



2024

**SUSTAINABILITY
REPORT**



In Memory of Our Esteemed Board Member and Chairman of the Executive Board Fatih Yücelik...

We dedicate this report to the memory of our late Board Member and Chairman of the Executive Board Fatih Yücelik who made invaluable contributions to the sustainability journey at Aşkale Cement.

Fatih Yücelik played a pivotal role in the progress of Aşkale Cement, displaying strategic perspective, strong leadership and commitment to corporate values in his tenure. He always viewed sustainability not only as an environmental imperative, but also as a cornerstone of holistic corporate success in social and governance dimensions. Accordingly, he made invaluable contributions to ensuring that our Company's long-term sustainability goals were aligned with environmental responsiveness, social contributions and ethical management principles.

Inspired by the principles and vision set forth by our esteemed Board Member and Chairman of the Executive Board Fatih Yücelik, we as Aşkale Cement will continue to work resolutely for a sustainable future.

We will always remember him with affection, respect and gratitude as an exemplary leader for his commitment to ethical values and social responsibility.

Aşkale Cement

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ABOUT THE REPORT

Having forged trust-based relations with its customers, employees, suppliers and all stakeholders, fielding an innovative and dynamic structure, and relying on its 55 years of experience, Aşkale Cement maintains its leading position in the cement sector.

The 2024 Sustainability Report presents a comprehensive summary Aşkale Cement's sustainability strategy, activities and future goals. With valuable feedback, input and suggestions from stakeholders, Aşkale Cement aims to continuously improve this report drafted in accordance with Global Reporting Initiative (GRI) Standards.

Covering the period of 1 January - 31 December 2024, the report presents detailed information on Aşkale Cement's environmental, social and governance (ESG) performance. The Company prioritizes sustainability in its operations across the country and transparently shares its contributions to society.

The report is meant to be accessible and understandable for all stakeholders. You may communicate your comments and suggestions to info@askalecimento.com.tr or through our website.

MESSAGE FROM THE MANAGEMENT

LÜTFÜ YÜCELİK
Chairman of the Board

Dear Stakeholders,

Since the founding of Aşkale Cement, we have been playing a leading role in the cement sector with our approach of reliable, high-quality and innovative production. Operating across Türkiye with 4 integrated cement factories, 2 grinding plants and 9 ready-mixed concrete plants, we are proud to contribute to the economic development of our country.

Our sustainability approach is based on a holistic management philosophy encompassing environmental, economic and social dimensions. In this context, in collaboration with our employees, customers and business partners, we aim to increase customer satisfaction and achieve sustainable growth by offering products and services that meet global quality standards. We also integrate the principles of reducing our environmental impact into all our decision-making processes and conduct our operations with a sense of responsibility to protect all parts and parcels of the Earth. We strive to enhance our environmental performance to international standards through practices such as environmentally-friendly technologies, renewable energy investments, afforestation efforts and Green Cement Certificate.

We place customer satisfaction at the core of our business model and continuously improve our products and services in line with national and international quality standards. We aim to offer, as a holistic package, durability, efficiency and environmentally-friendly solutions in our cement and ready-mixed concrete products. To this end, we support our CPx (having low carbon footprint) product development processes with natural additives and continue our R&D efforts, focusing on materials like calcined clay instead of clinker.

Improving energy efficiency, reducing carbon emissions and contributing to the protection of natural resources are at the core of our sustainability strategy. In this context, we conduct our cement production operations in accordance with international standards, including ISO 9001 Quality Management System, ISO 14001 Environment Management System, ISO 45001 Occupational Health and Safety Management System and ISO 50001 Energy Management System. Further, we are working to complete ISO 14064 certification process at our cement factories. We also fulfill our environmental responsibility by adhering to the principles of recovery and reuse in waste management. Furthermore,

“We strive to enhance our environmental performance to international standards through practices such as environmentally-friendly technologies, renewable energy investments, afforestation efforts and Green Cement Certificate.”

we earned the I-REC International Renewable Energy Certificate with our waste heat recovery (WHR) project, implemented through an investment of 13 million USD. Our waste incineration activities launched in 2020 continue to reduce our carbon footprint by reducing fossil fuel use. We cemented our position as a pioneer in this field in Türkiye by receiving the sector's first Green Cement Certificate in 2024.

We consider people our most valuable asset and shape all our activities with a “human-centered” approach. We are undertaking a cultural transformation in OHS with the motto “Together for Life”, and executing informative and preventative activities for our employees, subcontractors, suppliers, customers and visitors. We demonstrated our commitment to safety by achieving a record 365 days of accident-free operation at our Trabzon Grinding Plant and a record of 550 days in total across Aşkale Cement.

Aware of our responsibility to society, we contribute to educational and social projects that support local development in the regions where our facilities are located. We continue to add value to the regional economy by collaborating with local suppliers.

We are making our production processes more efficient, traceable and sustainable through our investments in digitalization and innovation. We are strengthening our digital integration with ERP, Company Portal, Cloud Technologies, CRM, BPM applications, and minimizing paper consumption with e-ledger, e-invoice, e-delivery note and e-archive applications. We are also rapidly advancing the digital transformation of financial processes through bank integrations and specialized ERP solutions.

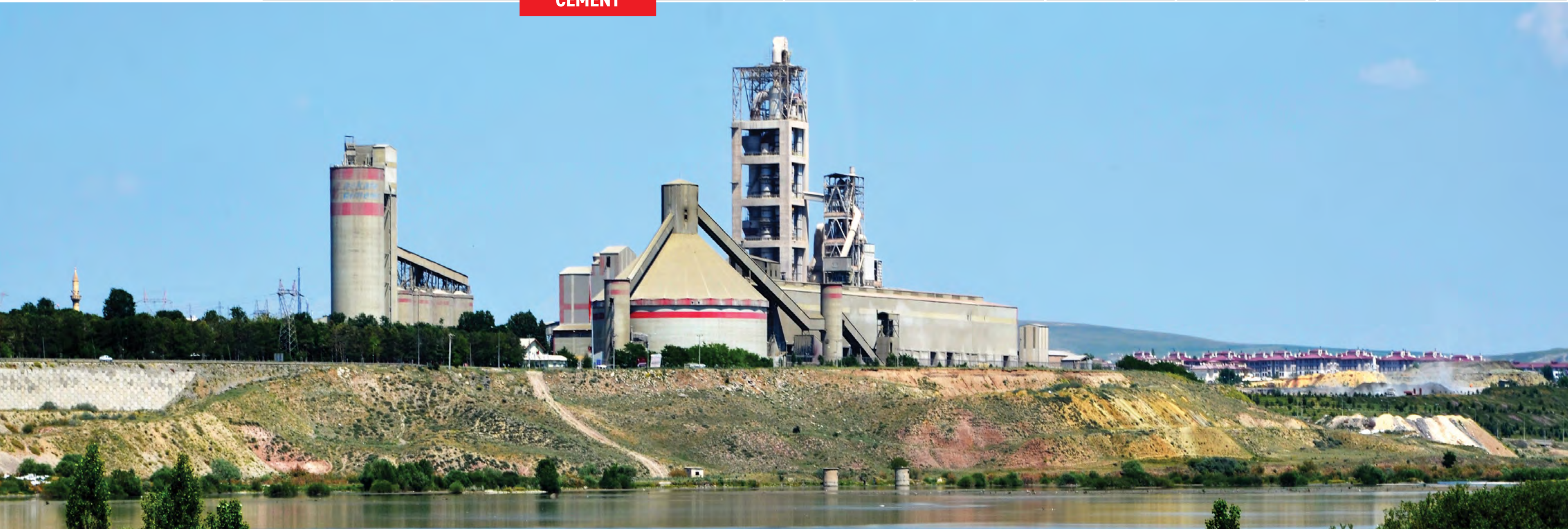
We firmly believe that our success is made possible through the collective efforts of all our employees, suppliers, customers and stakeholders. Driven by such belief, we will continue to resolutely pursue our growth goal by strengthening our environment- and human-responsive production approach, as we have in the past.

We are grateful for your trust and support and hope to walk together towards a stronger and more sustainable future.

Lütfü Yücelik
Aşkale Cement

“Our company’s sustainability report and sustainability activities are carried out under the coordination of our Sustainability Director, Elif Yücelik. Appointed at the discretion of our Chairman of the Board and serving under his chairmanship as the Coordinator of the Sustainability Committee, Elif Yücelik is also authorized to report the Committee’s activities to the Board of Directors.”





ABOUT AŞKALE CEMENT

CORPORATE PROFILE

Aşkale Cement Industry Inc. ("Aşkale Cement" or "the Company") was established on 31 October 1971, by Türkiye Cement and Soil Industries Inc. to provide for the region's cement needs. The Company's foundations were laid in 1968 and began operations as a state-owned enterprise (SOE) in Aşkale district of Erzurum. In 1993, it was acquired through privatization by Erçimsan Holding, a multi-shareholder company founded by the people of Erzurum and surrounding region.

With its brand Kavçim, exports are carried out to more than 30 countries, and efforts continue in line with the goal of becoming a global brand. Thanks to its extensive distribution network, customers' product and service needs are met in a timely manner.

Aşkale Cement continues its activities by adding value to society as a leading global company focusing on sustainability, sensitive to the environment and committed to ethical values.

MISSION AND VISION



Our Vision

is to create value for all stakeholders through operational excellence, adopting a human-centered, reliable and environmentally-friendly approach. It is aimed to uphold unwavering ethical values, be the leader in the sectors where Aşkale Cement operates, and be a global company driven by sustainable growth.



Our Mission

is to contribute to the country's development and utilize raw material resources effectively. It is aimed at increasing employment and creating added value in all activities, while acting in line with the social and environmental responsibilities.

HISTORY AND MILESTONES

1993

Aşkale Cement Factory was purchased by Erçimsan Holding.

1999

The Line 1 capacity expansion project started at Aşkale Cement Factory. A ready-mixed concrete plant was established in Erzurum.

2003

The vertical mill was commissioned Aşkale Cement Factory.

2004

The new packaging line was commissioned at the Cement Factory and Ağrı Ready-Mixed Concrete Plant was inaugurated.

2005

Trabzon Cement Factory was purchased.

2006

The groundbreaking was made for the 2nd clinker production line at Aşkale Cement Factory.

2007

The 2nd clinker production line was commissioned at Aşkale Cement Factory. Gümüşhane Cement Factory was purchased.

2008

The investments started in Erzincan and Gümüşhane. Tercan Stone Crushing and Screening Plant was commissioned.

2009

The production began in Erzincan and Gümüşhane. Van Cement Factory was purchased. Erzincan Plaster Plant was acquired. The land acquisition was completed for the investment in Batumi, Georgia.

2010

The ready-mixed concrete plants were established in Beşikdüzü and Tirebolu. The groundbreaking was made for energy generation from waste heat at Aşkale Cement Factory.

2011

The capacity expansion projects were initiated at Van Cement Factory. A waste heat energy generation plant started to generate energy at Aşkale Cement Factory. The groundbreaking was made for a new production line in Gümüşhane.

2012

Trabzon Ready-Mixed Concrete Plant was purchased.

2013

Rize Ready-Mixed Concrete Plant was purchased. The clinker production line was commissioned in Gümüşhane.

2015

Bilecik Sançim Cement Factory was purchased.

2016

Samsun Kavçim Cement Factory was purchased.

2018

Hopa Port Filling Facilities were commissioned.

2021

Van Ready-Mixed Concrete Plant started production.

2022

Bilecik Sançim Cement Factory was split and transferred from Aşkale Cement.



AFFILIATES AND SUBSIDIARIES

Title of Entity/ Affiliate	Location	Shareholding	Domain of Activity
Aşkale Cement Factory	Erzurum-Aşkale	Subsidiary	Clinker and cement production
Trabzon Cement Factory	Trabzon	Subsidiary	Cement production
Van Cement Factory	Van	Subsidiary	Clinker and cement production
Gümüşhane Cement Factory	Gümüşhane	Subsidiary	Clinker and cement production
Erzincan Cement Factory	Erzincan	Subsidiary	Cement production
Kavçim Cement Factory	Samsun	Subsidiary	Clinker and cement production

MAJOR DOMAINS OF ACTIVITY

Aşkale Cement holds a strong position in both domestic and international markets with its high-standard cement and clinker production. Its product range includes cement types such as CEM I 42,5R, CEM I 52,5N, CEM II/AL 42,5R and CEM IV/BP 32,5R-SR, as well as clinker. The Company undertakes some of its production processes at its integrated facilities and enhances its global competitiveness through export activities. Hopa Port Filling Facility strengthens its market access by optimizing logistics processes with five 1,400-ton capacity silos and two loading lines with a loading capacity of 150 tons per hour. This infrastructure is a cornerstone of the Company's export-oriented growth strategy.

“Hopa Port Filling Facility strengthens its market access by optimizing logistics processes with five 1,400-ton capacity silos and two loading lines with a loading capacity of 150 tons per hour.”



Technical Services

Aşkale Cement offers value-added services to its customers through its Aşkale Technical Services unit. Reflecting the Company's customer-oriented approach are such services as pre- and post-sales product performance analysis, component compatibility assessments and recipe optimization. The ready-mixed concrete laboratory provides technical support to its stakeholders through fresh and hardened concrete testing, aggregate analysis, admixture performance evaluations and sector-specific training programs. Such activities aim to strengthen customers' technical capabilities while ensuring product quality.

Sustainability and Waste Management

Aşkale Cement holds environmental sustainability at the core of its operations. Kavçim Cement Factory received an incineration license for 257 types of waste in 2020. Aşkale and Gümüşhane Factories continued operations in 2021 with temporary operating licenses for 281 and 283 types of waste respectively.

The Company executes its waste management and energy recovery processes in accordance with TS EN ISO 14001 Environmental Management System standards. Waste incineration activities, launched in 2020, aim to reduce fossil fuel use to minimize its environmental footprint and contribute to **circular economy**.

Waste management processes use waste from ready-mixed concrete plants and wastewater treatment sludge as alternative raw materials. Industrial waste is used as fuel in rotary kilns to support circular economy. Waste is subjected to rigorous quality control procedures undergoing analyses of calorific value, ash, volatile matter, chlorine, moisture and radiation measurements. Accepted waste is stored in closed storage systems and fed into production processes.

As part of environmental sustainability, rotary kilns and clinker cooling systems are equipped with state-of-the art bag filters, which recycle dust collected during production. In addition, approximately **40 hectares of land** were in and around cement factories and mining sites. This practice encourages the efficient use of natural resources, extends the lifespan of waste storage areas and contributes to the reduction of greenhouse gas (GHG) emissions.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE APPROACH

Aşkale Cement adheres strictly to the principles of transparency, responsibility and accountability in corporate governance. Acting in accordance with ethical principles and preventing such adversities as discrimination, the Company pursues a strategy focusing on balanced and sustainable growth.

The management structure includes a five-member Board of Directors which does not include any independent members. The roles of Chairman of the Board of Directors and the Chairman of the Executive Board are held by different individuals. A total of 26 board meetings were held in 2024, and internal audit and risk management were conducted through the Corporate Risk Management and Audit Committee. As part of the process managed by the Shareholder Relations Manager, more than 300 communications were delivered in 2024 to keep shareholders informed.





BOARD MEMBERS



Lütfü YÜCELİK

Lütfü Yücelik who serves as the Chairman of Aşkale Cement and Erçimsan Holding has been active as a businessman in many sectors such as construction materials, automotive dealership, spare parts sales and road construction sectors. He served as the Vice-Chair of the Board of Erzurum Chamber of Commerce and Industry (ETSO) between 1987 and 1992. Between 1992 and 2022, he served as Chairman of the Board of Directors. To enable the acquisition of Aşkale Cement within the scope of privatization, he pioneered the establishment of Erçimsan Holding in Erzurum in 1992. He has been deemed worth of many awards, including 2010 Turkish Grand National Assembly Distinguished Service Award.



Fatih YÜCELİK

Fatih Yücelik served as Vice-Chair of the Board of Directors at Erçimsan Holding and served as Chairman of the Executive Board at Aşkale Cement. He also served as Chairman of the Board of Directors of the Turkish Cement Manufacturers' Association (Türk Çimento) and served as Deputy Chairman of the Board of Directors of the Cement Industry Employers' Union (ÇEİS). In addition, Fatih Yücelik holds the title of Honorary Consul of the Democratic Socialist Republic of Sri Lanka. He has also served as Chairman of the TOBB Türkiye Cement and Cement Products Council, Chairman of the Board of Directors of the Federation of Building Materials Producers (YÜF) and a Board Member of Directors of the Foreign Economic Relations Board (DEİK).



Yavuz SAATÇIOĞLU

Yavuz Saatcioğlu, a Board Member of Directors at Erçimsan Holding and Aşkale Cement, currently serves as the Chairman of the 13th Regional Erzincan Chamber of Pharmacists. He has previously served as a Member of the High Disciplinary Board of the Turkish Pharmacists' Association and as Vice-Chair of the Professional Committee of the Erzurum Chamber of Commerce and Industry. He has also taken an active role in the establishment of the Erzurum Free Zone.



Nihat ÇAĞLAR

Op. Dr. Nihat Çağlar, a Board Member of Directors of Aşkale Cement and Erçimsan Holding, worked as an Assistant Professor in the Department of Ophthalmology at Atatürk University Faculty of Medicine and continues to practice his profession in a private clinic.



Naci ER

Naci Er, Vice-Chair of the Board of Directors at Erçimsan Holding and a Board Member of Directors at Aşkale Cement, worked as civil engineer at the State Hydraulic Works (DSİ) and İLBANK. He currently continues his work on private contracting projects.

ORGANIZATIONAL SETUP

Aşkale Cement operates under Erçimsan Holding and has an organizational structure based on corporate governance principles. The Company's management is structured around a Board of Directors which makes strategic decisions, a Corporate Risk Management and Audit Committee reporting to the Board and an Executive Board which executes operational activities. Key functions such as strategy, human resources and corporate affairs, financial affairs and technical operations are managed by assistant general managers under the Executive Board. There are directors and assistant general managers executing such functions as marketing and sales, supply chain and export. There are also group directorates and directorates under assistant general managers and directors. In addition, the organizational structure includes factory managers of cement production factories and plant managers of ready-mixed concrete plants. Such structure accelerates decision-making processes in line with Aşkale Cement's sustainable growth goals and strengthens operational efficiency and corporate oversight.



“Such structure accelerates decision-making processes in line with Aşkale Cement's sustainable growth goals and strengthens operational efficiency and corporate oversight.”

ETHICS AND COMPLIANCE

As a long-standing entity operating in the cement sector, Aşkale Cement considers corporate governance, business ethics and legal compliance processes as strategic priority. The Company's approach to ethical values is defined in the relevant procedures for corporate communications and these processes which relate to Strategy, Human Resources and Corporate Affairs are managed and reported by the Deputy General Manager.

Aşkale Cement formalized its ethical standards in the "Corporate Communications and Code of Conduct Guide". This code lays down fundamental principles that the Company's employees must adhere to in their daily activities, covering topics such as human rights, fair competition, combating corruption, preventing discrimination and environmental responsibility. Among the principles emphasized in the code are that employees must exhibit professional demeanors, comply with confidentiality obligations and use company resources within ethical boundaries.

The Company manages the prevention of ethical violations through the monitoring mechanisms implemented by the Corporate Risk Management and Audit Committee. Aşkale Cement carefully

avoids conflicts of interest in business processes and adheres to the principles of avoiding behavior aimed at personal gain and using company resources solely for corporate purposes. While positions at risk of bribery have not yet been systematically identified, anti-bribery training is provided by business units.

Aşkale Cement has Anti-Bribery and Corruption Policy, and the fundamental principles are outlined in the said code and senior management conducts meticulous reviews. Reporting mechanisms are reviewed by the Corporate Risk Management and Audit Committee. Disciplinary and investigation processes are activated for policy violations and corruption risks in merger/acquisition activities are analyzed at senior management level.

In the framework of legal compliance, each business unit monitors the legislation specific to its area of activity and, where relevant, receives support from the Legal Department and external consultants. The audit unit regularly assesses compliance levels and makes recommendations for improvement. Reporting to senior management enhances the effectiveness of compliance processes, while continuous monitoring mechanisms are operated to ensure full compliance.





RISK MANAGEMENT

The Company's Corporate Risk Management and Audit Committee systematically identifies existing risks across the Company, units, processes and lays down control measures to mitigate the likelihood and impact of such risks and regularly monitors them. Business units are responsible for proactively managing their own risks, and these activities are monitored in audit reports prepared by the Corporate Risk Management and Audit Committee. Criteria for financial figures are established under the risk management system. Additionally, the external audit process includes independent audits, full certification audits by Certified Public Accountants (CPAs), certification audits and other legal audits.

To identify sustainability and climate change risks and opportunities, the Corporate Risk Management and Audit Committee updates the Corporate Risk Inventory annually, supplementing it with periodic assessments and internal audit findings. Identified risks and opportunities are analyzed in detail, reported to senior management and integrated into strategic decision-making processes. Aşkale Cement uses qualitative and semi-quantitative methods to identify, prioritize and monitor sustainability risks, obtaining feedback from departments and prioritizing risks by level. Furthermore, the Company's project to identify and analyze sustainability and climate risks, which began in 2025, is ongoing.

The Board of Directors is the highest governance body responsible for overseeing the Company's risk. The Board of Directors strives to ensure early identification of risks that may jeopardize the Company's existence, development and continuity, implementation of measures related to these identified risks and risk management. Its areas of responsibility include monitoring strategic, financial, operational and compliance risks and assessing the effectiveness of internal control systems. The Corporate Risk Management and Audit Committee, which reports to the Board of Directors, reports to the Chairman of the Executive Board and discharges duties such as updating the risk inventory, auditing activities, training, policy reporting and making recommendations to senior management.

"Aşkale Cement uses qualitative and semi-quantitative methods to identify, prioritize and monitor sustainability risks, obtaining feedback from departments and prioritizing risks by level."



INTERNAL AUDIT

Aşkale Cement's Corporate Risk Management and Audit Committee conducts its activities in accordance with annual audit plans prepared with a risk-based approach. Plans are updated on requests from senior management, ensuring flexibility. All activities of the Company are systematically audited by unit, process and location. Audits are conducted remotely or on-site via the central IT infrastructure. Critical matters are continuously monitored through continuous audit systems, while other matters are subjected to periodic audits.

Aşkale Cement aims to audit all units and processes of the Company at a 100% rate under the five-year audit plan, developed using a risk-based approach. Each year, the highest-risk areas are prioritized and audited based on risk assessments. During process- and unit-based audits, abuse and corruption risks are systematically assessed and monitored. Furthermore, abuse and corruption reports received through various channels are meticulously evaluated and necessary investigations are launched.

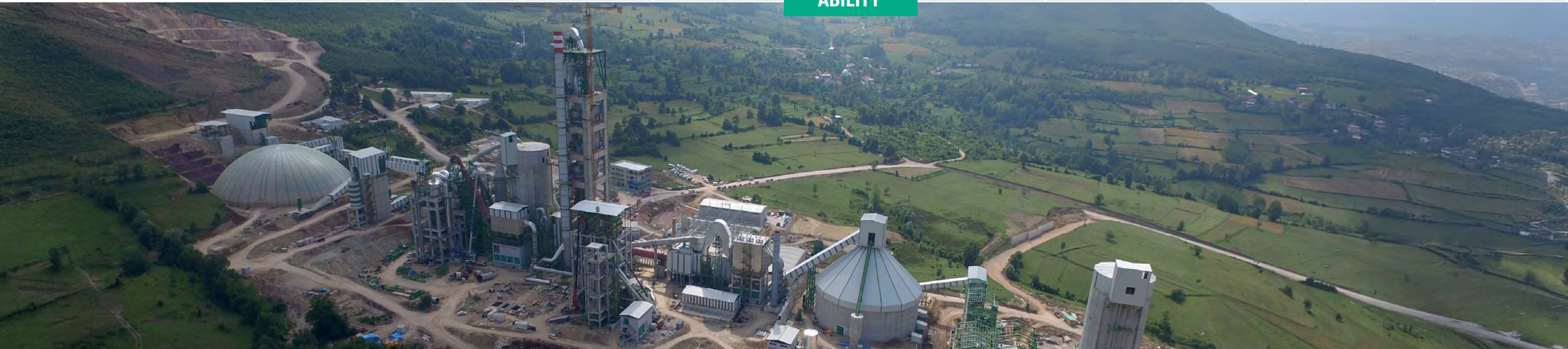
AŞKALE CEMENT AND SUSTAINABILITY

SUSTAINABILITY APPROACH

Aşkale Cement aims to increase customer satisfaction by collaborating with its employees and customers, while also achieving sustainable growth by expanding its international presence by offering products and services that meet global quality standards. To this end, it focuses on competitive and long-term value-creating business models.

Aşkale Cement believes that sustainable growth is possible by embracing environmental protection principles and integrating these principles into all decision-making processes. In conducting its operations, it prioritizes protecting all parts and parcels of the Earth and minimizing environmental impacts, in collaboration with its business partners and stakeholders. In this context, the Company implements its sustainability approach across a wide range of areas, including its management approach, economic performance that adds value to all key stakeholders, OHS objectives, its position in international markets, social performance and energy and emissions management, all aimed at reducing environmental impacts. In this context, it continuously improves its activities in every area, from OHS and environmental management to human resources management and corporate social responsibility (CSR).

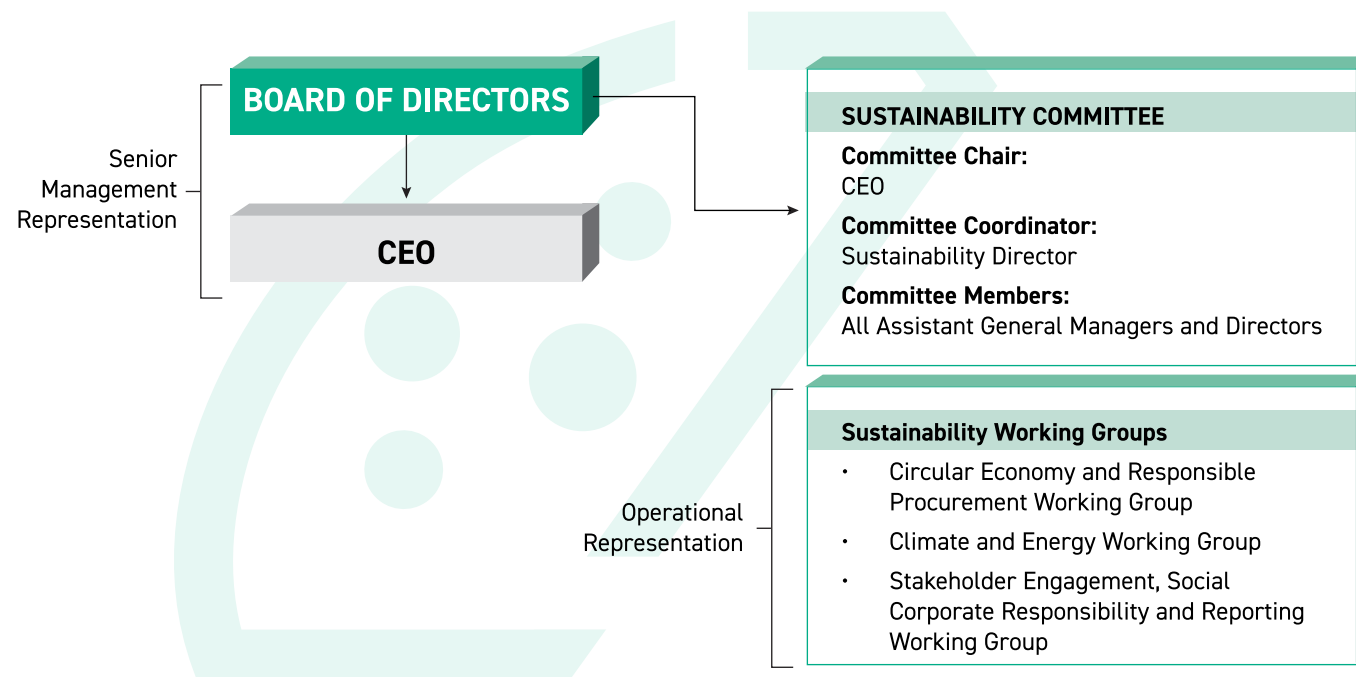




SUSTAINABILITY GOVERNANCE

Aşkale Cement defines sustainability as the fundamental principle of its current and future projects. Accordingly, the Company develops comprehensive strategies that support sustainable development across environmental, social and economic dimensions. Sustainability Policy is established in line with the Company's strategic objectives. Furthermore, the Sustainability Management System Project, which was initiated in 2025 for the structuring of the Company's Sustainability Committee, has been completed. It has been strategically decided that the Sustainability Committee will operate as a structure reporting directly to the Board of Directors.

“The sustainability governance structure, established in line with Aşkale Cement’s priorities in 2025, comprehensively addresses the Company’s sustainability management at both strategic and operational levels.”



The sustainability governance structure, established in line with Aşkale Cement's priorities in 2025, comprehensively addresses the Company's sustainability management at both strategic and operational levels. The Board of Directors is the highest decision-making body responsible for establishing the strategic framework for sustainability efforts and structuring these efforts at corporate level. The CEO, who reports to the Board of Directors and represents senior management, leads the sustainability process.

The Sustainability Committee, placed under the Board of Directors, consists of the Committee Chair (CEO), the Committee Coordinator (Sustainability Director) and committee members (all Assistant General Managers and Directors). This committee is responsible for higher-level management of sustainability issues encompassing economic, environmental, social and governance areas across Aşkale Cement and its affiliated group companies. Its responsibilities include determining and reviewing the sustainability strategy and targets, revising them when necessary and establishing roadmaps.



Furthermore, the Sustainability Committee is expected to assess risks and opportunities based on Aşkale Cement's priorities and prepare strategic action plans. To improve sustainability performance, the sustainability strategy and targets will be reviewed annually and, when necessary, interim assessments will be conducted on a case-by-case basis.

Sustainability Working Groups, established under the Sustainability Committee, represent sustainability management at operational level. The main themes for the work by this working group were determined in 2025, and the goal is to fully shape the governance structure and transform it into a holistic structure in the upcoming period. The Sustainability Working Groups will be responsible for the development and implementation of projects in areas such as circular economy, responsible procurement, climate, energy, stakeholder engagement and CSR. Furthermore, they will undertake responsibilities such as developing performance-enhancing actions related to sustainability priorities in line with the strategic issues and objectives defined by the Sustainability Committee, implementing roadmap-based work in relevant departments and divisions, monitoring these efforts and revising them when necessary.

The created sustainability governance structure will be implemented in a corporate framework in both the strategic decision-making mechanisms and operational processes of Aşkale Cement in the future.

The Company recognizes the importance of all critical and major global challenges threatening the future, including poverty, inequality, peace, justice, climate change and management, environmental degradation,

financial stability and biodiversity conservation. Therefore, Aşkale Cement initiated projects under the coordination of the Sustainability Committee to address issues such as equal opportunity, supply chain, emissions, waste, water and energy management and biodiversity conservation. In this context, annual targets related to the Sustainable Development Goals (SDGs) were defined as follows that would contribute to sustainable development:

-  Respect for people and environment by focusing on preventing pollution and protecting the natural environment,
-  Reducing waste, using raw materials and natural resources effectively and efficiently, reducing GHG effects and increasing the share of renewable energy.
-  Continuous improvement of management systems to increase quality, environment and

OHS performance and increase the efficiency of all processes to a level that can compete at international level,

-  Taking measures to ensure responsible use of resources in the supply chain, reduce the impact on climate change and protect ecosystems and biodiversity.

Aşkale Cement also aims to indirectly contribute to sustainability through its membership affiliation in sectoral associations such as Türk Çimento, ÇEİS, Chambers of Commerce and Chambers of Industry. These memberships monitor the sectoral developments and support the sharing of information on environmentally-friendly practices. Furthermore, consulting services are obtained and collaborations are undertaken to manage environmental impacts.

“The created sustainability governance structure will be implemented in a corporate framework in both the strategic decision-making mechanisms and operational processes of Aşkale Cement in the future.”

MATERIAL TOPICS

Aşkale Cement conducted a double-materiality analysis to identify its sustainability priorities and better serve its customers in line with its sustainability strategy. The financial prioritization aspect of the double-materiality analysis included executive opinions, risk and opportunity analysis and external trend analysis outputs. The impact prioritization aspect included impact analysis, stakeholder analysis, external trend analysis and competitor analysis outputs. Data obtained through these methods were analyzed to identify both top-priority and high-priority topics to focus on in the upcoming period.

A total of 183 stakeholders were contacted as part of the double-materiality analysis. Stakeholders were

evaluated in two main groups: internal stakeholders (senior management, white-collar and blue-collar employees) and external stakeholders (customers, suppliers and universities).

As a result of all the studies conducted, 17 material topics were identified for Aşkale Cement. The top priority topics include Responsible Environmental Management, Digital Transformation, Energy Efficiency, Use of Renewable Energy and Alternative Fuels, Combating Climate Crisis and Reducing Carbon Emissions, Occupational Health and Safety, R&D and Innovation, Sustainable Economic Performance, Sustainable Products and Services and Customer Experience and Satisfaction.



Material Topic	Importance for Aşkale Cement	Related SDG
Energy Efficiency, Use of Renewable Energy and Alternative Fuels	Aşkale Cement evaluates this topic under the headings of ensuring energy savings, efficient use of sustainable energy resources and developing alternative fuel technologies. Furthermore, it aims to support environmental sustainability, reduce carbon footprint and increase the long-term reliability of energy systems.	   
R&D and Innovation	For Aşkale Cement, R&D and Innovation encompasses efforts aimed at developing new products, services and processes, improving existing practices and increasing competitiveness. This includes implementing innovative ideas, keeping up with technological advances and developing sustainable solutions.	 
Sustainable Economic Performance	Aşkale Cement prioritizes contributing to local development and using its resources efficiently while creating economic value. The goal is to maintain long-term growth in line with environmental and social responsibility principles.	 
Sustainable Products and Services	Aşkale Cement focuses on developing products with a lower carbon footprint through environmentally responsible production processes. The goal is to reduce the environmental impact of products throughout their life cycle and support sustainable construction practices.	 
Combating Climate Crisis and Reducing Carbon Emissions	Aşkale Cement aims to reduce carbon emissions by enhancing energy efficiency practices in its production processes and using alternative fuels. This contributes to both reducing environmental impact and achieving SDGs.	    
Occupational Health and Safety	In the context of compliance with OHS standards, it is aimed to implement various practices to protect the health and safety of employees, prevent work-related accidents and reduce occupational diseases.	 
Customer Experience and Satisfaction	For Aşkale Cement, meeting customers' expectations, needs and demands and ensuring their satisfaction is always a high priority.	 

Material Topic	Importance for Aşkale Cement	Related SDG
Digital Transformation	Aşkale Cement aims to implement and advance existing technologies for digital transformation, invest in automation systems to increase efficiency and implement measures to ensure cyber security in business processes.	 
Responsible Environmental Management	Aşkale Cement operates with a commitment to continuous improvement to protect natural resources and minimize environmental impacts. In this context, full compliance with environmental management standards is a key priority.	   
Responsible Supply Chain Management	Aşkale Cement's responsible supply chain structure encompasses practices aimed at monitoring and auditing natural resource use across the supply chain, reducing the carbon footprint of raw materials and product distribution and strengthening supply chain traceability. From a social perspective, it encompasses processes such as respecting human rights, embracing ethical production practices and ensuring fair working conditions.	   
Biodiversity and Land Use	Processes for protecting and developing natural life diversity, sustainable use of work areas and natural resources and minimizing environmental impacts determine the priorities for Aşkale Cement.	
Ethics and Compliance	Aşkale Cement attaches great importance to ethical values, transparency and full compliance with legal regulations in all business processes.	 
Corporate Social Responsibility and Stakeholder Engagement	The goal is to create common benefits through open, transparent and continuous communication with stakeholders. This aims to add positive value to both local communities and economy.	   
Diversity, Equality and Inclusion	One of Aşkale Cement's core objectives is to prevent discrimination on grounds of gender, age, ethnicity, religion and sexual orientation and ensure equal opportunity. The goal is to create an environment both in workplace and in society where everyone has fair and equal opportunities.	 

Material Topic	Importance for Aşkale Cement	Related SDG
Corporate Governance	Aşkale Cement operates with fair, transparent, accountable and responsible governance principles. It prioritizes stakeholder interests across its management processes and shapes its decision-making mechanisms accordingly.	
Circular Economy and Resource Efficiency	The aim is to minimize resource use by repurposing waste in production processes. The use of alternative raw materials and fuels reduces environmental impact while increasing production efficiency.	
Employee Experience, Development and Commitment	Issues such as developing practices to increase employee satisfaction, performance and well-being and improving their workplace experiences are always considered priorities.	

As part of the double materiality analysis, a study was conducted to analyze the relationship between Aşkale Cement's areas of activity and priorities in relation to the SDGs, aiming to make its sustainability strategy more comprehensive and measurable. In this context, sustainability efforts are monitored

through strategies aligned with SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 10 (Reduced Inequalities), SDG 12 (Responsible Production and Consumption) and SDG 13 (Climate Action).

STRATEGY

Aşkale Cement's sustainability strategy is an inclusive model built around the following topics as well as ethics and human rights:



Reducing Scope 1 and Scope 2 emissions



Increasing energy efficiency



Using waste as alternative raw materials



Optimizing clinker and cement production processes



Strengthening operational efficiency



Adopting customer-oriented approaches



Increasing the ratio of female employees



Supplier development



Employee development

These objectives will be forcefully pursued in 2025 and beyond to minimize environmental impact, achieve cost advantages and strengthen market leadership.





Goals	Contribution to UN SDG
Keep employee turnover rate below 10% by 2030	
Increase renewable energy use by 25% by 2030	
Reduce electricity consumption per ton of products by 4% in 2025, 4% in 2026 and 5% in 2030 compared to 2024 (based on mixed cement)	
Reduce Scope 2 emissions by 5% per ton of product by 2030	

Goals	Contribution to UN SDG
Reduce Scope 1 emissions by 2% by 2030	
Reduce Scope 2 emissions by 10% by 2030	
Obtain ISO 45001 OHS Management System certification for all facilities by 2027	
Increase the number of OHS Key Performance Indicators (KPIs) monitored through IT infrastructure to 50% by 2026	
Reduce the Accident Frequency Rate (AFR) by 50% by 2027 compared to 2024	

Goals	Contribution to UN SDG
Increase the number of suppliers subject to ESG assessment every year until 2030	
Provide training to develop/support sustainability practices for 10 suppliers by 2027	
Assess and score 10 suppliers on sustainability issues by 2027	
Include all facilities in ISO 14001 Environmental Management System certification process by 2030	
Reduce water consumption by 5% by 2030 compared to 2024	
Obtain ISO 14064-1 Carbon Footprint Certificate by 2027	

Goals	Contribution to UN SDG
Obtain ISO 14046 Water Footprint Certificate by 2030	
Conduct a life cycle analysis on the main product by 2035	
Make the cement product portfolio have 100% low-carbon cement products by 2030	
Implement 5 projects with local people until 2030	
Promote employee participation in social responsibility activities	
Resolve all feedback/complaints from customers positively	
Establish a platform that enables digital monitoring of carbon and energy performance by 2030	
Prepare a Biodiversity Action Plan by 2030	
Increase the ratio of female employees from 3.5% to 7% by 2030	



This strategy aims to improve environmental performance in line with the following basic principles:

-  Efforts will continue to fulfill the compliance obligations required by environmental legislation in all activities and processes.
-  Commitment is made to determine environmental impacts that may arise during activities, analyze risks and opportunities, control risks and evaluate opportunities in the framework of technical and economic means.
-  It is planned to organize training and conduct activities to raise environmental awareness among all employees, subcontractors' employees and where possible, other interested parties in the environment regarding their responsibilities towards the environment.
-  Natural resources will be protected by using appropriate technologies to the extent allowed by technical and economic means.
-  Commitment is made to eliminate at source those factors that may cause environmental pollution, monitor air emissions and waste reduction methods for the rational and economical use of resources.
-  Compliance will be ensured with the requirements of official environmental institutions, private entities and affiliated organizations.
-  It is aimed at taking the necessary measures in all activities to protect the ecosystem consisting of air, water, soil, flora, fauna and human beings.
-  It is planned to fulfill the obligations required by climate change within sectoral practices to the extent possible.
-  Commitment is made to ensure continuous improvement in all processes in order to achieve environmentally compatible development and increase environmental performance.
-  Commitment is made to fulfill the requirements of the current TS EN ISO 14001 Environmental Management System standard.

Reducing Scope 1 and Scope 2 emissions is considered a cornerstone of environmental sustainability. In this context, the following steps are planned to reduce emissions from calcination and fuel at the facilities:

Van Factory:

It is aimed to complete the waste incineration licensing process in 2025 and incinerate waste as thermal substitution at a rate of 5% in 2030.



Kavak Factory:

The goal is to reduce fuel-related carbon dioxide (CO₂) emissions by increasing alternative fuel use rate to 30%. Common alternative fuels include tires (end-of-life tires), rubber, textile waste, agricultural waste and other industrial waste.

Gümüşhane Factory:

The goal is to identify the region's waste potential and then become a regional solution partner.



Aşkale Factory:

It is anticipated that the use of urban transformation waste will reduce calcination-related emissions.

Fuel Mix Optimization:

It is estimated that increasing petroleum coke use in the fuel mix to 100% would result in CO₂ emissions of 321 kg CO₂/ton clinker, compared to 344 kg CO₂/ton clinker for imported coal and 395 kg CO₂/ton clinker for domestic coal. Therefore, fuel mix optimization is continuously monitored to maximize petroleum coke use, considering the balance between cost and emissions.



Optimizing energy consumption is identified as a key component of the sustainability strategy. To this end, the following measures will be implemented to reduce specific calories and electricity consumption:

Specific Calorie Consumption:

Projects are being planned to minimize unscheduled downtime through periodic preventive maintenance activities to reduce calorie consumption to target values in factories, reduce SM and LSF standard deviations through effective input, raw material and auxiliary raw material controls, operate the rotary kiln at nominal and above capacity, reduce clinker outlet and cooling exhaust temperatures and prevent air leaks.

Electricity Consumption:

Savings are anticipated by increasing the capacity of the rotary kiln at Kavak Factory. Energy savings will also be achieved by operating the roller press and

ball mill in series at Kavak, reducing downtime at Gümüşhane and eliminating the partition diaphragms at KHD and FLS mills at Aşkale. Furthermore, the goal is to reduce specific electrical energy consumption by preventing units and equipment from operating idle or below capacity.

Compressed Air and Cable Loss:

To optimize compressed air consumption, it is planned that air leaks will be prevented through periodic unit inspections and compressor requirements will be determined. Furthermore, it is planned that unnecessary air tanks will be eliminated and compressor replacements will be implemented through inter-factory synergy. The efforts will be undertaken to reduce cable loss.

Pyrobox and Splash Box Modifications:

Pyrobox modifications implemented at all plants aim to increase energy efficiency by increasing calcination

rates and optimize the raw meal calcination process using Splash Boxes.

Increasing the efficiency of clinker and cement production processes is a key component of the sustainability strategy. In this context, the following objectives have been established:

Increasing Clinker Strengths:

To increase clinker strengths at Kavak, Gümüşhane, Aşkale and Van factories, projects are planned for cooling optimization, reduction of alite and belite crystal grain sizes, optimization of raw meal fineness, optimization of kiln feed LSF / free lime and sulfur trioxide (SO₃).

Reducing Clinker Use Rates:

The Cem II sales rate, which was 28% of Aşkale Cement's sales volume in 2023, was increased to 68% in 2024. It is planned that the increase will

continue in 2025, reaching 100% conversion of CEM I - CEM II. The target is to reduce clinker use rates for CEM II A/LL and CEM IV B/PL / CEM II C products. Efforts are ongoing to reduce clinker use rates, raise clinker quality to higher levels and raise customer awareness to ensure market acceptance of lower-clinker cement of appropriate quality.

Chemical Additive Optimization:

The use of chemical additives in trass grinding aims to increase activity and reduce water requirements. University-industry collaborations will be engaged to achieve the clinker use ratio targets of 0.80 (by the end of 2029) and 0.75 (between 2030 and 2034) set by the Ministry of Environment, Urbanization and Climate Change.

Reducing environmental impact and providing cost advantages using alternative fuels/raw materials is determined as a strategic priority:



Ready-Mixed Concrete Waste:

Aşkale and Van factories plan to reduce CO2 emissions from calcination by using ready-mixed concrete waste. The goal is to remove metal fragments from the 15,000 tons of waste from ready-mixed concrete plant in Ilıca and use it with permission from the Provincial Directorate of Environment.



Alternative Raw Materials and Fuels:

Kavak Factory will save on fuel costs by using alternative fuels such as chicken manure, end-of-life tyres, pulper and rice hulls. Tests will be conducted in Gümüşhane for the use of Çayeli flotation waste, Murgul pyrite ash waste and the supply of food waste from Giresun Port will be investigated.

The following steps will be taken to increase customer satisfaction and strengthen market share:

Transition to CEM II:

Clinker quality parameters, particularly color and strength, are targeted for higher levels, with the aim of using additives at the upper limits under the standard. Pumice and ready-mixed concrete producers in the region will transition to CEM II cement by 2025. Field studies and regulatory changes began to transition SR-5 cement to CEM II A.

Reducing Customer Complaints:

Customer complaints will be reduced by regularly assessing customer needs, implementing feedback systems and integrating them into product development processes. Developing innovative products to meet customer demands and expectations at the highest level is a priority for Aşkale Cement. Furthermore, intensifying customer awareness training is expected to reduce off-site complaints.

Increasing the clinker production capacity is identified as a critical strategy for reducing costs and increasing efficiency. In this context:



Kavak Factory:

By operating the roller press and raw meal mills together, capacity increase and energy savings will be achieved.



Van Factory:

The high-blend cement production project will be implemented through changes in clinker mineralogy and the use of next-generation chemical additives.



Aşkale Factory:

With the Raw Mill Capacity Expansion Project, the rotary kiln capacity and the cement/clinker ratio will be increased through separate grinding technology.



FutureChem

The ongoing investment, FutureChem, which will commence production in 2025, will strengthen the sustainability commitment of Aşkale Cement.

As an innovative chemical company that brings Aşkale Cement's knowledge and expertise to the field, FutureChem aims to develop solutions that support low-carbon and environmentally-friendly cement production. Through grinding aids that reduce energy consumption, eco-friendly additives that optimize strength and concrete chemicals that contribute to longer-lasting structures, FutureChem will lead to the adoption of sustainable chemical technologies in the sector.

The products developed in R&D laboratories will directly contribute to reducing clinker factor, minimizing CO₂ emissions and increasing efficiency in cement-concrete processes. As a key component of the green cement approach, FutureChem's product portfolio will enhance energy efficiency in production processes while increasing the durability of final structures, thereby reducing resource consumption. Next-generation water reducers, setting regulators, air-entraining agents, shrinkage-preventing solutions and specialty additives for construction chemicals align with goals of using less water, fewer raw materials and achieving longer service life.

Furthermore, the strategic location of the Company in Trabzon will allow it to leverage the region's logistical advantages while adding value to the Black Sea economy. Thus, FutureChem will play a strategic role in the carbon footprint reduction targets of Aşkale Cement. Its location in Trabzon provides a regional hub advantage for access to national and international markets, promoting the broader dissemination of green technology solutions.

In this way, FutureChem will make a significant contribution to Aşkale Cement's sustainability efforts by producing innovative chemical technologies that support the circular economy, reduce carbon

emissions and add value to green building certification processes.

RESPECT FOR ENVIRONMENT

COMBATING CLIMATE CHANGE

Aşkale Cement carefully assesses the impacts of climate change and resulting environmental and social crises, meticulously assessing the responsibilities which it must assume in various areas and projects. Every step taken to protect limited natural resources and habitats contributes to the Company's sustainability approach.

Combating climate change is accorded with the utmost importance and various activities are undertaken in line with strategies developed in this area. Projects are implemented particularly to reduce emissions, and practices based on the use of alternative fuels and raw materials are adopted to minimize natural resource consumption. In this framework, resource efficiency is increased by leveraging a circular economy approach.



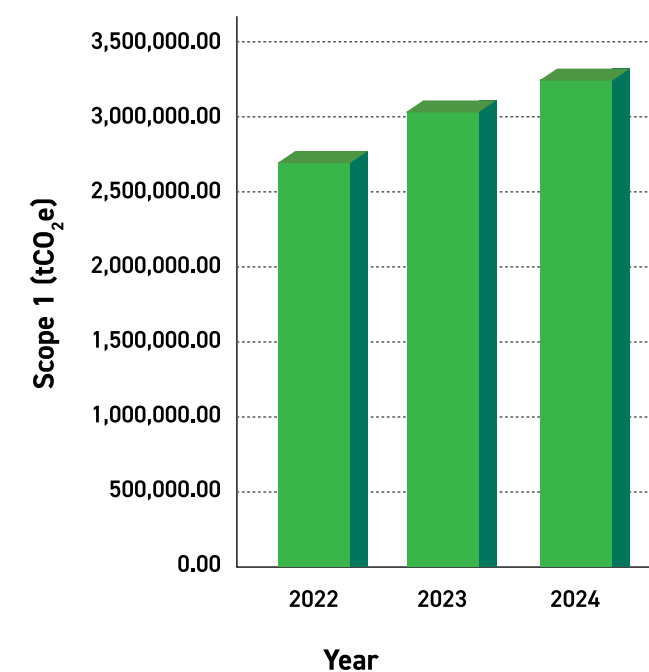


The Environmental Management System in place at Aşkale Cement is regularly audited for compliance with international standards. In this context, the effectiveness and conformity of the system are audited periodically by an authorized certification body in accordance with ISO 14001 standard. These audits ensure the sustainability of environmental performance and help monitor opportunities for continuous improvement.

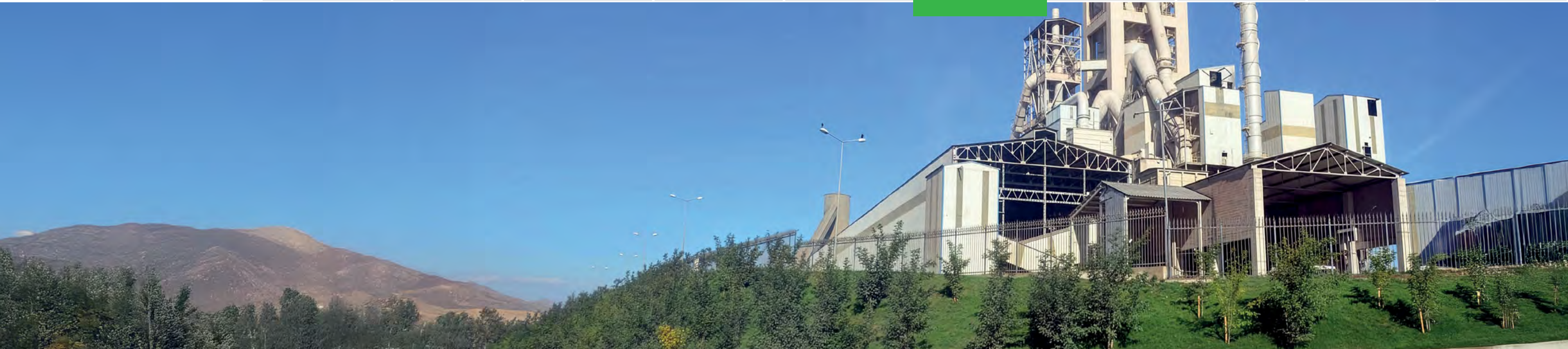
Aşkale Cement uses modern filter systems at its facilities to control emissions and dust release. It also respects the environment through initiatives such as tree planting and landscaping aiming to combat climate change. Aşkale Cement earned its Green Cement Certificate in 2024, becoming Türkiye's leading cement group in this field and bringing its facilities equipped with environmentally-friendly technologies into compliance with international standards. It also earned the I-REC International Renewable Energy Certificate by investing 13 million USD in waste heating recovery (WHR) technology.

In addition to all these efforts, ISO 14064 certification process was initiated at all cement factories. Various fuels, including petroleum coke, LNG, imported coke and domestic coal are used in production processes, and if NO_x and SO_x emissions approach legal limits, they are controlled through ammonia injection. It is planned to reduce both the amount of cement usage and the rate of clinker usage in the cement by using micronized materials in the ready-mixed concrete facilities. Trabzon Ready-Mixed Concrete and Chemical Plant plans to switch to the CEM IV product to reduce carbon emissions. As part of the climate change mitigation strategy, efforts are underway to regularly monitor and report GHG emissions. To this end, Aşkale Cement calculated direct emissions classified as Scope 1 for its cement factories in Trabzon, Van, Erzincan, Gümüşhane and Kavçim for a three-year period. Work was initiated on measuring and reporting Scope 2 and Scope 3 emissions. Scope 1 emissions data for the cement factories for 2022,2023 and 2024 are presented below:

Scope 1 Emissions Data (tCO₂e)



The targets were set to control and reduce emissions with the aim of achieving a 2% reduction in Scope 1 emissions by 2030. Reduction targets for Scope 2 and Scope 3 emissions will be defined following the establishment of the relevant data collection and reporting infrastructure. In line with these targets, sustainable and applicable strategies for reducing emissions continue to be developed.



ENERGY MANAGEMENT AND EFFICIENCY

The cement sector bears a significant responsibility for the efficient and sustainable use of energy resources due to its highly energy intensive production processes. Energy is not only essential for maintaining production capacity but also a significant component of operating costs.

Aşkale Cement continuously develops energy efficiency projects to minimize energy consumption and contribute to long-term sustainability goals.

7.5 MW capacity

The first waste heat energy plant (WHR) commissioned in Türkiye at Aşkale Cement Factory

29,000 tons CO₂

Annual carbon emissions prevented thanks to the facility

1.4 million trees

Equivalent of annual CO₂ reduction in oxygen production

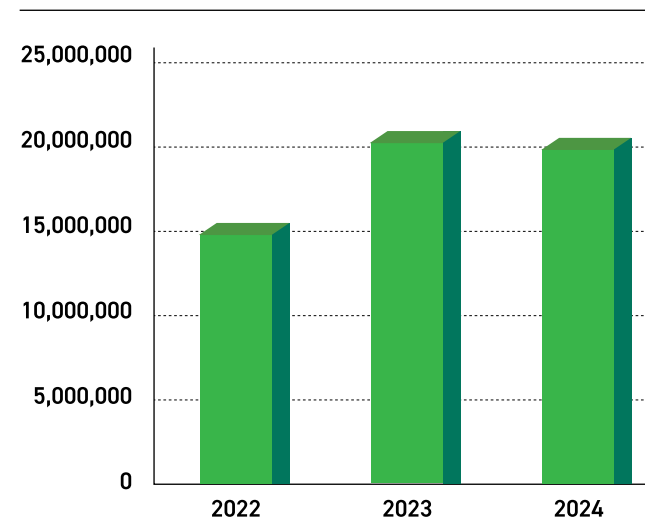
18% of energy consumption

WHR contribution to energy consumption in Aşkale Factory in 2024

The first waste heat power plant commissioned in Türkiye is the 7.5-MW capacity WHR facility located at Aşkale Cement Factory. This plant prevents 29,000 tons of carbon emissions annually. This is equivalent to the amount of oxygen released by 1.4 million trees annually. In 2024, 18% of Aşkale Factory's energy consumption was met by the WHR facility.

Aşkale Cement has initiated the legal processes for solar power plant (SPP) investments and is planning to start energy generation in 2025.

Electricity Generation from WHR (kWh)



Aşkale Cement carries out energy management activities in its cement factories. The Company operates in the framework of ISO 50001 Energy Management System (EnMS), which also implements the Energy Planning and Review Procedure. Through this procedure, energy consumption data are monitored, evaluated and analyzed within a continuous improvement cycle. It is aimed to enhance energy efficiency through monitoring by way of energy performance indicators (EPIs), and the energy savings potential is identified through systems integrated into production processes. The system is also structured to ensure compliance

with relevant legal regulations and environmental sustainability goals.

Activities undertaken in the EnMS framework include fundamental processes such as systematically collecting and analyzing energy consumption data, identifying key energy use areas, defining EPIs and energy baselines (EBLs). Through these processes, energy use is managed based on measurable, monitorable and evaluable parameters. With this structure, as documented at Gümüşhane and Trabzon facilities, energy management focuses not only on maintaining the current status but also on identifying

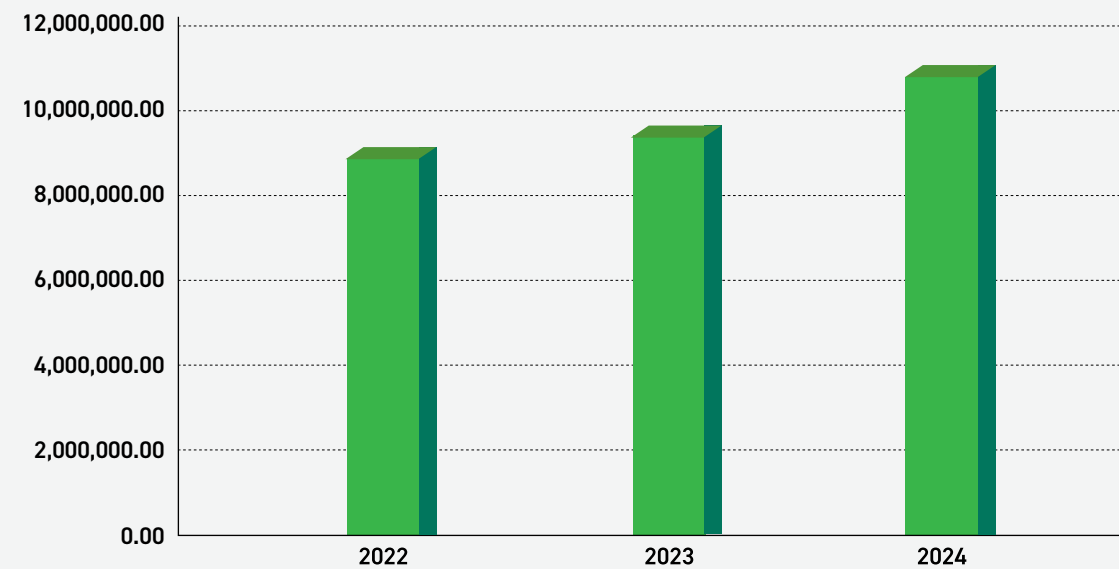
and implementing improvement opportunities to increase efficiency. Annual SWOT analyses, risk and opportunity assessments, target-performance comparisons and management review meetings are the primary tools that ensure system continuity and improvement.

I-REC International Renewable Energy Certificate was obtained for WHR system that recovered waste heat from the cement production line. Trabzon Clinker Grinding Plant is designed to be highly

energy efficient, achieving approximately 30% energy savings in the grinding process thanks to the combination of a roller press and a ball mill. To further reduce energy consumption per kWh/ton of cement, an energy saving of 4–5 kWh/ton is targeted by reducing the two-chamber mill to a single chamber.

In addition, heat recovery applications utilize waste heat from compressors to generate hot water and heating, thus reducing LNG consumption. This system was commissioned approximately two years ago.

Total Energy Consumption (GJ)



* Electricity consumption and total energy consumption data cover all cement factories and ready-mixed concrete plants.



Efforts to increase energy efficiency require continuous review of areas for improvement. Progress is being made in line with the targets defined within EnMS, and it is planned to develop medium-term reduction targets and integrate new technologies that will provide systematic savings.

Optimization efforts at Gümüşhane Cement Factory resulted in a 25% capacity increase at the vertical mill, and feasibility studies for the installation of an 11 MW ORC system is being carried out.

Energy management activities are undertaken beyond legal obligations based on the principles of reducing environmental impact, ensuring cost-effectiveness and efficient use of resources. In this context, it is aimed to reduce energy intensity and increase renewable energy use by 25%, with the aim of achieving more tangible savings in the future.

WATER MANAGEMENT

The effective use of water resources in cement production processes is of critical importance not only in terms of increasing operational efficiency but also of ensuring resource efficiency.

Aşkale Cement acts with a sense of responsibility towards minimizing water consumption and protecting water resources and integrates an

environmentally-friendly production approach into its water management processes.

Accordingly, practices aimed at increasing water efficiency in production activities were introduced and steps such as reducing water consumption, increasing recycling and controlling discharged water were systematically executed.

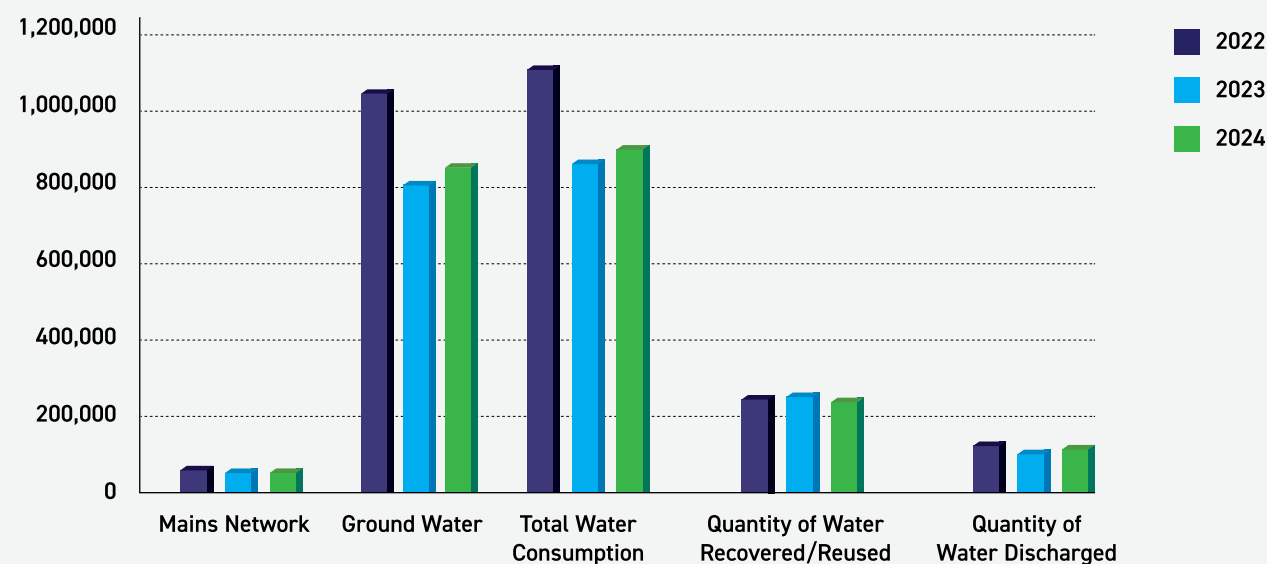
Water recycling and reuse both reduces environmental impacts and increases operational resource efficiency. In this context, activities to reintegrate water into production processes are continuously being developed, aiming to reduce pressure on natural water resources and reduce the water footprint.

In all facilities, surface rainwater is collected in a technologically advanced pool and used for dust suppression on the plant's roads. Wastewater is treated in an on-site treatment plant. In all facilities, surface water from the site is collected in pools and pumped into silos for use in the production process, where 80-90% recycled water is used.

In line with the approach of environmental sustainability, the protection of natural resources, as well as the allocation of a corporate budget to support these goals, is prioritized. Aşkale Cement regularly monitors and reports annually on expenditures to reduce, control and manage environmental impacts.

“Aşkale Cement acts with a sense of responsibility towards minimizing water consumption and protecting water resources and integrates an environmentally-friendly production approach into its water management processes.”

Water Consumption Data (m³)



* The data on water consumption from the mains network cover Trabzon, Gümüşhane and Erzincan Cement Factories.

All cement factories and ready-mixed concrete plants are included in the calculation of groundwater consumption and total water consumption.

Van and Erzincan Cement Factories are not included in the calculation of the amount of recovered/reused water.

Erzincan Cement Factory is not included in the calculation of the amount of discharged water.

WASTE MANAGEMENT

In line with the goal of maintaining the ecological balance and leaving a livable environment for future generations, ensuring sustainable waste management is recognized as a strategic priority on a global scale. In line with this awareness, Aşkale Cement aims to minimize waste generation and manage the resulting waste through environmentally sensitive and effective processes. In accordance with this approach, circular economy principles are integrated into the Company's processes, and the protection of natural resources is a priority.

In the context of sustainable waste management, systematic practices are in place to prevent waste generation, increase recycling and recovery activities, use alternative resources and reduce natural resource consumption. Hazardous and non-hazardous waste data are regularly recorded at Aşkale Cement. A Zero Waste Procedure is in place to protect natural resources, reduce waste at source, convert waste into products or energy and minimize the environmental impact of waste disposal. Further, an Industrial (Hazardous and Non-Hazardous) Waste Management Plan was created. Except for Van

Factory, all other cement factories possess waste incineration licenses. The facilities have a daily waste intake capacity of 70-80 tons, and approximately 4% of production comes from recycling. Trabzon Ready-Mixed Concrete and Chemical Plant possess a Zero Waste Certificate. Products are marketed as bagged cement and bulk cement. Bulk cement products are promoted to reduce packaging waste.

Materials such as non-hazardous metal, glass, plastic and packaging waste are recycled through collaboration with licensed recycling companies, ensuring that these wastes are reintegrated into the economy without harming the environment. Hazardous waste (waste oils, chemicals, electronic waste, etc.) is also managed through collaboration with licensed disposal and recovery companies. While disposal operations can be carried out on-site at facilities with a waste license, this service is carried out in collaboration with authorized institutions at facilities without a license. All these processes are carried out in full compliance with relevant legal regulations.

“Aşkale Cement aims to minimize waste generation and manage the resulting waste through environmentally sensitive and effective processes.”



RESPECT FOR HUMAN BEINGS

HUMAN RESOURCES APPROACH

At Aşkale Cement, human resources management is integrated with the Company's strategic objectives, aiming to maximize the effectiveness of employees' knowledge, skills and potential. This human-centered approach aims to increase both employee satisfaction and organizational efficiency.

The Company's Human Resources Policy is based on building a fair, equitable and participatory system in the framework of modern human resources practices. Recruitment, development, performance management and career planning processes are designed and implemented to align employees' knowledge, skills and competencies with the Company's requirements.



The human resources approach is based on a philosophy that:

Adheres to corporate governance principles,

Has internalized OHS culture,

Has accepted equality of opportunity as a fundamental principle,

Promotes grass-roots decision-making processes,

Adopts strategic human resources management.

All human resources practices are carried out in the framework of the Company's "Human Resources Regulation" and nine guidelines published under this regulation. Accordingly, employee performance evaluations are conducted systematically, and promotion and development processes are implemented in line with transparent and measurable criteria.

There is a clearly defined suggestion/complaint mechanism through which employees can submit their complaints and suggestions; and complaints, suggestions and opinions are collected by the Human Resources Department through regular field visits and employee interviews every three months.

Fair assessment is the basis of the recruitment processes; and internship programs are implemented to provide qualified young people with career opportunities. Aşkale Cement's goal is to attract successful interns to the Company, and employment opportunities are offered accordingly.

Aşkale Cement's human resources approach supports not only current employee satisfaction but also long-term talent management and sustainability of its corporate culture. It aims to develop the competencies of its employees and supports sustainable success by maximizing their potential. In this context, its human resources policies are designed to align individual development with corporate goals.

“Aşkale Cement’s human resources approach supports not only current employee satisfaction but also long-term talent management and sustainability of its corporate culture.”

DIVERSITY, EQUALITY AND INCLUSION

At Aşkale Cement, the principles of diversity and inclusion are among the cornerstones of the corporate culture, aiming to create a working environment where all employees have equal opportunities. To this end, a zero-tolerance approach is adopted to discrimination, both at policy level and in practice.

All Aşkale Cement's business processes and human resources practices are in compliance with international human rights norms, particularly the United Nations (UN) Universal Declaration of Human Rights (UDHR). Sustaining a work culture that prioritizes gender equality, equal opportunities, and respects human rights is adopted as a fundamental principle.

“At Aşkale Cement, the principles of diversity and inclusion are among the cornerstones of the corporate culture, aiming to create a working environment where all employees have equal opportunities.”

If any discrimination or inequality occurs at workplace, a swift and effective disciplinary process is implemented in accordance with the relevant provisions of the Human Resources Regulation. This

approach aims to protect employee rights and ensure a safe working environment.

It is a priority to increase the representation of women at all levels and employe individuals with disabilities in positions appropriate to their qualifications in line with corporate objectives. To this end, equal opportunity-based recruitment processes are in place, while efforts are underway to establish an inclusive corporate structure.

Considering the dynamics of the sector in which Aşkale Cement operates, it is aimed to build a corporate culture that strengthens employees' sense of belonging and promotes equality and participation. This supports not only individual performance but also organizational commitment and sustainable success.

As part of Aşkale Cement's [Diversity, Equality and Inclusion Policy](#), all employees are treated equally, regardless of gender, age, ethnicity, religion, language, disability, or similar differences. Recruitment, promotion, training, remuneration, and reward processes are based on merit and objective criteria. The employees are also provided with equal opportunities to develop their skills and achieve their career goals. Women's participation in the workforce and their representation in leadership positions is encouraged. There is zero tolerance for psychological and physical harassment and mobbing. Furthermore, an inclusive culture and leadership are promoted through regular training and awareness programs for employees and managers.



EMPLOYEE COMMITMENT

At Aşkale Cement, employee commitment is a strategic priority that encourages human resources policies, and care is taken to create a holistic working environment where all employees are supported physically, psychologically and socially. Practices are in place to regularly solicit employee feedback and expectations, boost job satisfaction and a sense of belonging.

The Company conducts field visits covering all locations every three months. During this process, employee satisfaction is assessed through one-on-one interviews and field observations. Findings are shared with senior management, and necessary improvement steps are planned. Furthermore, open communication channels are available to allow employees to directly communicate suggestions, requests and concerns. To maintain a fair, safe and inclusive working environment, forced labor and child labor practices are strictly prohibited, and union rights and freedom of collective bargaining are secured. A zero-tolerance policy against discrimination is adopted at workplace, and working hours, overtime regulations and occupational safety practices are implemented in accordance with SA 8000 Standard.

The remuneration policy is structured as a fair, transparent and performance-based framework. While the rights stipulated in collective bargaining

agreements apply to blue-collar employees, white-collar employees are compensated based on criteria such as job description, level of responsibility, financial indicators and individual performance. Furthermore, in accordance with the principle of performance-based fair remuneration, annual remuneration analyses are conducted, and differences between employees with the same position and level of responsibility are regularly monitored, and any deviations are addressed.

Increasing women's employment, particularly in technical positions in production processes, is a priority. Flexible working hours and compatible post-partum return opportunities are offered to support women's participation in the workforce for longer and more effectively. An egalitarian approach is adopted regarding the employment of employees with disabilities, and human resources practices are applied equally to all employees.

Employee benefits include meal and transportation support, supplemental health insurance, four bonuses annually and various social benefits. These programs support employees' work-life balance. Furthermore, care is taken to ensure that employees are assigned work outside of working hours only when absolutely necessary.

Aşkale Academy is a comprehensive, next-generation education platform developed with the resources of Aşkale Cement, supported by artificial intelligence. It offers both general education accessible to everyone and in-house training programs specifically for employees. The platform contains over 1,000 educational videos organized into modules and schools according to different areas of expertise. The learning experience is enhanced with 3D modeling and simulations. The platform provides content across a wide range of areas, from technical training to human resources, OHS and personal development. Aşkale Academy adopts innovative learning methods as an important part of digital transformation in the industry. Its user-friendly interface ensures that all users can easily adapt to the platform. This platform aims to create a strong corporate learning ecosystem that contributes to the Company's sustainable growth goals.

To support the personal and professional development of employees, a training budget of 6.9 million TL was allocated for 2025; a comprehensive training plan was prepared focusing on technical, professional, personal development and management training.

Disciplinary provisions are clearly defined under the Human Resources Regulation to prevent violence and harassment at workplace; the necessary mechanisms are in place to prevent potential inappropriate behavior.

The Optimum Staffing Application is activated when workforce downsizing is necessary; mass layoffs are avoided; and staffing needs are balanced with constantly updated plans.

In the context of labor union rights and freedom of association, the Company is a member of the Turkish Cement Industry Employers' Union (ÇEİS) and 55% of its employees are employed as union members under the collective bargaining agreement executed with the Türkiye Cement, Glass, Ceramic and Clay Workers' Union.



OCCUPATIONAL HEALTH AND SAFETY

OHS involves practices to prevent health risks that may arise from the working environment in order to ensure that employees work in the best possible physical, mental and social conditions and to make this situation sustainable.

All employees and stakeholders, whose lives Aşkale Cement touches, have always been at the core of the Company since founding. OHS is considered a cultural transformation that goes beyond mere informational activities. Initiated with the slogan “Together for Life”, this transformation encompasses numerous cautionary, informative and preventative measures to support the health and safety of employees, subcontractors, part-time and temporary service providers, customers and visitors.

At Aşkale Cement's factories and plants, OHS Policy is fully implemented across all operations, ensuring the health and safety of employees at the highest level. All employees are responsible for their own safety and those of their colleagues and are fully complied with the duties, powers and responsibilities assigned under the supervision of site managers. OHS rules are mandatory and non-compliance is not tolerated. The development and continuous improvement of the OHS culture is ensured by consulting with employees, suppliers and relevant parties. Training and information activities are conducted to increase awareness and competence. Compliance with legislation and standards at facilities is ensured



THREE AWARDS FOR OCCUPATIONAL HEALTH AND SAFETY PROJECTS



AŞKALE
Those Who Add Value to
OHS Through Training
and Development



KAVÇİM
OHS Ambassadors



VAN
Those Who Add Value to
Health

by identifying potential situations of accidents and managing risks and by ensuring safe working conditions. Furthermore, by creating, updating and sharing documented information within the OHS management system, the suitability, adequacy and effectiveness of the system are regularly reviewed and continuously improved.

The Company's OHS practices comply with national and international standards. Aşkale, Gümüşhane and Van factories possess ISO 45001 Occupational Health and Safety Management System Certificate. This certification demonstrates not only that legal compliance has been achieved but also that a proactive OHS approach has been adopted with a risk-based approach. The system aims to identify hazards in advance, analyze and eliminate risks, implement a continuous improvement cycle and strengthen employee engagement.

The units responsible for OHS activities are structured in accordance with relevant regulations; field inspections, risk assessments and training activities are regularly conducted by specialized teams at

each location. Furthermore, training, guidance and auditing processes are systematically executed to ensure full compliance with OHS regulations for subcontractors and suppliers. Suppliers' employees are provided with pre-employment briefings through daily “toolbox” meetings, ensuring constant awareness.

OHS training for employees goes beyond legal obligations and includes job-specific training and awareness programs focusing on behavioral change. Comprehensive OHS training is provided to new recruits during the induction process, while existing employees are provided with regularly updated training content to refresh their knowledge.

With this holistic approach, Aşkale Cement not only provides a safe working environment but also fosters a corporate culture where all employees take responsibility for OHS. Executing the processes in collaboration with all stakeholders plays a crucial role in preventing workplace accidents and occupational diseases.



OHS Children's Activities

In June 2024, OHS Children's Activities were organized for the children of employees at all cement factories within Aşkale Cement. This initiative, first launched at Gümüşhane Cement Factory, was expanded to all factories after yielding successful results. As part of the event, children of employees visited the factories, safe and entertaining content was used to instill basic OHS awareness in children. The importance of personal protective equipment was conveyed through visual materials and interactive presentations, fostering OHS awareness at an early age. This activity aimed to instill a culture of OHS in family members.

“Initiated with the slogan “Together for Life”, this transformation encompasses numerous cautionary, informative and preventative measures to support the health and safety of employees, subcontractors, part-time and temporary service providers, customers and visitors.”

OHS Knowledge Contest

As part of Occupational Health and Safety Week, celebrated from May 4–10 in 2024, OHS-themed knowledge contests were held at Aşkale Cement's cement factories. Teams formed in the factories participated in the contests, and the winner from each factory competed in the finals. The contests not only updated employees' OHS knowledge but also strengthened their commitment to a culture of OHS. The representative from Kavçim Cement Factory took first place. Throughout the events, all employees were encouraged to participate, and knowledge sharing and learning were supported in a competitive environment.

Accident-Free Workday Celebration

Thanks to the dedicated and careful work of its employees, Van Cement Factory successfully completed 365 days without an accident. For the year 2025, a target of 365 accident-free days has been set, with a commitment to celebrate the 730th day. At an event organized to commemorate this significant achievement, employees and managers gathered to celebrate the awareness and achievements in OHS. Motivational speeches on OHS were delivered during the event, emphasizing the sustainability of the zero-accident goal. The celebration encouraged the internalization of an OHS culture and strengthened team solidarity and organizational commitment.

RESPECT FOR SOCIETY

STAKEHOLDER ENGAGEMENT

Aşkale Cement prioritizes not only generating economic value in all areas of its operations but also managing its relations with society with a sustainable sense of responsibility. To this end, it adopted a transparent and accountable communication structure responsive to the expectations of internal and external stakeholders.

In line with Aşkale Cement's Stakeholder Engagement Plan, a comprehensive complaint mechanism was introduced, encompassing both internal and external stakeholders. This mechanism, which ensures that all stakeholder complaints and suggestions are managed in a traceable manner, aims to strengthen stakeholder engagement. The external stakeholder complaint mechanism systematically collects feedback from external stakeholders, aiming to both enhance customer satisfaction and mitigate potential reputational risks. The internal stakeholder complaint mechanism aims to maintain a peaceful workplace, strengthen internal communication and increase operational efficiency.





The Human Resources Department pays regular quarterly visits to all locations to strengthen communication with internal stakeholders. During such visits, one-on-one interviews are conducted with employees, findings supported by field observations are analyzed, and reports are prepared and presented to senior management. Actions are quickly implemented to address emerging needs.

The Company does not restrict its responsibility to society to its operational activities but also prioritizes the privacy and data protection of individuals. In this context, the [Personal Data Protection and Processing](#)

[Policy](#) is in effect, and the personal data of employees, customers and business partners are processed and protected in accordance with legislation and ethical principles.

As a company that aims to establish trust-based relations with all its stakeholders, Aşkale Cement continues to diversify and develop its communication channels in order to strengthen its interaction with society and build a corporate culture based on the principle of transparency.

Stakeholder Engagement		
Stakeholders	Method of Interaction	Frequency
Employees	E-mails, phone calls, face-to-face meetings	Continuous
	Meetings and training events	Annual Training Plan
	Digital communication tools	Continuous
	Digital training programs	Continuous
	Employee satisfaction surveys	N/A
	Employee-specific events	Once or twice a year
	Committee meetings	Once a month (OHS Committee)
	Announcements and notices	Continuous
	In-house publications	Continuous
Customers	Customer satisfaction surveys	Once a year
	E-mails, phone calls, face-to-face meetings	Continuous
	Customer visits and meetings	Continuous
	Exhibitions, conferences, fairs	Within a plan
	Website	Continuous
	News	
	Social media	Continuous
	Request/complaint sites	Continuous
Suppliers	E-mails, phone calls, face-to-face meetings	Continuous
	Meetings	Continuous
Public Agencies and Regulatory Agencies	Periodic reporting	Continuous
Financial Institutions	Meetings and conferences	Within a plan
	E-mails, phone calls, face-to-face meetings	Continuous
	Audits	Within a plan



SUSTAINABLE SUPPLY CHAIN

Aşkale Cement manages supply chain processes not only with consideration for cost, speed and quality, but also for environmental and social impacts. The Company's approach to supplier relations relies on ensuring the efficient use of resources and developing sustainable collaborations with business partners.

A minimum of three bids is required during the supplier selection process, and these bids are objectively evaluated based on key performance criteria such as price, delivery time, quality and shipping conditions. This evaluation process ensures that procurement decisions are made systematically and transparently. While social performance criteria are not directly applied to supplier selection, all suppliers are expected to comply with legal obligations under the Occupational Health and Safety Specifications, and these requirements are communicated to them in writing. This aims to ensure that basic standards, particularly in the area of OHS, are met.

Supplier activities are monitored not only during the selection phase but also throughout the collaboration

process. Raw material suppliers are evaluated monthly for technical conformity and compliance with environmental and OHS regulations. Potential risks are identified early and necessary actions are taken. This practice aims to contribute to the holistic sustainability performance of the supply chain.

The Company's logistics activities also prioritize environmental sustainability, and suitable raw materials are transported via railways. Furthermore, vehicle tracking systems integrated into company vehicles monitor routes. The periodic route adjustments reduce fuel consumption and increase operational efficiency. The route planning and two-way transportation practices are among its priority logistics strategies.

Working with local suppliers is prioritized in the framework of corporate policies, thus aiming to support the local economy.

CUSTOMER SATISFACTION

Customer satisfaction, one of the most important components of corporate sustainability, is considered a cornerstone of the Company's quality approach. In this context, the Company aims to meet customer expectations at the highest level through practices implemented in the framework of ISO 9001 Quality Management System. Customer expectations are not only met; perceptions of these needs are also regularly measured, and the resulting data are systematically evaluated to contribute to process improvements.

Customer Complaint Management System, built using IT infrastructure, was introduced to record and

effectively manage customer feedback. All written and verbal complaints submitted through sales and marketing departments are collected in this system, and relevant feedback is categorized and evaluated by specific criteria. This ensures timely and satisfactory customer feedback, operating a cycle of improving service quality.

The following table depicts the data on the number of customer complaints submitted, responded to and resolved by the Customer Communication Center covering cement and ready-mixed concrete plants.

Customer Complaints	Cement Factories			Ready-Mixed Concrete Plants		
	2022	2023	2024	2022	2023	2024
Number of complaints communicated to the Customer Communication Center	78	144	52	13	24	24
Number of complaints responded to by the Customer Communication Center	78	144	52	13	24	24
Number of complaints resolved by the Customer Communication Center	78	144	52	13	24	24

Customer complaints submitted to the Customer Communication Center at all facilities were fully addressed and resolved. In 2024, customer

complaints received at cement factories decreased by 64%, while the number of complaints at ready-mixed concrete plants remained stable.

“Customer expectations are not only met; perceptions of these needs are also regularly measured, and the resulting data are systematically evaluated to contribute to process improvements.”

CORPORATE SOCIAL BENEFIT

Aşkale Cement, with its CSR approach, aims to raise awareness in education and social areas for a modern and developing Türkiye and reach a larger audience. By bringing together the collective potential of its employees, dealers and suppliers, it aims to create solutions to social issues and develop effective programs. This approach focuses not only on business processes but also on providing overall benefits to society and the world.

Aşkale Cement's past CSR activities are listed below:

-  Engaging in joint assistance activities by cooperating with local governments in regions where factories and plants are located,
-  Making available the machinery, maintenance and repair units and experienced employees of Aşkale Cement to the public taking into account the requests of local governments,
-  Providing support to requests for assistance from educational institutions as much within means as possible,
-  Construction of a girls' dormitory with a capacity of 200 students to support the education of girls,
-  Providing scholarships to the children of former and deceased employees of Aşkale Cement,
-  Contributing to fairs, festivals by opening stands etc., and various cultural events and supporting social solidarity and integration,
-  Providing support for all amateur and professional athletes and for sports in regions where factories and plants are located.



DIGITALIZATION AND INNOVATION

Digitalization is considered a key element that leverages all Aşkale Cement's operational processes. Accordingly, digital transformation is embraced not only as a technological imperative but also a strategic priority. Digital solutions are actively employed to increase operational efficiency, optimize processes, enhance customer experience and create new areas of value.

Applications such as ERP, Company Portal, Cloud technologies, CRM and BPM are widely employed to enable digital integration across the Company. By migrating business processes to the digital environment, paper consumption is minimized, particularly through transactions conducted through applications such as e-ledger, e-invoice, e-delivery note and e-archive. Payments are integrated with banking systems, and digital transformation is accelerated through specialized applications implemented on ERP systems.



“Digitalization is not limited to simply accelerating business processes; it is also seen as an approach that shapes the future by adapting to the requirements of the age.”

This transformation process is shaped by a sense of environmental responsibility. The Company implements concrete reduction strategies in line with its zero-paper target; the amount of paper produced by printers is reported, and employees are encouraged to act responsibly to minimize paper consumption. As printers are owned by the Company, processes are controlled at corporate level.

Information security and cyber-security are considered cornerstones of the digitalization process, and the operations are conducted in accordance with the principles of compliance with international standards and continuous improvement in these areas. Digital infrastructure is being updated and strengthened as part of cyber-security, data protection and projects for compliance with Law No. 6698 on Protection of Personal Data (LPPD).

The system infrastructure which is free from unauthorized access was modernized in 2024, and proactive threat prevention systems were installed. Detailed internal assessments conducted throughout the year confirmed that the current security level

was high, and the roadmap was updated based on continuous improvement.

At Aşkale Cement, all operational and production data are consolidated centrally. And analyses are conducted using SAP and spread-based (e.g., excel) systems. After-sales services, quality control, and technical analysis processes are monitored through weekly meetings, and shipment samples are retained for 90 days.

At Gümüşhane Cement Factory, automatic reporting systems are being developed via SAP; data measurement and collection activities are being carried out under Regulation on the Monitoring and Reporting of GHG Emissions- Monitoring and Reporting (M&R) of Greenhouse Gas Emissions.

Digitalization is not limited to simply accelerating business processes; it is also seen as an approach that shapes the future by adapting to the requirements of the age. In line with this approach, innovative practices are pioneered, and the Company’s leadership vision in digital transformation is reinforced.



ANNEXES

POLICIES

-  [Environmental Policy](#)
-  [Energy Policy](#)
-  [Diversity, Equality and Inclusion Policy](#)
-  [Digitalization Policy](#)
-  [Combating Climate Change Policy](#)
-  [Human Resources Policy](#)
-  [OHS Policy](#)
-  [Quality Policy](#)
-  [Personal Data Protection and Processing Policy](#)
-  [Corporate Social Responsibility Policy](#)
-  [Anti-Corruption Policy](#)
-  [Water Management Policy](#)
-  [Sustainability Policy](#)
-  [Supply Chain Policy](#)



CERTIFICATIONS

Certifications	Aşkale	Gümüşhane	Van	Kavçim	Trabzon	Erzincan
ISO 9001:2015 Quality Management System	X	X	X	X		
ISO 14001:2015 Environmental Management System	X		X	X		
ISO 45001:2018 Occupational Health and Safety (OHS) Management System	X	X	X			
ISO 50001:2018 Energy Management System	X	X	X	X	X	
CEM I 42,5 R	X	X	X	X	X	
CEM I 42,5 R-SR5		X				
CEM I 52,5 N				X		
CEM II/A-M(P-LL) 42,5 R						
CEM II/A-L 42,5 R	X	X		X	X	
CEM II/A-LL 42,5 R			X			
CEM II/B-LL 32,5 R			X			
CEM IV/B(P) 32,5 R		X			X	
CEM IV/B(P) 32,5 R-SR	X			X		
MC 12,5 Mortar Cement TS EN 413-1:2011			X			
TS EN 197-5:2021 CEM II / C- M (P-L) 32,5 R Portland Composite Cement				X		
ASTM C150 Type I Portland Cement				X		
ASTM 595 Type IL (10) Portland-Limestone Cement				X		

ENVIRONMENTAL PERFORMANCE INDICATORS

Emission Data* (tCO ₂ e)			
Scope	2022	2023	2024
Scope 1	2,731,116.73	3,071,561.67	3,277,741.00

*Data include all cement factories excluding Erzincan and Trabzon.

Waste Data* (ton)	Cement Factories			Ready-Mixed Concrete Plants		
	2022	2023	2024	2022	2023	2024
Quantity of hazardous waste	14.59	18.42	19.93	10.35	1.90	0.85
Quantity of non-hazardous waste	3,118.99	410.37	592.20			
Total	3,133.57	428.79	612.13	10.35	1.90	0.85

Quantity of Waste Recovered* (ton)			
Types of Waste Recovered	2022	2023	2024
Paper/Cardboard	6.48	7.22	9.53
Plastics	1.23	27.26	18.96
Wood	20.55	19.95	23.45
Metal	39.13	355.95	549.55
Other	5.56	0.42	0.16
Total	72.95	410.8	601.65

* Data only cover only data for cement factories.

Water Consumption Data* (m³)	Cement Factories			Ready-Mixed Concrete Plants		
	2022	2023	2024	2022	2023	2024
Mains network	59,164	53,639	53,153	0	0	0
Ground water	931,078	715,411	706,384	122,413	96,239	147,855
Total water consumption	990,242	769,050	759,537	122,413	96,239	147,855
Quantity of water recovered/reused	60,392	66,462	52,614	189,357	189,357	189,357
Quantity of water discharged	107,550	87,626	102,611	18,288	18,288	18,288

* Data on water consumption from the mains network cover Trabzon, Gümüşhane and Erzincan Cement Factories.

All cement factories excluding Van and Erzincan Cement Factories are included in the calculation of the quantity of water recovered/reused.

All cement factories excluding Erzincan Cement Production Plant are included in the calculation of the quantity of water discharged.

Energy Consumption Data*	Cement Factories			Ready-Mixed Concrete Plants		
	2022	2023	2024	2022	2023	2024
Electricity consumption (kWh)	306,975,445.21	360,547,065.00	372,357,991.75	805,471	1,227,388	1,112,487
Total Energy consumption (GJ)	8,988,803	9,525,351	10,887,121	2,900	4,419	4,005

*Electricity consumption and total energy consumption data cover all cement factories and ready-mixed concrete plants.

Environmental Expenditures (TL)	Cement Factories			Ready-Mixed Concrete Plants		
	2022	2023	2024	2022	2023	2024
Budget earmarked for environmental obligations	2,133,310.00	4,527,256.00	10,153,500.00	190,300.00	445,500.00	856,000.00
Amount of environmental expenditures (expenditures for preventing, mitigating, controlling, disposing, treating environmental impacts and hazards, sanitation and cleaning)	4,592,781.53	4,145,125.28	7,767,055.43	126,000.00	292,500.00	616,000.00
Environmental fines imposed	312,855.00	457,559.00	3,368,155.00	0.00	0.00	0.00

SOCIAL PERFORMANCE INDICATORS

Shareholding*	
Shareholders	Share (%)
Erçimsan Holding A.Ş.	99.99
Board of Directors	0.01

*Includes cement factories and ready-mixed concrete plants.

Workforce Data*				
Total Number of Employees		2022	2023	2024
		1,090	899	877
Direct Employment				
Female	Blue collar	6	1	1
	White collar	22	26	26
Male	Blue collar	854	683	634
	White collar	208	189	216
Subcontractors' Employees				
Female	Blue collar	8	10	12
	White collar	0	0	0
Male	Blue collar	309	289	328
	White collar	0	0	0

Workforce by Contract Type			
	2022	2023	2024
Indefinite-Term Employment Contract			
Female	28	26	27
Male	1,062	872	849
Temporary Employment Contract			
Female	0	1	0
Male	0	0	1

Workforce by Educational Attainment			
	2022	2023	2024
No diploma	1	1	1
Primary education	213	146	131
Highschool	601	497	476
Associate degree and above	275	255	269

Workforce by Age Groups			
	2022	2023	2024
Female			
18-30	3	6	5
30-45	16	18	20
45+	9	3	2
Male			
18-30	104	86	84
30-45	690	569	555
45+	268	217	211

Top Management			
	2022	2023	2024
Female			
18-30	0	0	0
30-45	0	0	0
45+	0	0	0
Male			
18-30	0	0	0
30-45	7	4	5
45+	10	12	13
Management			
	2022	2023	2024
Female			
18-30	0	0	0
30-45	2	2	1
45+	2	1	0
Male			
18-30	1	0	1
30-45	18	14	10
45+	7	7	9
Middle-Management			
	2022	2023	2024
Female			
18-30	0	0	0
30-45	6	3	7
45+	1	0	1
Male			
18-30	3	1	1
30-45	33	34	30
45+	13	9	14

Number of New Recruits			
	2022	2023	2024
Female	6	11	6
Male	80	249	151
Number of Job Leavers			
	2022	2023	2024
Female	21	5	8
Male	322	312	167
Workforce Turnover Rate (%)			
	2022	2023	2024
Female	1.89	0.55	0.90
Male	22.80	25.76	16.00
Other Workforce Data			
	2022	2023	2024
Ratio of voluntary job leavers (who quit on own will for various reasons) to total number of employees (%)	4.30	4.46	5.09
Ratio of involuntary job leavers (retirement, death, incapacity to work, dismissal, end of contract, termination by employer) to total number of employees (%)	21.24	23.42	12.74
Number of employees who took maternity leave	0	1	2
Number of employees who returned from maternity leave	0	0	3
Number of employees who returned from maternity leave and did not leave job for 12 months	0	0	1

Number of Employees with Disabilities			
	2022	2023	2024
Female	2	2	2
Male	30	29	28
Workforce under Collective Agreement			
	2022	2023	2024
Direct Employment	675	527	487
Employee Training - Number of Trainees			
	2022	2023	2024
Female	Blue collar	0	0
	White collar	19	11
Male	Blue collar	135	45
	White collar	103	73
Employee Training - Total Time (person*hour)			
	2022	2023	2024
Female	Blue collar	272.47	55.53
	White collar	999.06	1,443.87
Male	Blue collar	38,781.56	37,929.27
	White collar	9,445.63	10,495.80

*Workforce data cover all cement factories and ready-mixed concrete plants.

OHS Data*	Cement Factories			Ready-Mixed Concrete Plants		
	2022	2023	2024	2022	2023	2024
Total number of people trained in OHS	1,052	996	985	297	268	256
Total OHS training (hours)	7,837.2	11,769.3	5,771	19.39	22.27	16.24
Number of accidents	24	22	27	3	1	1
Number of fatal accidents	0	0	0	0	0	0
Lost day rate due to accidents	0.182	0.218	0.165	0.148	0.00539	0.0126
Absenteeism rate due to accidents	0.145%	0.174%	0.132%	0.118%	0.0043%	0.0101%
Accident frequency rate	11.2	9.4	9.8	2.13	1.12	1.10
Accident severity rate	0.2	0.2	0.2	0.1	0.1	0.1
Number of occupational diseases	0	0	1	0	0	0
Total number of injuries causing at least one lost workday per one million hours worked	6.92	5.57	4.98	1.44	1.80	1.8

* OHS data cover all cement factories and ready-mixed concrete plants.

Taxes-Sales* (TL)			
	2022	2023	2024
Net sales revenues	3,006,476,180	4,858,824,331	7,689,304,532
Operating costs (incl. supply)	2,422,638,471	3,128,066,569	4,737,050,907
Wages and benefits to employees	167,019,666	424,454,669	687,688,898
Dividends to shareholders	0	0	0
Taxes to government	102,123,596	304,100,778	639,443,874
• Value-added tax	78,868,540	255,986,853	546,815,207
• Stamp duty	8,068	1,568,480	625,849
• Summary	23,246,988	46,545,445	92,002,818
• Temporary	0	0	0
• Corporate tax	0	0	0

*Data cover all cement factories and ready-mixed concrete plants.

Corporate Social Responsibility *(TL)			
	2022	2023	2024
Total expenditures on social responsibility projects and social investments (projects, donation, sponsorship etc.)	848,185	1,820,359	2,071,235
Total assistance excluding donations	180,444	378,165	745,591

*CSR data cover cement factories and ready-mixed concrete plants.

Supply Chain*	Cement Factories						Ready-Mixed Concrete Plants					
	2022		2023		2024		2022		2023		2024	
Total number of suppliers	Local	Foreign	Local	Foreign	Local	Foreign	Local	Foreign	Local	Foreign	Local	Foreign
	666	677	624	563	755	678	666	677	624	563	755	678
	1,343		1,187		1,433		1,343		1,187		1,433	
Ratio of local suppliers (%)	49.6		52.6		52.7		49.6		52.6		52.7	

*Data cover all cement factories and ready-mixed concrete plants.



GRI CONTENT INDEX

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
GRI 1: Foundation 2021			
Aşkale Cement has reported the information cited in this GRI content index for the period of January-December 2024 with reference to the GRI Standards.			
GRI 2: General Disclosures 2021			
GRI 2: General Disclosures 2021	2-1 Organizational details	Corporate Governance Approach, p.18-19 Organizational Structure, p.22-23	-
	2-2 Entities included in the organization's sustainability reporting	Corporate Profile, p.10-11 Affiliates and Subsidiaries, p.14	-
	2-3 Reporting period, frequency and contact point	About the Report, p.4-5	-
	2-4 Restatements of information	All information in the report has been arranged to cover the year 2024.	-
	2-5 External assurance	Risk Management, p.26-27	-
	2-6 Activities, value chain and other business relationships	Major Domains of Activity, p.15-17	-
	2-7 Employees	Corporate Governance Approach, p.18-19 Organizational Structure, p.22-23 Human Resources Approach, p.68-70	-
	2-8 Workers who are not employees	Strategy, p.41-47 Occupational Health and Safety, p.74-75	-
	2-9 Governance structure and composition	Corporate Governance Approach, p.18-19 Sustainability Governance, p.32-35	-
	2-10 Nomination and selection of the highest governance body	Privacy Restrictions Aşkale Cement does not publicly share this information in accordance with its privacy policies.	-
	2-11 Chair of the highest governance body	Corporate Governance Approach, p.18-19	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Approach, p.18-19	-
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Approach, p.18-19	-
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Approach, p.18-19	-
	2-15 Processes preventing conflicts of interest	Ethics and Compliance, p.24-25	-
	2-16 Process of communicating critical concerns to the highest governance body	Internal Audit, p.28-29 Risk Management, p.26-27	-
	2-17 Competencies of the highest governance body	Privacy Restrictions Aşkale Cement does not publicly share this information in accordance with its privacy policies.	-
	2-18 Evaluation of the performance of the highest governance body	Privacy Restrictions Aşkale Cement does not publicly share this information in accordance with its privacy policies.	-
	2-19 Remuneration policies	Employee Commitment, p.72-73	-
	2-20 Process to determine remuneration	Employee Commitment, p.72-73	-
	2-21 Annual total compensation ratio	Privacy Restrictions Aşkale Cement does not publicly share this information in accordance with its privacy policies.	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Sustainability Approach, p.30-31 Material Topics, s.38-40 Strategy, p.42-45	-
	2-23 Policy commitments	Policies, p.92-93	-
	2-24 Embedding policy commitments	Ethics and Compliance, p.24-25 Risk Management, p.26-27	-
	2-25 Processes to remediate negative impacts	Combating Climate Change, p.56-59 Energy Management and Efficiency, p.60-63 Water Management, p.64-65 Waste Management, p.66-67	-
	2-26 Mechanisms for seeking advice and raising concerns about ethical and lawful behavior	Ethics and Compliance, p.24-25	-
	2-27 Compliance with laws and regulations	Ethics and Compliance, p.24-25 Material Topics, p.36-40 Strategy, p.41-47 Sustainable Supply Chain, p.82-83	-
	2-28 Membership associations	Sustainability Governance, p.34-35	-
	2-29 Stakeholder engagement	Stakeholder Engagement, p.78-81	-
	2-30 Rates of employees subject to collective bargaining agreements	Employee Commitment, p.72-73	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
GRI 3: Material Topics 2021			
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics, p.36-37	-
	3-2 List of material topics	Material Topics, p.36-40 • Energy Efficiency, Use of Renewable Energy and Alternative Fuels • R&D and Innovation • Sustainable Economic Performance • Sustainable Products and Services • Combating Climate Crisis and Reducing Carbon Emissions • Occupational Health and Safety • Customer Experience and Satisfaction • Digital Transformation • Responsible Environmental Management • Responsible Supply Chain Management • Biodiversity and Land Use • Ethics and Compliance • Corporate Social Responsibility and Stakeholder Engagement • Diversity, Equality and Inclusion • Corporate Governance • Circular Economy and Resource Efficiency • Employee Experience, Development and Commitment	-
	3-3 Management of material topic	Material Topics, p.36-40	-
	Sustainable Product and Services		
GRI 3: Material Topics 2021	3-3 Management of material topic	Major Domains of Activity, p.15-17	-

GRI Standard	Disclosure	Page numbers, descriptions and/or URL	Exclusions
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topic	Occupational Health and Safety, p.74-77	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, p.74-75	-
	403-2 Hazard identification, risk assessment and incident investigation	Social Performance Indicators, p.103	-
	403-3 Occupational health services	Occupational Health and Safety, p.74-75	-
	403-4 Worker participation, consultation and communication on occupational health and safety	Occupational Health and Safety, p.74-77	-
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, p.74-75	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p.74-77	-
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, p.74-77	-
	403-9 Work-related injuries	Occupational Health and Safety, p.74-75	-
	403-10 Work-related ill health	Occupational Health and Safety, p.74-75	-

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Combating Climate Crisis and Reducing Carbon Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topic	Sustainability Approach, p.30-31 Strategy, p.41-49 Combating Climate Change, p.56-59	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Strategy, p.48-49 Combating Climate Change, p.58-59	-
	305-2 Energy indirect (Scope 2) GHG emissions	Strategy, p.48-49 Combating Climate Change, p.58-59	-
	305-3 Other indirect (Scope 3) GHG emissions	Strategy, p.48-49 Combating Climate Change, p.58-59	-
	305-4 GHG emissions intensity	Strategy, p.41-49 Combating Climate Change, p.58-59	-
	305-5 Reduction of GHG emissions	Strategy, p.41-49 Combating Climate Change, p.56-59	-
Employee Experience, Development and Corporate Loyalty			
GRI 3: Material Topics 2021	3-3 Management of material topic	Human Resources Approach, p.68-70 Employee Commitment, p.72-73	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social Performance Indicators, p.102	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Commitment, p.72-73 Strategy, p.46-47	-
Customer Satisfaction and Experience			
GRI 3: Material Topics 2021	3-3 Management of material topic	Customer Satisfaction, p.84-85	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Digitalization and Innovation, p.90-91	-

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Responsible Environmental Management			
GRI 3: Material Topics 2021	3-3 Management of material topic	Combating Climate Change, p.56-59 Energy Management and Efficiency, p.60-63 Water Management, p.64-65 Waste Management, p.66-67	-
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, p.64-65	-
	303-2 Management of water discharge-related impacts	Water Management, p.64-65	-
	303-3 Water withdrawal	Water Management, p.64-65 Environmental Performance Indicators, p.96	-
	303-4 Water discharge	Water Management, p.64-65 Environmental Performance Indicators, p.96	-
	303-5 Water consumption	Water Management, p.64-65 Environmental Performance Indicators, p.96	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, p.66-67	-
	306-2 Management of significant waste-related impacts	Waste Management, p.66-67	-
	306-3 Waste generated	Waste Management, p.66-67 Environmental Performance Indicators, p.95	-
	306-4 Waste diverted from disposal	Waste Management, p.66-67 Environmental Performance Indicators, p.95	-
	306-5 Waste directed to disposal	Waste Management, p.66-67 Environmental Performance Indicators, p.95	-
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Energy Efficiency, Use of Renewable Energy and Alternative Fuels			
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GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management and Efficiency, p.60-63 Environmental Performance Indicators, p.96	-
	302-3 Energy intensity	Energy Management and Efficiency, p.60-63 Environmental Performance Indicators, p.96	-
	302-4 Reduction of energy consumption	Energy Management and Efficiency, p.60-63 Environmental Performance Indicators, p.96	-
	302-5 Reductions in energy requirements of products and services	Energy Management and Efficiency, p.60-63	-
Sustainable Economic Performance			
GRI 3: Material Topics 2021	3-3 Management of material topic	Strategy, p.38	-
Digital Transformation			
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Circular Economy and Resource Efficiency			
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Diversity, Equality and Inclusion			
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Commitment, p.72-73	-
	405-2 Ratio of basic salary and remuneration of women to men	Privacy Restrictions Aşkale Cement does not publicly share this information in accordance with its privacy policies.	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Ethics and Compliance, p.24-25 Diversity, Equality and Inclusion, p.71	-
Sustainable Supply Chain Management			
GRI 3: Material Topics 2021	3-3 Management of material topic	Sustainable Supply Chain, p.82-83	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain, p.82-83	-
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Corporate Social Responsibility and Stakeholder Engagement			
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