

Çimsa Çimento Sanayi ve Ticaret A.Ş. & Afyon Çimento Sanayi Türk A.Ş.
EQUALITY, DIVERSITY AND INCLUSION POLICY

1. PURPOSE AND SCOPE

Making equality, diversity, and inclusion a crucial element in business life and developing and promoting practices in this regard is a part of Çimento Sanayi ve Ticaret A.Ş. & Afyon Çimento Sanayi Türk A.Ş.'s ("the Company") business culture. Among the building blocks of this culture are equality, diversity, fairness, inclusion, a safe working environment, and rejecting any kind of violence and harassment. Observing the principle of "[Equality at Work](#)", the Company offers equal opportunities to both its male and female employees, aiming at ensuring gender equality, fighting patterns and prejudices of sexism, and preventing all kinds of discrimination.

With this Equality, Diversity and Inclusion Policy ("the Policy"), the Company aims to:

- first of all, work for Goal 5 (Gender Equality), Goal 8 (Decent Work and Economic Growth), and Goal 10 (Reduced Inequality) of the [Sustainable Development Goals](#), contributing to the creation of a more socially inclusive world by providing fairer and more equal working environments for everyone, particularly its employees,
- create a fair, egalitarian, and inclusive workforce and in this way improve creativity by allowing employees to use their unique talents and differences in the workplace and to offer different perspectives, resolve problems in a much easier way and contribute to sustainability,
- attract people who do their job best from all segments of society to the workforce and retain existing talents.

This Policy shall enter into force with the approval of the board of directors as of the date of publication and its validity period shall continue as long as the Policy remains in effect.

In case of a conflict between the provisions of the Collective Bargaining Agreement and this policy, the provisions of the Collective Bargaining Agreement shall apply for the employees covered by the agreement.

2. DEFINITIONS AND ABBREVIATIONS

Equality: Equality involves individuals having equal opportunities to manifest their opinions and talents in the best way and to contribute to their societies. It also concerns the belief that nobody should have lower living standards because of where they were born, where they came from, what they believe in, or whether they have a disability or not.

Diversity: Diversity, in general terms, refers to all differences individuals have. Anything that makes individuals unique constitutes a part of the definition of diversity.

Inclusion: Inclusion in the workplace refers to the inclusion, recognition, and dignification of all people in the workplace, regardless of their difference and their social identity.

Inclusion concerns bringing together and making use of the strength and resources derived from the diversity of the individuals in a beneficial way. Inclusion brings the concept and practice of diversity into life by creating an environment of engagement, respect, and attachment where ideas, backgrounds, and perspectives are used to create business value. Organizations need both diversity and inclusion to be successful.

Chief Diversity & Inclusion Officer (CDIO): CDIO is the title given to a representative who leads the company on the issues of equality, diversity, and inclusion, ensures coordination, and undertakes the spokesperson role of the company internally and externally on this issue.

United Nations Development Program (UNDP): UNDP is a program founded by the United Nations to create a global network of development. Focusing especially on developing countries, it provides knowledge, experience and resources that people need to have better living standards. In line with this goal, UNDP carries out development studies in cooperation with governments, non-governmental organizations, academia and business circles.

UN Global Compact 10 Principles: 10 Principles of the UN Global Compact handle primary responsibilities of the business world on human rights, working standards, environment, and anti-corruption issues. By integrating the 10 Principles into their strategies, policies, and procedures, companies not only protect their primary responsibility for people and the planet but also lay the groundwork for long-term success. The 10 Principles of the UN Global Compact are based on universally-recognized declarations of the United Nations on the issue.

United Nations Universal Declaration of Human Rights: Standing as a milestone in the history of human rights, the declaration was prepared by representatives of various legal and cultural backgrounds from all regions of the world. Declared as a common standard of achievement for all peoples and all nations by the UN General Assembly in Paris on Dec. 10, 1948, it is the first-ever document to emphasize the universal protection of fundamental human rights.

Sustainable Development Goals (SDG): It is a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity. Built on the achievements of the Millennium Development Goals, these 17 Goals, among other priorities, also include new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice.

The goals are interrelated and the key to success in a goal is handling all problems which have something in common altogether.

Equality at Work Declaration: The “Equality at Work Platform” has been established under the auspices of the Ministry of Family and Social Policies which took part in the task group created under the roof of the World Economic Forum (WEF) to fight against the inequality based on social gender and took action to minimize the gender gap in the economic arena in Turkey. The Platform continues its studies for the purpose of changing the dominant status of men in the business world by paving the way for women to take more part in business life, become more effective in the decision-making mechanisms, and benefit from the opportunities and resources more equally. The commitment declaration announced by this Platform includes 11 articles¹.

Gender-Sensitive Communication Guidelines: It refers to the guidelines that were published by UNDP with the aim of adopting an egalitarian and inclusive language.

Women’s Empowerment Principles, WEPs: WEPs, which consist of 7 basic principles and are a joint initiative by UN Women and UN Global Compact, aim to contribute to the private sector's efforts to strengthen gender equality, develop corporate policies and programs, and analyze their current work, basic indicators, and reporting practices.

The Global Equal-Salary Certification: The Equal Salary certification is a process that allows companies to verify and communicate that they pay equal salaries to their employees for the same job or for jobs of the same value, regardless of their gender and sexual orientation. The foundation which provides this certification, Equal-Salary, is a non-profit organization founded in 2010 as a foundation in accordance with Swiss laws.

Sabancı Group Code of Business Ethics (SA Ethics): SA-Ethics refers to the values and working principles that Sabancı Group and its Group companies take as a basis in all their business processes and in all relations with their employees and all stakeholders. In addition to protecting companies and employees, SA-Ethics stands as a guide beyond the laws, regulations, and internal procedures which are decisive in all decisions and activities.

Business Against Domestic Violence (BADV): It refers to the Business Against Domestic Violence Project which is being carried out by the Sabancı University Corporate Governance Forum.

Equal Pay for Equal Work: Equal Pay for Equal Work refers to employees who get equal pay for the same or similar work, regardless of their gender or sexual orientation.

¹ <https://www.sabanci.com/en/social-responsibility/our-commitments/equality-at-work-declaration>

Mean/Average Raw Gender Pay Gap: Average raw wage gap by gender measures the difference between total wages for men and women without taking into account factors such as job function, level, education, performance, and location. It should include base salary, bonus and other monetary fringe benefits.

Adapting to the Future of Work Project: The Company launched the Adapting to the Future of Work project, called Future of Work (FoW), in 2020 to devise its plan for adapting to the future by taking into account the sector's way of doing business, current business understandings, strategies, practices, and regulations. Beyond remote working, this project aims to foresee the future of work in the seven areas identified through a holistic approach and in this way create implementation plans by identifying resources beforehand.

STEM: STEM is a word that stands for Science, Technology, Engineering, and Math.

3. PARTIES AND RESPONSIBILITIES

3.1. The Company

Implementation

The sponsor of this Policy is the Company's CEO/General Manager while CDIO is responsible for putting the policy into practice, the dissemination of the policy across the company, its follow-up, and reporting. This representative is the Vice President for Human Resources and Sustainability.

The Company shall inform all relevant stakeholders about this Policy.

Suppliers of the Company can use sub-contractors only if it is allowed in accordance with their agreement with the Company. The suppliers are responsible for informing the sub-contractors they hired within the scope of service they will provide for the Company about this Policy.

Audit

Starting one year after the Policy comes into effect, the Company's Internal Audit Units, under the supervision of the Company's Audit Committees, perform regular inspections, provided that they are not less than once every three years, on priority areas to ensure the Company's compliance with this policy.

3.2. Suppliers and Customers

The Company shall inform suppliers and customers in its supply chain about the Policy.

Suppliers and customers are encouraged to create a strategy that includes issues such as prevention of discrimination in the workplace, equal pay for equal work, increasing women's employment, sustainability and occupational health and safety.

Principles concerning giving priority to businesses founded by sensitive groups shall be determined and brought to life based on the sector the Company operates in and the service/product to be purchased.

4. COMMITMENTS, RULES AND PRINCIPLES

Taking [10 Principles published by the UN Global Compact](#), Sustainable Development Goals, and [Universal Declaration of Human Rights](#) as a basis, the Company lays the groundwork for steps to be taken to build equality, diversity, and inclusion for all individuals and groups in the company operations and value chain.

The Policy is an integral part of [Sabancı Code of Business Ethics \(SA-Ethics\)](#), which serves as a guide on the regulations and internal procedures that are decisive in all decisions and activities within the Company. The Policy, at the same time, contributes to the Talent and Skill Management of the Adapting to the Future of Work Project that was launched in 2020 across all Sabancı Group companies.

The Company is committed to implementing this Policy, in which it explains its approach to equality, diversity, and inclusion, throughout the organization, to disseminate and monitor it within the company under the leadership of the senior management.

The Policy will serve as a source for mechanisms that would establish equality, diversity and inclusion in the company's procedures and practices. As such, the Company aims to create Key Performance Indicators (KPI) that will implement these values in all areas of application, establish follow-up mechanisms and arrange a complaint mechanism for employees to access in case of violations.

With this Policy, the Company adopts the following rules and principles and brings them to life in its practices:

4.1. Culture of Equality, Diversity, and Inclusion in Working Environment and All Business Processes

The Company regards a workforce that includes all social and other identities such as language, race, sect, age, gender, culture, nationality, ethnic origin, disability, political and religious beliefs, and sexual orientation as a value that endorses its innovative culture and continuous development.

The Company believes that every individual within the organization brings different perspectives, cultural differences, and business and life experiences to the business processes. It works to provide a working environment where differences are regarded as indispensable elements boosting performance and creativity, not discriminators, and where everyone can create value as they are. The Company equates all differences with its inclusive approach.

4.2. Ensuring Equality, Diversity and Inclusion Throughout the Value Chain

The Company aspires to play a leading role by establishing its inclusive culture which puts emphasis on equality and diversity not only among its employees but also throughout the value chain it is in communication with and to take decisive steps to achieve Sustainable Development Goals.

It carries out risk assessments in a wider framework that includes unfavorable effects of its activities, supply network, and other parties it is cooperating with on human rights. These assessments are shared with the senior management on a regular basis.

The Company determines and implements principles concerning giving priority to businesses founded by underrepresented groups in its supply chain and customer networks such as women, the disabled, people of different ethnic origins, immigrants, and people of different social and sexual identities based on the sector the Company operates in and the service/product to be purchased.

4.3. Awareness, Prevention of Discriminatory Language, and Unconscious Bias

Language is an important tool of communication. It is also the basis of fighting with discrimination. A language which prioritizes respect for universal human dignity in all platforms both internally and externally is needed. Special attention is paid to ensure that the expressions used in messages issued are sensitive to disadvantaged groups' sensitivities. In these expressions, definitions used by these individuals to refer to themselves are taken into consideration.

The Company takes into account [UNDP's Gender-Sensitive Communication Guidelines](#) in its commercials, marketing, and communication activities.

4.4. Prevention of Domestic Violence

The Company supports the [Business Against Domestic Violence \(BADV\)](#) project. It has embodied its support for its employees by publishing the Policy on Combating Domestic Violence. As part of the project, Gender Equality Training is given to all employees throughout the Company at least once a year.

Employees who have managerial roles in the Company provide information about the psychological and legal support programs provided by the Company on a confidential basis in cases when one of their employees personally reports that he/she is a victim of domestic violence.

4.5. Prevention of Harassment and Zero Tolerance

Sexual harassment is a kind of sexual or other unwanted behavior that makes an individual feel humiliated and/or intimidated and/or uncomfortable. The behavior can be displayed as a requirement for that person's employment or may involve creating a hostile, intimidating, or humiliating environment for the victim.

Sexual or other types of harassment can involve one or more incidents and the actions of harassment can be physical, verbal, or non-verbal.

Any person exposed to harassment should, if possible, tell the alleged abuser that an act of harassment occurred, that this is an unwanted behavior for the Company and this action is a violation of this Policy. The Company acknowledges that harassment may occur in situations that may contain a hierarchical superior-subordinate relationship and that it might be impossible for the victim to inform the alleged abuser.

The Company commits to providing a safe environment for its employees in which discrimination caused by any form of harassment, including sexual harassment, gets zero toleration.

If the employees or other stakeholders learn about any possible ethical violation of this Policy, they should notify the Company Ethics Board and/or use the relevant e-mail address, etik@cimsa.com.tr.

In addition to the internal investigation, the victims are also told that there is no obstacle to pursuing their legal rights.

Policies on preventing harassment and zero tolerance for harassment are included in the content of the Gender Equality Program and Training given to all employees throughout the Company.

4.6. Active Participation in Programs on Equality, Diversity, and Inclusion for the Public

The Company participates in social programs, certification programs, and initiatives on equality, diversity, and inclusion in its priority areas for its own sector and activities at the maximum level.

5. PRACTICES

5.1. Talent Management and Salary Process

Recruitment, Assignment/Promotion and Development

In line with local legal regulations, the Company does not request information from candidates on their language², race, color, sect, age³, gender, culture, nationality, ethnic origin, disability, political and religious beliefs, sexual orientation, military service status, pregnancy or potential pregnancy, marital status and marriage plans in job postings, assignments/promotions, and development processes as well as interviews attended by the human resources specialist and/or relevant department head and the candidate⁴ and it does not use differences in language, race, nationality, color, gender, disability, political view, philosophical belief, sexual orientation, religion or sect as criteria in the candidate pool assessment. Job postings shall not use any expression referring to a specific social identity or group, in particular the characteristics listed above.

Job postings are published indiscriminately unless a specific disability group stands as an obstacle during the process of doing the job (such as eyesight, hearing, physical activity). Job postings are published with special attention on not including statements that suggest discrimination (such as driver's license, military service, no health problems) against disabled individuals.

In the shortlist submitted to the managers for recruitment interviews, it is ensured that candidates who have openly expressed their sexual orientation are equally included in the list.

Candidates of different genders and sexual orientations shall be given equal opportunities in recruitment, and assignment/promotion pools created for the relevant role. Recommendations for participants of Sabancı Group Development Programs shall be prepared in a way to represent male and female employees equally provided that they meet the required skills and experience criteria. Sabancı Group Top Management Appointment and Promotion Regulation and Principles shall be applied during appointment and promotion processes for Top Management roles.

The Company commits to keeping the number of disabled individuals employed above the legally obliged rate of disabled individuals to be employed in the countries they operate. Accordingly, it follows the number of disabled employees and shares it with the public. It does not regard being disabled as a criterion in promotion, appointment, and performance interviews.

² Except for the language competencies required for the nature of the job.

³ Except for the inquiries performed for compliance with regulatory requirements.

⁴ The company can request the information mentioned here by anonymizing it on a confidentiality basis to calculate the company's diversity indicators and to make progress, and can publicly report it on a consolidated basis.

Women Employment

The Company supports women's employment in business life and female employees' presence in the management. It carries out activities to promote women's inclusion in the workforce. The Company is a signatory of [Women Empowerment Principles-WEPs](#) published by United Nations Global Compact as of March 2016. Equal pay for equal work, merit, and equal opportunities are among the indispensable principles of the Company.

Despite operating in a sector with low female employees and which face restrictions in women's employment, the Company acts with the purpose of setting an example for industrial institutions and other sectors dominated by male employees.

It aims to gradually increase the number of female white-collar employees until 2030 by reaching the target of 30%. It has already announced its goal of increasing women's presence in the Board of Directors with the Board of Directors Diversity Policy it published.

Employment of Special Roles

- **Income-Generating Roles**

Income generating roles refer to above-manager roles that may cause the Company to lose income when the position is left vacant. Identifying the roles included in this definition according to its sector and activities, the Company publicly announces the rate of women employed for these roles on a yearly basis.

- **STEM Roles**

STEM employees use their knowledge of science, technology, engineering, or maths in their daily responsibilities. In order for employees to be classified as STEM employees, they should possess STEM-related competence and they should make use of these skills in their operational work. STEM roles are defined as follows:

- **Department Name:** Operation, R&D, Software, Business Intelligence, Information Systems/Information Technologies, Data Analytics, Technology
- **Position Name:** Employees who have reference to engineering in the definition of their positions

Identifying the roles included in this definition according to its sector and activities, the Company publicly announces the rate of women employed for these roles on a yearly basis.

Wages

The Company annually monitors and publicly announces with the human resources teams, at least according to the order below, the average raw wage gap between male and female employees and that equal pay for equal work is provided.

- CEO and first-degree members of the top management directly under the CEO
- First, second, or third-degree members of the middle and senior management under the CEO
- Regardless of their level, all employees (without a distinction between contracts and working models ⁵ arranging the professional relationship).

The Company devises a road map of maximum 2 years to ensure equality if these rates fail to be equal. The road map may include salary adjustments, appointments, and measures to be taken in new promotions.

An internal or external objective gender-based wage gap inspection is performed at least every five years following the assurance of equal pay for equal work.

5.2. Work-Life and Other Practices

Maternity and Parental Leave

The Company adopts the practice of paid and unpaid maternity and parental leave in all countries it operates in without a distinction on sexual identity. Regardless of the legal regulations in the country of operation, paid maternity leave cannot be below 5 weeks, and paid paternity or parental leave cannot be below 5 days.

The manager of the employee who benefited from maternity, paternal, or parental leave can never make a verbal or non-verbal implication to urge the employee not to use or shorten this leave, cannot impose any restriction or display any dissuasive behaviors against the employee for taking these leaves such as pressure, retaliation or adverse employment.

The Company monitors the number and rates of employees returning to work after maternity, paternity, or parental leave in the order listed below, shares it with the public, reports to the board of directors, and plans the necessary actions to increase the rate of employees returning to work.

- The number of employees benefiting from Maternity/Paternity/Parental leave
- The number of employees who returned to work after Maternity/Paternity/Parental leave
- The number of employees who returned to work after Maternity/Paternity/Parental leave and continued to work for at least 12 months

Support during Pre/Post Labor and Training Process

Regardless of existing legal regulations in the country of operation, the Company provides clean and safe breastfeeding rooms which offer maximum privacy for each employee and is suitable for breast milk storage in each business location where more than 50 workers are employed.

⁵ These models cover full-time, part-time and contracted employees.

The Company carries out mentorship planning before female employees take maternity leave and ensures that back-to-work orientation programs, support, and training are provided by the manager of relevant employees and Human Resources to facilitate the adaptation of those employees and refresh their skills. Special health support for labor shall be covered within the scope of private health insurance. The Company also takes care of its employees' needs with Employee Support Programs.

The Company consults with the employees or performs employee surveys to determine whether the Maternity/Paternity/Paternal Leave process meets the needs of the employee or not.

The Company offers the option of a gradual return to work after maternity leave.

Regardless of the relevant regulation, maternity and paternity leave cannot be below 5 weeks for parents who adopted a child.

In order to boost women's employment in the business life, the Company provides Daycare Benefits for female employees.

All employees are granted a half-day off on the first day and last day of school if their children are preschoolers or attend primary school provided that they notify their managers.

Regardless of the relevant regulation, for parents with children with special needs⁶, casual leave cannot be below 10 days.

Parental and Elderly Care

For all employees, the justifications for parental and elderly care shall be included in the scope of administrative leave, provided that they are first-degree relatives or first-degree relatives of their spouses. The casual leave indicated by internal regulations is limited by days regardless of the reason for the leave. For employees who are subject to regulation on remote working, re-arrangements can be made to extend the remote working conditions, provided that their managers approve of the changes.

Support Programs for Underrepresented Employees

The Company conducts studies to bring into life initiatives such as mentorship, sponsorship, training, insurance, career development, or share groups for women, disabled individuals, people of different ethnic origin, immigrants, different social or sexual identities, or similar employees underrepresented at managerial stages. The Company decides on these initiatives as a result of analyses conducted to identify employees underrepresented in the administrative level and their needs.

⁶ Children with special needs refers to children who differ from their peers at the expected level in terms of individual and developmental characteristics and educational qualifications due to various reasons such as illness, accident, and syndrome. These children are defined in the Regulation on Special Education Services published by the Ministry of National Education that went into effect on 07.07.2018 after being published in the Official Gazette. This Policy is based on the definition in the relevant legislation.

Employees shall also be included in the processes with regard to taking, implementing, and supervising decisions to protect and facilitate the rights of underrepresented employees. In this regard, the principle of "with them" is adopted rather than "for them."

While re-evaluating its priorities during times of crises (such as pandemics, and economic fluctuations), the Company takes into consideration the needs of employees who are among the underrepresented groups employed.

Accessible Service and Offices

The Company attaches importance to ensuring an accessible working environment within the Company and protecting the rights of the disabled. The Company adopts physical and non-physical initiatives to facilitate the access of individuals with disabilities to its services and offices. These initiatives are designed and implemented in compliance with at least the needs of physically disabled individuals.

Training on Unconscious Bias

The Company provides training on Gender Equality and unconscious bias for all its employees without any exception, especially human resources experts and senior management representatives. This training is given to employees who recently joined the Company as part of the orientation program and reminder training is provided at least once a year.

The Company performs a test measuring unconscious biases to measure the effectiveness of the training at least every 3 years and uses the test results to identify initiatives it will implement on the issue.

Flexible and Hybrid Remote Work

The Company increases diversity and inclusion of employees with Flexible and Hybrid remote working and aims to create equal opportunities and employment opportunities for talents with different expectations and limitations and for more sensitive groups to make employees' lives easier and boost motivation.

One of the 7 fundamental components of the Adapting to the Future of Work Project is defined as a Flexible and High-Performance Workforce. This headline includes practices for using flexible employment models and designing performance management systems according to the new normal.

- *Flexible Working and Hybrid Remote Work:*

For white-collar employees, flexible working is a working model where employees can use the start and end times of the daily working time within the specified flexible hours, as long as the working periods are compatible with all the working models regulated by the legislation. It covers starting the work at the beginning of the working period or ending the work early/late at the end of the working times 1 hour 30 minutes early/late at factory locations and 2 hours 30 minutes early/late

at the headquarters. Hybrid remote working model is the working model in which the employee, within the scope of previously defined provisions, works at the workplace of the Company on specific days of the week/month and in remote working locations where the job can be performed on other days.

The Company provides its employees with business tools required for flexible working within the scope of business requirements. Additionally, the Company provides orientation programs on flexible and hybrid working models and/or support programs responding to physical support needs, if necessary.

6. REPORTING AND SUPERVISION

6.1. Employee Engagement

Employee engagement and satisfaction are measured on a regular basis through international independent companies in order to get feedback from employees and to identify actions to be taken to boost employee engagement and satisfaction. In addition to these surveys, perceptions of the employees on the organizational climate and leadership styles of the administrative teams, which have the greatest impact on this climate, are annually evaluated by independent organizations.

The Company monitors the results of the employee engagement and satisfaction survey, at least on the basis of gender, and shares it publicly at least once every 2 years.

6.2. Transparency

The Company annually calculates and publicly shares the equality, diversity, and inclusion indicators specified in this Policy through public channels such as the Integrated Annual Report and the Company's official web page.

6.3. Complaint Mechanism

Employees and other stakeholders who detected any violation of this Policy or are victims of a violation notify the Company's Ethics Board via etik@cimsa.com.tr. Those found out to be at high risk are reported to the Board of Directors. If the matter of violation is related to the top management of the Company, the issue should be directly reported to the Sabancı Group Ethics Committee.

6.4. Privacy Policy and Protection against Retaliation

The notifications shall be evaluated elaborately and on the basis of the principle of confidentiality. The notifier is under protection and is assured that the applicant will not be exposed to any pressure, coercion, or penal sanction due to this action.

7. ENFORCEMENT APPROVAL AND REVISION

The senior manager responsible for human resources, who directly reports to the CEO, is responsible for the annual review of the Policy according to recent developments; suggestions and complaints by the employees throughout the year; and the reports of the UN and Non-Governmental Organizations and Initiatives in this field.

Vice President for Human Resources and Sustainability is responsible for declaring the Policy to all employees.

The Company's Board of Directors shall be responsible for the enforcement of this Policy and approval of important structural amendments.

EYS-EN-IK-PL-03

First Issued: 15.06.2022

Rev. Date / No: -- / 00