated using the Carbon Dioxide Emissions and Energy Inventory - Cement CO_2 and Energy Protocol Version 3.04, provided by the World Business Council for Sustainable Development - Cement Sustainability Initiative (WBCSD). Additionally, the IPCC 2006 National Greenhouse Gas Inventory is utilized. The global warming potential coefficients are calculated using IPCC's 6th Assessment Report.

For Scope 2 emissions, the Company, with locations in Turkey, uses the TEİAŞ 2022 Turkey Electricity Generation Emission Factor.

Cement sector calculations refer to the portion of Scope 3 emissions related to the Company's cement business line.

REPORTING PRINCIPLES

Scope-3 Emissions

Purchased Goods and Services
In the reporting period, this refers to emissions resulting from the procurement of raw materials by the Company. These purchases include limestone, sand, clay, shale, kaolin, pozzolana, iron ore, gypsum, slag, fly ash, chemical additives, cement, aggregate, mineral additives, and concrete mix materials. The emission factors used in the calculation for this category are based on the GCCA EPD Tool LCA Database v5.0, and DEFRA 2024 was used for aggregates.

Fuel- and Energy-Related Activities
This includes the well-to-tank (WTT) emissions of coal, petcoke, fuel oil, natural gas, and diesel purchased by the Company during the reporting period, as well as the transmission and distribution emissions of purchased electricity. Emission factors used in the calculation for this category are based on DEFRA 2024 in tCO_2e.

Upstream Transportation and Distribution
In the reporting period, this refers to emissions that occurred during the transportation of raw materials to the Company by land and sea. These purchases include limestone, sand, clay, shale, kaolin, pozzolana, iron ore, gypsum, slag, fly ash, chemical additives, cement, aggregate, mineral additives, and concrete mix materials. Emission factors used in the calculation for this category are based on DEFRA 2024.

Total Annual Air Travel Distance for Business Purposes
In the reporting period, the total flight distance travelled by Company employees was calculated based on the 2024 total distance data breakdown shared by the Company's travel agency and verified according to the GHG Protocol. Emission factors used in the calculation for this category are based on DEFRA 2024 in tCO_2e/km.

Total Annual Distance Travelled by Employee Shuttle Services
In the reporting period, the total distance travelled by employee shuttle services provided by the Company was calculated based on the distance data and reconciliations shared by the service provider. Emission factors used in the calculation for this category are based on DEFRA 2024 in tCO_2e/km.

Downstream Transportation and Distribution
In the reporting period, this refers to transportation emissions that occurred during the delivery of cement, aggregate, concrete, and clinker products sold by the Company to customers by land and sea. Emission factors used in the calculation for this category are based on DEFRA 2024.

Processing of Sold Products
In the reporting period, this refers to emissions that occurred during the transformation of cement, concrete, and clinker products sold by the Company into final products. Emission factors used in the calculation for this category are based on DEFRA 2024.

Water Management
Consumption data for total water withdrawal and water discharge indicators are obtained from the total m^3 consumption in the invoice information section of service providers' invoices and total m^3 consumption by weighbridge number from the official weighbridge program.

Total Water Consumption
Total water consumption refers to consumed water by the Company during the operations of the Company in the reporting year. There are two breakdowns of total water consumption those being Ground water(m^3) and rain water (m^3)

Total Water Consumption (m^3) = Well Water (Ground Water) Consumption (m^3) + Rain Water Consumption (m^3)

Well Water (Ground Water) Consumption (m^3) = Well Water (Ground Water) Withdrawal (m^3) – Well Water (Ground Water Discharge (m^3)

Rain Water Consumption (m^3) = Rain Water Withdrawal (m^3) – Rain Water Discharge (m^3)

Waste Management
Hazardous wastes are defined as wastes containing potentially hazardous substances that are dangerous to human health and the environment, while non-hazardous wastes are defined as wastes that do not cause any harm to human health and the environment. The total amount of hazardous waste and non-hazardous waste is monitored through waste declaration forms shared by the suppliers.

The amount of recycled waste refers to the amount of waste that goes to the landfill/solid waste site or is recycled, recovered for energy purposes and reused by the Company or another organization. It is monitored through waste declaration forms shared by providers.

Formulas:
Reused / recycled waste ratio = Amount of recycled waste / (Total hazardous waste + total non-hazardous waste)

Economic Indicators
The following definitions and formulas are used in the calculation of economic indicators.

Sustainable Business Model
Number of Sustainable Products and Services is analyzed under a single heading within the Company as transitional products and the total of this heading constitutes the Company's sustainable products and services number of 24.

Transition products refer to cement types that fall within the scope of products related to the reduction of environmental resource use / carbon emissions in technologies and activities that are not considered sustainable in nature.

Amount of Sustainable Products and Services Revenue represents the Company's revenues from products and services that fall within the scope of sustainable products and services described above.

The revenues of the products that we have identified as sustainable are derived from the sales lists monitored on a product basis, and the total revenue generated from the relevant product types is reported within the scope of this indicator.

Within the scope of the ratio of sustainable product and service revenues to total revenues, total TL revenues represent the Company's total combined net income figure as of the end of the reporting year.

R&D and Innovation Investments refers to the Company's R&D / Innovation investments during the reporting period.

Sustainability Focused R&D and Innovation Investments represent the Company's Sustainability Focused R&D / Innovation investments during the reporting period

Formulas:
Ratio of sustainable product and service revenues to total revenue = Sustainable Product and Service Revenues / Total Revenue

Ratio of R&D and Innovation Investments to Total Revenue = R&D and Innovation Investments / Total Revenue

Ratio of Sustainability-Focused R&D and Innovation Investments to Total R&D and Innovation Investments = Sustainability-Focused R&D and Innovation Investments / Total R&D and Innovation Investments

ESG Investment Ratio in Total Investments = (%) (2025-2030 total ESG investment / 2025-2030 total investmen)

Sustainable Cement Product/Total Cement Product Revenue Ratio (%)*

REPORTING PRINCIPLES

Governance Indicators

Ethics and Compliance Indicators

In the reporting period, it refers to the policies implemented by the Company on ethics and compliance issues, the measures taken and the performance indicators monitored in this context. These indicators are monitored and reported in order to increase employee awareness of ethical rules and compliance policies and to strengthen corporate governance standards.

Business partners audited for ethical compliance in the supply chain = number of business partners/suppliers

Ratio of Departments with Completed Risk Assessment (%)= (Number of Departments Assessed/Total number of departments) x 100

Rate of Declared Employees (%)= (Number of Declared Employees/Total Number of Employees)* 100

Environmental Investments and Expenditures

It covers the Company's environmental investments and expenditures realised during the reporting period.

Environmental investments are reported as transition investments. The total amounts reported in these indicators are the expenditures made within the approved budget of the Company. These expenditures include investment projects made as transitional investments.

Environmental expenditures are monitored under two different headings as legally mandatory and non-legally mandatory expenditures. Legally mandatory expenditures refer to expenditures related to inspections, emissions, water analyses, software expenditures and fees and charges and are monitored through the MELBES system. Non-mandatory expenditures consist of expenditures related to waste disposal and ammonia-based expenditures.

Significant Judgments and Measurement Uncertainties

The process for identifying and reporting financially significant sustainability-related risks and opportunities, as well as determining the material information to be reported, is based on forecasts and forward-looking information regarding the company's short-, medium-, and long-term expectations for its value chain. However, these evaluations require the use of estimates for certain amounts that cannot be directly measured. While assumptions regarding operational boundaries and emission calculations are provided under the "Data Preparation" section, information about the metrics is explained in the "Key Definitions and Reporting Scope" section.

According to the analysis conducted with the Munich Re Location Risk Intelligence tool in 2022, as indicated on page 57, 25% of Akçansa's plants are at medium-high risk. However, potential changes in the company's financial performance are based on forecasts and forward-looking information that include short-, medium-, and long-term expectations.

Based on the analysis conducted using the Munich Re Location Risk Intelligence tool, as detailed on page 57, while plants located in the Çanakkale and Büyükçekmece regions are expected to be impacted by sea level rises of 1 to 4 meters due to global temperature increases in the long term, potential changes in the company's financial performance are based on forecasts and forward-looking information, including short-, medium-, and long-term expectations.

As noted on page 58, following Turkey's ratification of the Paris Agreement and the increased efforts to develop ETS in line with the 2053 net-zero target, should the cement sector be subject to carbon pricing, Akçansa's operational costs may rise and it may face competitive disadvantages due to changes in product prices, all of which are based on forecasts and forward-looking information regarding short-, medium-, and long-term expectations for potential changes in the company's financial performance.

On page 59, it is noted that, due to being in a carbon-intensive sector, the opportunity for the company to reduce its operational costs by transitioning to low-carbon energy sources, and the contribution of adding sustainable sources such as alternative fuels and biomass to its fuel mix in reducing carbon emissions, strengthens the company's competitive advantage, based on forecasts and forward-looking information regarding potential changes in the company's financial performance, including short-, medium-, and long-term expectations.

As indicated on page 59, the company's ability to gain a competitive advantage in the CO_2-intensive cement sector with its sustainable and low-carbon products is based on forecasts and forward-looking information regarding potential changes in the company's financial performance, including short-, medium-, and long-term expectations.

As outlined on page 62, by utilizing alternative fuels and raw materials, the company aims to reduce operational costs and support circular economy principles, thus reducing dependence on traditional raw materials and energy sources, positively impacting financial performance, based on forecasts and forward-looking information regarding the company's expectations for future changes in its financial performance.

Page 95 explains the calculation steps related to the financial impacts of water stress, which take into account the likelihood of companies in affected geographical areas being impacted by water stress. These are based on forecasts and forward-looking information, including short-, medium-, and long-term expectations for potential changes in the company's financial performance.

According to page 97, it is expected that the increase in water scarcity in the long term will raise operating costs and create significant risks for sectors with high water consumption. For companies implementing water efficiency measures in the short term, financial pressures are expected to ease, enhancing operational resilience. This is based on forecasts and forward-looking information regarding potential changes in the company's financial performance, including short-, medium-, and long-term expectations.

Also, as noted on page 97, the continuity of sales of new products developed to minimize the impact of extreme climate events is based on forecasts and forward-looking information regarding potential changes in the company's financial performance, including short-, medium-, and long-term expectations.

The company uses global climate scenarios (RCP, IEA) to predict the financial and physical impacts of sustainability-related risks and opportunities. These scenarios, which include the effects of increases or decreases in greenhouse gas emissions, present uncertainties regarding how climate change will affect the frequency and intensity of climate events the company may face. These uncertainties stem from variability in climate projections and potential unexpected changes in the behavior of natural and abnormal weather events due to changing atmospheric models and evolving climate conditions.

Presentation Currency

In financial disclosures related to sustainability, the currency used in the presentation of the financial statements is applied.

Restatements

The measurement and reporting of verified data inevitably involves a degree of estimation. Where there is a change of more than 5% in the data at the partnership level, a restatement of opinion may be considered.

ASSURANCE STATEMENT

Limited Assurance Report
to the Board of Directors of Akçansa Çimento A.Ş.

We have been engaged by the Board of Directors of Akçansa Çimento A.Ş. (the "Company" or "Akçansa") to perform a limited assurance engagement in respect of the Selected Sustainability Information (the "Selected Information") stated in the Akçansa 2024 Integrated Annual Report ("2024 Integrated Annual Report") for the year ended 31 December 2024 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2024, which is subject to our limited assurance work, set out between the pages 214 and 229 of the 2024 Integrated Annual Report with the sign " ✔ " is summarized below:

Environmental Indicators

- **Scope 1, 2 and 3 GHG Emissions**
  Net Greenhouse Gas Emissions
  - Scope 1 Emissions (Gross) (tCO2e)
  - Scope 1 Emissions (Net) (tCO2e)
  - Scope 2 Emissions (Location Based) (tCO2e)
  - Scope 2 Emissions (Market-Based) (tCO2e)
  - Scope 3 Emissions (tCO2e)
  - Total Greenhouse Gas Emissions (tCO2e)
  - Cement Business Line Total (Scope 3)
  - Other Business Lines Total (Scope 3)
    Cement Business Line
    Other Business Line
  - Scope 3 Category 1 – Purchased Goods and Services (tCO2e/year)
    Cement Business Line
    Other Business Line
  - Scope 3 Category 3 – Fuel- and Energy- Related Activities (tCO2e/year)
    Cement Business Line
    Other Business Line
  - Scope 3 Category 4 – Upstream Transportation and Distribution (tCO2e/year)
    Cement Business Line
    Other Business Line
  - Scope 3 Category 6 – Business Travel (tCO2e/year)
    Cement Business Line
    Other Business Line
  - Scope 3 Category 7 – Employee Commuting (tCO2e/year)
    Cement Business Line
    Other Business Line
  - Scope 3 Category 9 – Downstream Transportation and Distribution (tCO2e/year)
    Cement Business Line
    Other Business Line
  - Scope 3 Category 10 – Processing of Sold Products (tCO2e/year)
    Greenhouse Gas Intensity per Revenue
  - Greenhouse Gas Intensity
  - Greenhouse Gas Intensity (Scope 1 and Scope 2) (kg CO2 / TL)
    Carbon Removals and Carbon Credits
  - Total Greenhouse Gas Emissions Removed or Stored Within the Value Chain or Company Operations
  - Carbon Offsets Purchased

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- **Energy Consumption by Fuel Type**
  - Natural Gas (MWh)
  - Electricity Consumption (MWh)
  - Total Coal (MWh)
  - Fuel-Oil (MWh)
  - Diesel (MWh)
  - Total Petrocoke (MWh)
  - Total (MWh)
  - Alternative Fuel Usage Rate (% calorific)

  Total Energy Saving
  - Total Energy Saving (GJ)

  Energy Intensity
  - Energy Intensity (MWh/thousand TL)
  - Total Energy Consumption (MWh)
  - Total Energy Generation (MWh)
  - Amount of Purchased Renewable Electricity (MWh)

  Renewable Energy
  - Waste Heat Generation (MWh)
  - Wind Energy Generation (MWh)
  - Total Renewable Energy Generation (MWh)
  - Geothermal/Hydropower Consumption (MWh)
  - Total Renewable Energy Consumption (MWh)

  Energy Generation and Consumption
  - Amount of Non-Renewable Electricity Purchased (MWh)
  - Electricity Consumption (MWh)
  - Amount of Renewable Energy Purchased (MWh)
  - Total Energy Generation (MWh)
  - Total Energy Consumption (MWh)

  Energy Savings
  - Total Annual Energy Savings (MWh)
  - Total Annual Greenhouse Gas Reduction (ton CO2e)
  - Total Annual Energy Savings (TL)

ASSURANCE STATEMENT

- **Water Management**
  Water Withdrawal by Source
  - Mains Water (m3)
  - Surface Waters (Wetlands, Rivers, Lakes, Sea etc.) (m3)
  - Ground Water (Well Water) (m3)
  - Rain Water (m3)
  - Water Used from 3rd Party Sources (Purchase Water) (m3)
  - Total Water Withdrawal (m3)

  Freshwater
  - Amount of Freshwater Withdrawn (m3)

  Amount of Recovered Water (Rainwater)
  - Amount of Freshwater Withdrawn (m3)

  Amount of Reused Water
  - Amount of Reused Water (m3)

  Total Water Dishcarge
  - Receiving Water Body (m3)
  - Waste Water Channel (m3)

  Total Water Consumption
  - Mains Water (m3)
  - Surface Water (m3) (Wetlands, rivers, lakes, sea, etc.) (m3)
  - Groundwater (Well water) (m3)
  - Rainwater (m3)
  - Other (m3)
  - Total Water Consumption (m3)
  - Water Reuse Rate (%)

  Number of Facilities Located in Biodiversity Conservation Areas
  - Legally Protected Areas
  - UNESCO World Heritage Sites
  - UNESCO Man and the Biosphere Programme Reserves
  - Ramsar Sites
  - Key Biodiversity Areas
  - Other

Amount of Raw Materials Used / Resource Inputs
- Limestone (limestone)
- Clay (+shale)
- Gypsum
- Aggregates
- Alternative raw materials (foundry sand, grid, fly ash, pyrite ash, marble dust, iron slag, excavation soil)
- Iron Ore
- Silica Sand
- Kaolin
- Bauxite
- Pozzolan (Trass)

Materials Used for Packaging
- Paper Bag
- Plastic Bag (Polypropylene)
- Sling-Bag
- Packaging Made from Recycled Materials

Alternative Raw Material
- Share of alternative raw materials in concrete (%)
- Share of recycled aggregate in concrete
- Share of alternative raw materials in cementitious product
- Clinler ratio

Waste Management
- Total Amount of Hazardous Waste (tons)
  - Amount of Waste Recovered for Energy Purposes (tons)
  - Amount of Recycled Waste (ton)
  - Amount of Waste Going to Landfilling/Solid Waste Site (ton)
  - Total Amount of E-Waste (ton)
- Total Amount of Non-Hazardous Waste (ton)
  - Amount of Waste Recovered for Energy Purposes (ton)
  - Amount of Recycled Waste (ton)
  - Amount of Waste Going to Landfill / Solid Waste Site (ton)
  - Waste Recovery Ratio (%)

Social Performance Indicators

Akçansa Number of Employees (#)
- Women (Number)
- Men (Number)
- Women Employee Ratio (%)
- Men Employee Ratio (%)
- Total Number of Employees (Number)
- Women (Number)
- Men (Number)
- Women Employee Ratio (%)
- Men Employee Ratio (%)
- Total Subcontractor Employees (Number)
- Total Akçansa and Subcontractor Employees (Number)
- Total Women (Number)
- Total Men (Number)

ASSURANCE STATEMENT

Number of Employees by Contract Type (#)
- Women (Number)
- Men (Number)
- Total (Number)
- Women (Number)
- Men (Number)
- Total (Number)
- Number of Employees Covered by Collective Bargaining Agreements

Total Number of Employees by Education Level
- Primary education
- Women (Number)
- Men (Number)
- Total (Number)
- High School (Includes associate degree graduates)
- Women (Number)
- Men (Number)
- Total (Number)
- University and Above
- Women (Number)
- Men (Number)
- Total (Number)

Total Number of Employees by Age Group
- Women (#)
- Under 30 years old (Number)
- 30-50 years old (Number)
- Over 50 years old (Number)
- Total (Number)
- Men (Number)
- Under 30 years old (Number)
- 30-50 years old (Number)
- Over 50 years old (Number)

Average Number of Full-Time Employees
- Average Number of Full-Time White-Collar Employees (#)
- Women (Number)
- Men (Number)
- Average Number of Full-Time Blue-Collar Employees (#)
- Women (Number)
- Men (Number)

Total Number of Employees by Nationality
- Citizen of the Republic of Türkiye (#)
- Women (Number)
- Men (Number)
- Number of Foreign Employees (#)
- Women (Number)
- Men (Number)

Working Times by Year
- Women (Number)
- 0-5 years (Number)
- 5-10 years (Number)
- 10 years and over (Number)
- Men (Number)
- 0-5 years (Number)
- 5-10 years (Number)
- 10 years and over (Number)

Number of Employees in R&D, Innovation, and Digitalization Departments
- Women (Number)
- Men (Number)

Number of Employees of the Board of Directors
- Women (Number)
- Under 30 years old (Number)
- 30-50 years old (Number)
- Over 50 years old (Number)
- Ratio of Women Executives (%)
- Men (Number)
- Under 30 years old (Number)
- 30-50 years old (Number)
- Over 50 years old (Number)
- Nationality
- Citizen of the Republic of Türkiye
- Women (Number)
- Men (Number)
- Total (Number)
- Foreign National
- Women (Number)
- Men (Number)
- Total (Number)

ASSURANCE STATEMENT

Number of Middle and First-Level Executives
- Number of Mid-Level Executives
- Women (Number)
- Men (Number)
- Ratio of Mid-Level Women Executives
- Number of First-Level Executives
- Women (Number)
- Men (Number)
- Total Number of Employees on Paternity Leave (#)
- Ratio of First Level Women Executives

Number of Employees in Revenue-Generating Roles
- Women (Number)
- Men (Number)
- Total (Number)
- Total Number of Managers in Revenue Generating Roles (Number)
- Women Managers in Revenue in Generating (Number)
- Ratio of Women Executives in Revenue Generating Roles (%)

Number of Disabled Employees
- Women (Number)
- Men (Number)
- Total (Number)
- Number of Disabled Employees to be Employed by Legal Obligation (Number)

Employees in STEM Roles
- Total Number of Employees in STEM (e.g., IT, Engineering) Roles (Number)
- Number of Female Employees in STEM (e.g., IT, Engineering) Roles (Number)
- Percentage of Female Employees in STEM (e.g., IT, Engineering) Roles %

Number of Employees Hired
- Women (Number)
- Under 30 years old (Number)
- 30-50 years old (Number)
- Over 50 years old (Number)
- Total (Number)
- Men (Number)
- Under 30 years old (Number)
- 30-50 years old (Number)
- Over 50 years old (Number)
- Total (Number)
- Number of Employees Hired by Managerial Level (Unit)
- Senior Executive
- Women (Number)
- Men (Number)
- Total (Number)
- Mid-Level Executive
- Women (Number)
- Men (Number)
- Total (Number)
- First Level Executive (Number)
- Women (Number)
- Men (Number)
- Total (Number)

Number of Employees Who Voluntarily Left
- Women (Number)
- Under 30 years old (Number)
- 30-50 years old (Number)
- Over 50 years old (Number)
- Total (Number)
- Men (Number)
- Under 30 years old (Number)
- 30-50 years old (Number)
- Over 50 years old (Number)
- Total (Number)
- Number of Employees Left by Managerial Level
- Senior Executive (#)
- Women (Number)
- Men (Number)
- Total (Number)
- Mid-Level Executive (#)
- Women (Number)
- Men (Number)
- Total (Number)
- First Level Executive (#)
- Women (Number)
- Men (Number)
- Total (Number)

Duration of Employees Who Leave Their Jobs
- Women (#)
- Under 30 years old (Day)
- 30-50 years old (Day)
- Over 50 years old (Day)
- Total (Day)
- Men (#)
- Under 30 years old (Day)
- 30-50 years old (Day)
- Over 50 years old (Day)

Positions Filled with Internal Candidates
- Women (Number)
- Men (Number)

ASSURANCE STATEMENT

Number of Employees Left
- Women (Number)
- Men (Number)
- Under 30 years old (Number)
- 30-50 years old (Number)
- Over 50 years old (Number)
- Total (Number)
- Men (Number)
- Under 30 years old (Number)
- 30-50 years old (Number)
- Over 50 years old (Number)
- Total (Number)
- Senior Executive (#)
- Women (Number)
- Men (Number)
- Mid-Level Executive (#)
- Women (Number)
- Men (Number)
- Total (Number)
- First Level Executive (#)
- Women (Number)
- Men (Number)
- Total (Number)
- Number of All Open Positions (Number)

Employee Turnover Rates
- Voluntarily Left Employee Turnover Rate by Gender
- Women (%)
- Men (%)
- Employee Turnover Rates by Gender (#)
- Women (%)
- Men (%)
- Voluntarily Left Employee Turnover Rate by Age
- Under 30 years old (%)
- 30-50 years old (including 30 and 50 years) (%)
- Over 50 years old (%)
- Employee Turnover Rate by Age
- Under 30 years old (%)
- 30-50 years old (including 30 and 50 years) (%)
- Over 50 years old (%)
- High Potential Employee Turnover Rate (%)
- Voluntarily Left Employee Turnover Rate (%)
- Employee Turnover Rate (%)
- Voluntarily Left Employee Turnover Rate by Managerial Level (%)
- Employee Turnover Rate by Managerial Level (%)

Maternity/Paternity Leave
- Total Number of Employees on Maternity /Paternity Leave (#)
- Maternity Leave (Number)
- Paternity Leave (Number)
- Total (Number)
- Employee Turnover Rate by Managerial Level
- Number of Employees Returning from Maternity/Paternity Leave
- Women (Number)
- Men (Number)
- Total (Number)
- The Number of Employees who did not Leave the Job in the Last 12 Months After Returning From Maternity/ Paternity Leave (#)
- Women (Number)
- Men (Number)
- Total (Number)
- Ratio of Employees Returning to Work After Maternity Leave (#)
- Women (%)
- Men (%)
- Ratio of Employees Returning to Work After Maternity Leave (Total) (%)

Parental Leave Duration
- Paid Parental Leave Duration for Female Employees (Week)
- Paid Parental Leave Duration for Male Employees (Day)

Employee Engagement Survey Results
Employee Engagement Score (%)
Succession Rate (%)

Performance Evaluation
- Blue Collar (#)
- Women (Number)
- Men (Number)
- Total (Number)
- White Collar (#)
- Women (Number)
- Men (Number)
- Total (Number)

Remote Working
Number of People Remote Working (#)
Women (Number)
Men (Number)
Number of Remote Work Days (#)
Women (Number)
Men (Number)
Total (Number)

ASSURANCE STATEMENT

Total Hours of Trainings
- Total Hours of Trainings by Gender
- Women (Hour)
- Men (Hour)
- Women (Hour)
- Men (Hour)
- Blue Collar (#)
- Women (Hour)
- Men (Hour)
- White Collar (#)
- Women (Hour)
- Men (Hour)
- Total Hours of Trainings (Hour)

Total Hours of Trainings by Managerial Level
- Senior Executive (Hour)
- Mid-Level Executive (Hour)
- First Level Executive (Hour)
- Other (Hour)
- Total (Hour)

Total Hours of Trainings by Age
- Under 30 years old (Hour)
- 30-50 years old (including 30 and 50 years) (Hour)
- Over 50 years old (Hour)

Environmental Training
- Akçansa Employee Number of Participants (#)
- Women (Person)
- Men (Person)
- Akçansa Employee Training Hours (#)
- Women (Hour)
- Men (Hour)
- Total Environmental Training Hours (Hour)

Anti-Bribery and Anti-Corruption Training
- Akçansa Employee Number of Participants (#)
- Women (Person)
- Men (Person)
- Akçansa Employee Training Hours (#)
- Women (Hour)
- Men (Hour)

Sustainability Training
- Akçansa Employee Number of Participants (#)
- Women (Person)
- Men (Person)
- Akçansa Employee Training Hours (#)
- Women (Hour)
- Men (Hour)
- Total (Hour)

ESG Trainings
- Akçansa Employee Number of Participants (#)
- Women (Person)
- Men (Person)
- Akçansa Employee Training Hours
- Women (hours)
- Men (hours)

Total Ethics Training Hours (Hour)

Cost of Training
- Total Cost of Training (TL)
- Training Costs per Employee (TL)

Volunteering
- Total Hours Spent by Employees on Volunteering Activities (Hour)
- Number of Employees Participating in Volunteering Activities (Number)
- Total Number of Volunteering Projects Conducted (Number)

Community Investment
- Total Number of CSR Programs (#)
- Percentage of Facilities with Stakeholder Engagement Plans (%)
- Charitable Donations (TL)
- Community Investments (TL)

ASSURANCE STATEMENT

Occupational Health & Safety

Supply Chain
- Women (hours)
- Men (hours)
- Total Working Hours (hours)
- Akçansa Employee (#)
- Women (hours)
- Men (hours)
- Total (hours)
- Subcontractor Employees (#)
- Women (hours)
- Men (hours)
- Total (hours)

Occupational Disease (Ratio-Number)
Number of Accidents (#)
Number of Lost Time Accidents (#)
Number of Fatal Accidents (#)
Injury Frequency Rate (%)
Injury-Related Absenteeism (day)

- Women (number)
- Men (Number)
- Total (number)
- Women (number)
- Men (Number)
- Total (number)
- Women (number)
- Men (Number)
- Total (number)

Total Absenteeism Rate

- Women (%)
- Men (%)
- Total (%)
- Women (%)
- Men (%)
- Total (%)

Lost Workday Rate
- Women (LDR)
- Men (LDR)
- Total (LDR)
- Women (LDR)
- Men (LDR)
- Total (LDR)
- Women (LDR)
- Men (LDR)

Number of People Working in an Environment or Tasks with a High Risk of Accident or Occupational Disease
- Akçansa (number)
- Subcontractor Employee (number)
- Total (number)

Occuppational Accidents by Injury Type
- Laceration (number)
- Slip/drop (number)
- Object fall (number)
- Pressure (number)
- Brunt (number)
- Other (number)
- Fatal Accident Rate (Number)

Road Safety

- Total Expedition (km)
- Total Traffic Accidents (number)
- Traffic Accident Injury (including the other party) (number)
- Traffic Accident Death (including the other party) (number)
- Total Material Loss (product + assets) (TL)

OHS Training
- Akçansa OHS Training Hour (hours)
- Subcontractor OHS Training Hours (hours)
- Total OHS Training hours (hours)
- OHS Training Hours per Person (hours)

ASSURANCE STATEMENT

Customer Relationship Metrics (Cement)
- Number of Complaints Received (#)
- Number of Complaints Resolved (#)
- Customer Relations Training Hours (hours)
- Number of Employees Participating in Customer Relations Training (#)
- Customer Satisfaction Score (%)
- Number of Respondents to Customer Experience Survey (#)

Customer Relationship Metrics (Concrete)
- Number of Complaints Received (#)
- Number of Complaints Resolved (#)
- Customer Relations Training Hours (hours)
- Customer Satisfaction Score (%)
- Number of Respondents to Customer Experience Survey (#)

Supply Chain
- Percentage of Suppliers Compliant with Payment Terms and Policies (Percentage (%))
- Total Number of Suppliers (Number)
- Total Number of Local Suppliers (Number)
- Total Number of Critical Local Suppliers (Number)
- Total Payments Made to Suppliers (TL)
- Total Payments Made to Local Suppliers (TL)
- Total Number of New Suppliers (Number)
- Total Hours of Sustainability Training Provided to Suppliers (Person*Hour)
- Total number of suppliers who received training (Number)
- Percentage of Suppliers Provided with Sustainability Training (Percentage (%)
- Number of Suppliers Audited Against Environmental and Social Criteria (Number)
- Percentage of Critical Local Suppliers Audited for Environmental and Social Criteria (Percentage (%))
- Percentage of Suppliers Meeting Environmental and Social Criteria (Percentage (%)
- Percentage of Critical Global Suppliers Assessed for Sustainability (Percentage (%)
- Percentage of Suppliers Compliant with Environmental and Social Criteria (Percentage (%)

Economic Indicators

Environmental Expenditures & Investments
- Environmental Benefit (kWh)
- Environmental Benefit (ton CO_2e)
- Financial Saving (TL)
- Total Environmental Expenditures (TL)
- Legally Mandatory Expenditures (TL)
- Non-Legally Mandatory Expenditures (TL)
- Environmental Investments (TL)
- Total Environmental Investments (TL)
- ESG Investment Ratio within Total Investments (%) (Total ESG Investments for 2025–2030 / Total Investments for 2025–2030) (Percentage (%))

- **Sustainable Business Model**
  - Ratio of Sustainable Products and Services Revenues to Total Revenues (%)
  - Ratio of Sustainability Focused R&D and Innovation Investments to Total R&D and Innovation Investments (%)
  - Ratio of R&D and Innovation Investments to Total Revenue (%)
  - Number of Sustainable Products and Services (Number)
  - Sustainable Product and Service Revenues (TL)
  - R&D and Innovation Investments (TL)
  - Sustainability Focused R&D and Innovation Investments (TL)
  - Revenue Ratio of Sustainable Cement Products to Total Cement Product Revenue (%)
  - Revenue Ratio of Sustainable Concrete Products to Total Concrete Product Revenue (%)

Our assurance was with respect to the Selected Information marked with " ✓ " in the in the 2024 Integrated Annual Report, and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with " ✓ " in the 2024 Integrated Annual Report and, any other elements included in the 2024 Integrated Annual Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Selected Information is set out in section Akçansa 2024 Integrated Annual Report – Reporting Principles (the "Reporting Principles") between the pages 230 and 240 of the 2024 Integrated Annual Report.

The Company's Responsibility

The Company is responsible for the content of the 2024 Integrated Annual Report and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

ASSURANCE STATEMENT

Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles.

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work did not include examination of the derivation of those factors and other third-party information.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to form a limited assurance, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*', and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised) and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Company and
- undertook analytical procedures over the reported data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company's Selected Information for the year ended 31 December 2024, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Company as a body, to assist the Board of Directors in reporting Company's performance and activities related to the Selected Information. We permit the disclosure of this report within the 2024 Integrated Annual Report for the year ended 31 December 2024, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Akçansa Çimento A.Ş. as a body and Akçansa Çimento A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Ali Yörük, SMMM
Independent Auditor

Istanbul, 10 March 2025

ASSURANCE STATEMENT

CONVENIENCE TRANSLATION INTO ENGLISH OF PRACTITIONER'S LIMITED ASSURANCE REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş. SUSTAINABILITY INFORMATION IN ACCORDANCE WITH TURKISH SUSTAINABILITY REPORTING STANDARDS

To the General Assembly of Akçansa Çimento Sanayi ve Ticaret A.Ş.

We have undertaken a limited assurance engagement on Akçansa Çimento Sanayi ve Ticaret A.Ş. (the "Company"), Sustainability Information on pages 46 to 102 of the Integrated Annual Report ("Sustainability Information") for the year ended 31 December 2024 in accordance with Turkish Sustainability Reporting Standards 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and Turkish Sustainability Reporting Standards 2 "Climate Related Disclosures".

Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Integrated Annual Report 2024 or linked to from the Sustainability Information or from the Integrated Annual Report 2024 (including any images, audio files, document embedded in a website or embedded videos).

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company's Sustainability Information pages 46 to 102 of the Integrated Annual Report for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with Turkish Sustainability Reporting Standards published in the Official Gazette dated 29 December 2023, and numbered 32414(M) and issued by Public Oversight Accounting and Auditing Standards Authority (the "POA") . We do not express an assurance conclusion on information in respect of earlier periods or on any other information included in the Integrated Annual Report 2024 or linked to from the Sustainability Information or from the Integrated Annual Report 2024, including any images, audio files or embedded videos.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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Inherent Limitations in Preparing the Sustainability Information

As discussed in "Reporting Principles" on pages 230 to 240 the Sustainability Information is subject to inherent uncertainty because of incomplete scientific and economic knowledge. Greenhouse gas emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge. Additionally, the Sustainability Information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.

Responsibilities of Management and Those Charged with Governance for the Sustainability Information

Management of Company are responsible for:

- The Company management is responsible for the preparation of the sustainability information in accordance with Turkish Sustainability Reporting Standards;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error;
- The Company Management is also responsible for the selection and implementation of appropriate sustainability reporting methods, as well as making reasonable assumptions and developing estimates in accordance with the conditions.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

Practitioner's Responsibilities for the Limited Assurance on Sustainability Information

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors of Company.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.

ASSURANCE STATEMENT

- Design and perform procedures responsive to where material misstatements are likely to arise in the sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of Sustainability Information.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and, in respect of greenhouse gas emissions included in the Sustainability Information, in accordance with Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements, issued by POA.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Ethical Rules for Independent Auditors (including Independence Standards) (the ''Ethical Rules") issued by the POA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent and multidisciplinary team including assurance practitioners, sustainability and risk experts. We used the work of experts, in particular, to assist with determining the reasonableness of Company's information and assumptions related to climate and sustainability risks and opportunities. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

- Inquiries were conducted with the Company's key senior personnel to understand the processes in place for obtaining the Sustainability Information for the reporting period
- The Company's internal documentation was used to assess and review the information related to sustainability;
- Considered the presentation and disclosure of the Sustainability Information.
- Through inquiries, obtained an understanding of Company's control environment, processes and information systems relevant to the preparation of the Sustainability Information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Evaluated whether Company's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Company's estimates;
- Obtained understanding of process for identifying risks and opportunities that are financially significant, along with the Company's sustainability reporting process.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Ali Yörük
Independent auditor

İstanbul, 10 March 2025

GRI CONTENT INDEX

Content Index – For the Essentials Service, GRI has assessed that the GRI content index is aligned with the reporting requirements of the GRI Standards, and that the information in the index is clearly presented and accessible to stakeholders.	
Statement of use	Akçansa has prepared this report for the reporting period 01.01.2024 – 31.12.2024 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD / OTHER SOURCE	DISCLOSURE	Location/ Page No, Source and/or Direct Answers	Omission		
			Requirement(S) Omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report, p. 3 - 4 Akçansa at a Glance, p. 7 Activities, p. 8	-	-	-
	2-2 Entities included in the organization's sustainability reporting	About the Report, p. 3 - 4	-	-	-
	2-3 Reporting period, frequency and contact point	About the Report, p. 3 - 4	-	-	-
	2-4 Restatements of information	There is no information restated in the report.	-	-	-
	2-5 External assurance	Assurance Statement, p. 241	-	-	-
	2-6 Activities, value chain and other business relationships	Akçansa at a Glance, p. 7 Activities, p. 8 Value Chain, p. 43 Supply Chain Management, p. 120	-	-	-
	2-7 Employees	Employee-Centric Corporate Culture, p. 104 Social Performance Indicators, p. 218 - 229	-	-	-
	2-8 Workers who are not employees	Supply Chain Management, p. 120 Social Performance Indicators, p. 218 - 229	-	-	-
	2-9 Governance structure and composition	Board of Directors and Sub-Committees, p. 23 - 26	-	-	-
	2-10 Nomination and selection of the highest governance body	Board of Directors and Sub-Committees, p. 23 - 26	-	-	-
	2-11 Chair of the highest governance body	Board of Directors and Sub-Committees, p. 23 - 26	-	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors and Sub-Committees, p. 23 - 26	-	-	-
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance, p. 47 - 49	-	-	-
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, p. 47 - 49	-	-	-
	2-15 Conflicts of interest	Policies, p. 30 Ethics and Compliance, p. 32	-	-	-
	2-16 Communication of critical concerns	Corporate Risk Management, p. 50 - 51	-	-	-
	2-17 Collective knowledge of the highest governance body	Board of Directors and Sub-Committees, p. 23 - 26	-	-	-
	2-18 Evaluation of the performance of the highest governance body	Board of Directors and Sub-Committees, p. 23 - 26	-	-	-
	2-19 Remuneration policies	Employee Engagement and Well-being, p. 113 - 115	-	-	-

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GRI STANDARD / OTHER SOURCE	DISCLOSURE	Location/ Page No, Source and/or Direct Answers	Omission		
			Requirement(S) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	Employee Engagement and Well-being, p. 113 - 115	-	-	-
	2-21 Annual total compensation ratio	Financial Statements and Independent Audit Report for the Accounting Period 1 January - 31 December 2024, p. 163 - 199	-	-	-
	2-22 Statement on sustainable development strategy	Message from the Chairperson, p. 5 Message from the General Manager, p. 6	-	-	-
	2-23 Policy commitments	Sustainability Strategy, p. 36 2030 Sustainability Targets and Progress Status, p. 42 Combating Climate Change, p. 52 - 68	-	-	-
	2-24 Embedding policy commitments	Sustainability Strategy, p. 36 2030 Sustainability Targets and Progress Status, p. 42 Combating Climate Change, p. 52 - 68	-	-	-
	2-25 Processes to remediate negative impacts	Combating Climate Change, p. 52 - 68	-	-	-
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and Compliance, p. 32	-	-	-
	2-27 Compliance with laws and regulations	Ethics and Compliance, p. 32	-	-	-
	2-28 Membership associations	Corporate Memberships, p. 212	-	-	-
	2-29 Approach to stakeholder engagement	Materiality Analysis, p. 37 - 41 Social Impact, p. 126 - 129	-	-	-
	2-30 Collective bargaining agreements	Employee Demographics, p. 105 - 106	-	-	-
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis, p. 37 - 41	-	-	-
	3-2 List of material topics	Materiality Analysis, p. 37 - 41	-	-	-

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GRI STANDARD / OTHER SOURCE	DISCLOSURE	Location/ Page No, Source and/or Direct Answers	Omission		
			Requirement(S) Omitted	Reason	Explanation
Economic and Financial Performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Performance, p. 19 - 20 Board of Directors and Sub-Committees, p. 23 - 26 Board of Directors, p. 23 - 26 Senior Management, p. 27 - 29	-	-	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance, p. 19 - 20 Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi Financial Statements and Independent Audit Report for the Accounting Period 1 January - 31 December 2024, p. 163 - 199	-	-	-
	201-2 Financial implications and other risks and opportunities due to climate change	Corporate Risk Management, p. 50 - 51 Combating Climate Change, p. 52 - 68	-	-	-
	201-3 Defined benefit plan obligations and other retirement plans	Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi Financial Statements and Independent Audit Report for the Accounting Period 1 January - 31 December 2024, p. 163 - 199	-	-	-
	201-4 Financial assistance received from government	Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi Financial Statements and Independent Audit Report for the Accounting Period 1 January - 31 December 2024, p. 163 - 199	-	-	-
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Activities, p. 8 - 10 R&D and Innovation, p. 81 - 83	-	-	-
	203-2 Significant indirect economic impacts	Economic Performance, p. 19 - 20 Social Impact, p. 126 - 129	-	-	-
Procurement Practices					
GRI 3: Material Topics 2021	3-3 Assess the significance of the impacts	Supply Chain Management, p. 120	-	-	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply Chain Management, p. 120	-	-	-
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Assess the significance of the impacts	Anti-bribery and Anti-corruption, p. 33			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-bribery and Anti-corruption, p. 33	-	-	-
	205-2 Communication and training about anti-corruption policies and procedures	Anti-bribery and Anti-corruption, p. 33	-	-	-
	205-3 Confirmed incidents of corruption and actions taken	Anti-bribery and Anti-corruption, p. 33	-	-	-
Anti-competitive Behavior					
GRI 3: Material Topics 2021	3-3 Assess the significance of the impacts	Ethics and Compliance, p. 32	-	-	-
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Our Policies, p. 30 Ethics and Compliance, p. 32	-	-	-

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GRI STANDARD / OTHER SOURCE	DISCLOSURE	Location/ Page No, Source and/or Direct Answers	Omission		
			Requirement(S) Omitted	Reason	Explanation
Tax					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi Financial Statements and Independent Audit Report for the Accounting Period 1 January - 31 December 2024, p. 163 - 199	-	-	-
GRI 207: Tax 2019	207-1 Approach to tax	Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi Financial Statements and Independent Audit Report for the Accounting Period 1 January - 31 December 2024, p. 163 - 199	-	-	-
	207-2 Tax governance, control, and risk management	Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi Financial Statements and Independent Audit Report for the Accounting Period 1 January - 31 December 2024, p. 163 - 199	-	-	-
	207-3 Stakeholder engagement and management of concerns related to tax	Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi Financial Statements and Independent Audit Report for the Accounting Period 1 January - 31 December 2024, p. 163 - 199	-	-	-
Materials					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Alternative Raw Material Usage, p. 80	-	-	-
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Alternative Raw Material Usage, p. 80 Environmental Performance Indicators, p. 214 - 217	-	-	-
	301-2 Recycled input materials used	Alternative Raw Material Usage, p. 80 Environmental Performance Indicators, p. 214 - 217	-	-	-
	301-3 Reclaimed products and their packaging materials	Alternative Raw Material Usage, p. 80 Environmental Performance Indicators, p. 214 - 217	-	-	-
Energy					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Energy Management, p. 69	-	-	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management, p. 69 Environmental Performance Indicators, p. 214 - 217	-	-	-
	302-2 Energy consumption outside of the organization	Energy Management, p. 69 Environmental Performance Indicators, p. 214 - 217	-	-	-
	302-3 Energy intensity	Energy Management, p. 69 Environmental Performance Indicators, p. 214 - 217	-	-	-
	302-4 Reduction of energy consumption	Energy Management, p. 69 Environmental Performance Indicators, p. 214 - 217	-	-	-
Water and Effluents					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Water Management, p. 93 - 98	-	-	-
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, p. 93 - 98	-	-	-
	303-2 Management of water discharge- related impacts	Water Management, p. 93 - 98	-	-	-
	303-3 Water withdrawal	Water Management, p. 93 - 98 Environmental Performance Indicators, p. 214 - 217	-	-	-
	303-4 Water discharge	Water Management, p. 93 - 98 Environmental Performance Indicators, p. 214 - 217	-	-	-
	303-5 Water consumption	Water Management, p. 93 - 98 Environmental Performance Indicators, p. 214 - 217	-	-	-

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GRI STANDARD / OTHER SOURCE	DISCLOSURE	Location/ Page No, Source and/or Direct Answers	Omission		
			Requirement(S) Omitted	Reason	Explanation
Biodiversity					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Biodiversity and Land Use, p. 99 - 102	-	-	-
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity and Land Use, p. 99 - 102	-	-	-
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity and Land Use, p. 99 - 102	-	-	-
	304-3 Habitats protected or restored	Biodiversity and Land Use, p. 99 - 102	-	-	-
Emissions					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Combating Climate Change, p. 52 - 68 Air Quality, p. 90 - 92	-	-	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Combating Climate Change, p. 52 - 68 Environmental Performance Indicators, p. 214 - 217	-	-	-
	305-2 Energy indirect (Scope 2) GHG emissions	Combating Climate Change, p. 52 - 68 Environmental Performance Indicators, p. 214 - 217	-	-	-
	305-3 Other indirect (Scope 3) GHG emissions	Combating Climate Change, p. 52 - 68 Environmental Performance Indicators, p. 214 - 217	-	-	-
	305-4 GHG emissions intensity	Combating Climate Change, p. 52 - 68 Environmental Performance Indicators, p. 214 - 217	-	-	-
	305-5 Reduction of GHG emissions	Combating Climate Change, p. 52 - 68	-	-	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Quality, p. 90 - 92 Environmental Performance Indicators, p. 214 - 217	-	-	-
Waste					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Resource Usage and Circular Economy, p. 77 - 78 Waste Management, p. 79	-	-	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Resource Usage and Circular Economy, p. 77 - 78 Waste Management, p. 79	-	-	-
	306-2 Management of significant waste- related impacts	Waste Management, p. 79	-	-	-
	306-3 Waste generated	Waste Management, p. 79 Environmental Performance Indicators, p. 214 - 217	-	-	-
	306-4 Waste diverted from disposal	Waste Management, p. 79 Environmental Performance Indicators, p. 214 - 217	-	-	-
	306-5 Waste directed to disposal	Waste Management, p. 79 Environmental Performance Indicators, p. 214 - 217	-	-	-

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GRI STANDARD / OTHER SOURCE	DISCLOSURE	Location/ Page No, Source and/or Direct Answers	Omission		
			Requirement(S) Omitted	Reason	Explanation
Employment					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Employee-Centric Corporate Culture, p. 104	-	-	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent Management, p. 112 Social Performance Indicators, p. 218 - 229	-	-	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part- time employees	Employee Engagement and Wellbeing, p. 113 - 115	-	-	-
	401-3 Parental leave	Employee Engagement and Wellbeing, p. 113 - 115 Social Performance Indicators, p. 218 - 229	-	-	-
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Occupational Health and Safety, p. 118 - 119	-	-	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, p. 118 - 119	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, p. 118 - 119	-	-	-
	403-3 Occupational health services	Occupational Health and Safety, p. 118 - 119	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, p. 118 - 119	-	-	-
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, p. 118 - 119 Social Performance Indicators, p. 218 - 229	-	-	-
	403-6 Promotion of worker health	Occupational Health and Safety, p. 118 - 119	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p. 118 - 119	-	-	-
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, p. 118 - 119 Social Performance Indicators, p. 218 - 229	-	-	-
	403-9 Work-related injuries	Occupational Health and Safety, p. 118 - 119 Social Performance Indicators, p. 218 - 229	-	-	-
	403-10 Work-related ill health	Occupational Health and Safety, p. 118 - 119 Social Performance Indicators, p. 218 - 229	-	-	-
Training and Education					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Employee-Centric Corporate Culture, p. 104	-	-	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and Development, p. 109 - 110 Social Performance Indicators, p. 218 - 229	-	-	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Development, p. 109 - 110 Talent Management, p. 112	-	-	-
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Management, p. 107	-	-	-

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GRI STANDARD / OTHER SOURCE	DISCLOSURE	Location/ Page No, Source and/or Direct Answers	Omission		
			Requirement(S) Omitted	Reason	Explanation
Diversity and Equal Opportunity					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Equality, Diversity and Inclusion, p. 116 - 117	-	-	-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Equality, Diversity and Inclusion, p. 116 - 117 Social Performance Indicators, p. 218 - 229	-	-	-
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Equality, Diversity and Inclusion, p. 116 - 117	-	-	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Equality, Diversity and Inclusion, p. 116 - 117	-	-	-
Local Communities					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Social Impact, p. 126 - 129	-	-	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Impact, p. 126 - 129	-	-	-
Supplier Social Assessment					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Supply Chain Management, p. 120	-	-	-
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management, p. 120	-	-	-
Customer Health and Safety					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Customer Health and Safety, p. 123 - 124	-	-	-
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Customer Health and Safety, p. 123 - 124	-	-	-
R&D and Innovation					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	R&D and Innovation, p. 81 - 83	-	-	-
Product Quality and Safety					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Product Quality and Safety, p. 125	-	-	-
Sustainable Products and Solutions					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Sustainable Products and Solutions, p. 71 - 75	-	-	-
Customer Satisfaction					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Customer Relations and Satisfaction, p. 122	-	-	-
Digital Transformation					
GRI 3: Material Topics 2021	3-3 Topic management disclosures	Digital Transformation, p. 84 -85	-	-	-

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	Themes	Key Metrics and Explanations	Section of the Report with Relevant Explanations
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			Message from the General Manager
			Akçansa at a Glance
		Purpose-Oriented Governance	Board of Directors and Sub-Committees
			Value Creation Model
			2030 Sustainability Targets and Progress Status
	Quality of Governing Body	Governance Body Composition	Board of Directors and Sub-Committees
			Stakeholder Relations
			Equality, Diversity and Inclusion
	Stakeholder Engagement	Material Issues Impacting Stakeholders	Stakeholder Relations
			Value Creation Model
			2030 Sustainability Targets and Progress Status
	Ethical Behaviour	Anti-corruption	Policies
			Ethics and Compliance
		Protected Ethics Advice and Reporting Mechanisms	Policies
			Ethics and Compliance
	Risk and Opportunity Oversight	Integrating Risk and Opportunity into Business Process	Corporate Risk Management
			Policies
			Ethics and Compliance
Planet	Climate Change	Greenhouse gas (GHG) Emissions TCFD Implementation	Climate Change
			Climate Change
			Energy Management
	Nature Loss	Land Use and Ecological Sensitivity	Biodiversity and Land Use
	Freshwater Availability	Water Consumption and Withdrawal in Water Stressed Areas	Water Management
			Environmental Performance Indicators

	Themes	Key Metrics and Explanations	Section of the Report with Relevant Explanations
People	Dignity and Equality	Diversity and Inclusion	Employee-Oriented Corporate Culture
			Ethics and Compliance
		Pay Equality	Ethics and Compliance
		Wage Level	Employee Engagement and Well-being
			Social Performance Indicators
		Risk for Incidents of Child, Forced or Compulsory Labour	Corporate Risk Management
			Policies
			Ethics and Compliance
	Health and Well-being	Health and Safety	Employee-Oriented Corporate Culture
			Occupational Health and Safety
	Skills for the Future	Training Provided	Employee-Oriented Corporate Culture
			Training and Development
			Social Performance Indicators
Prosperity	Employment and Wealth Generation	Absolute Number and Rate of Employment	Employee Demographics
			Social Performance Indicators
		Economic Contribution	Economic Performance
	Innovation of Better Products and Services	Total R&D Expenses	R&D and Innovation
			Economic Performance Indicators

COMMUNICATION



LEGAL DISCLAIMER

Akçansa 2024 Integrated Annual Report ('Report') has been prepared by Akçansa Çimento Sanayi ve Ticaret A.Ş. ('Akçansa').

The scenario analyses aligned with TSRS, the financial materiality studies, and all assessments related to physical and transition risks stemming from climate change—prepared by Akçansa—are based on the company's data, calculations, expert opinions, and compliance with national and international standards. Akçansa Çimento Sanayi ve Ticaret A.Ş. shall not be held responsible for any losses or damages that may arise should third parties or entities rely on these assumptions.

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