

RESPONSIBLE INVESTMENT POLICY

1. PURPOSE and SCOPE

The Responsible Investment Policy (the "Policy") has been established to guide the capital allocation and investment decisions of Çimsa Çimento Sanayi ve Ticaret A.Ş. and its domestic affiliates ("Company") and to ensure the sustainability of the value chain.

It regulates the minimum standards on the following issues that will form the basis for the business areas in which the Company operates and its value chains:

- Environmental (*covers all environmental aspects, including climate emergency response, adaptation, biodiversity and protection of water resources*),
- Social,
- Ethical,
- Governance and
- Human Rights

The prohibited industries and activities mentioned in this Policy also apply to one or more of the following areas that the company prioritizes in its own operations and value chains.

- Companies supplying goods and services,
- Other business partners and
- Customers of their companies.

2. OBJECTIVE

The Responsible Investment Policy aims at determining the Company's principles regarding the companies in its investment portfolio on the issues listed above, based on national and international standards and best practices, and supporting the management of risks related to these issues.

Also, the Policy demonstrates the Company's commitment

- to positively contribute to the Sustainable Development Goals,
- to improve Environmental Social Governance (ESG) performance across the entire value chain, and
- to carry out its activities by taking

environmental and social contribution into consideration.

3. DEFINITIONS AND ABBREVIATIONS

Alliance for Zero Extinction (AZE): Launched globally in 2005, AZE was established to identify and effectively protect the most important areas to prevent the extinction of global species. It is used by governments and private sector organizations to understand potential impacts on areas that are important for biodiversity.

Areas of Value Chain: Value Chain Areas are comprised of the below-listed main categories

- The Company's operations,
- Companies supplying goods and services to the Company,
- Customers,
- Other business partners.

Under each main category, sub-categories of value chain areas can be defined, such as specific product and service groups or supplier groups.

Business Partners: Refer to natural and legal persons, suppliers, agents, distributors, subcontractors and consultants from whom goods and services are purchased.

CDP: CDP is a non-profit organization that operates a global reporting system for investors, companies, cities, states, and territories to manage their environmental impact.

CDP Climate Change Program: Refers to the program through which companies voluntarily disclose their greenhouse gas emissions and climate change strategies to the public and investors via CDP.

CDP Water Program: Refers to the program launched by CDP where companies can transparently disclose their water use and impact on water resources in order to encourage others to take responsibility for water.

Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES): CITES is an international convention that regulates the import, export, re-export and entry by sea of living and dead specimens of wild animal and plant species and their easily recognizable parts and derivatives between the signatory countries; in short, their international trade, which is based on permits and documents, and which stipulates that these permits and documents will be issued only if certain conditions specified in the convention are met. The Convention aims to prevent endangering the lives of wild animal and plant species in trade.

Countries at High Risk of Human Rights Violations: Countries known to have a high risk of internal conflict or high levels of corruption. The list of these countries is determined annually by Sabancı Holding Risk teams and shared with Group companies. The list is used in this Policy to identify prohibited groups within suppliers or customers engaged in the trade of arms and is binding only for these groups.

Due Diligence Process: The Company's due diligence process for 3rd parties with whom the Company has already established or intends to establish a new business relationship and the minimum standards in this regard are set out in the Company's 3rd Party Due Diligence Policy. The Due Diligence Process within the scope of the Responsible Investment Policy refers to the analysis performed to detect the compliance of the value chain area prioritized by the Company (a specific supplier group, etc.) with this Policy.

Environmental, Social and Governance (ESG): This term covers all areas of sustainability addressed in the Sustainable Development Goals, including ecosystem, protection of the planet, community well-being and ethical considerations.

European Bank for Reconstruction and Development Performance Requirements (EBRD PR): Refers to ten performance requirements covering key areas of environmental and social issues and impacts, defined by the EBRD to help ensure that projects are designed and operated in accordance with good international practice on sustainable development, and all supporting guidelines prepared to clarify such requirements. This Policy takes into account the most current version of the aforementioned requirements published on the official website of the EBRD.

Forestry Activities That Are Not Managed Sustainably: In identifying these activities, the definition of Sustainable Forest Management (SFM) is taken into account, which is in the decisions of the Ministerial Conference on the Protection of Forests in Europe held in Helsinki in 1993 as part of the Pan European regional process following the 1992 Rio Conference on Environment and Development. Forestry activities cover the first link in the value chain that directly involves forest activities, such as the production of logs and paper wood.

International Union for the Conservation of Nature (IUCN): IUCN is a membership association for the conservation of nature made up of both governmental and non-governmental organizations. It draws on the experience, resources and access of more than 1,400 member organizations and the input of more than 18,000 experts. This diversity and breadth of expertise make IUCN the global authority on the state of the natural world and the measures needed to protect it.

International Finance Corporation Performance Standards (IFC PS): Environmental and Social Performance Standards established by the International Finance Corporation (IFC). Performance Standards under eight headings provide guidance on how to identify environmental and social risks and impacts. This Policy takes into account the most up-to-date version of these standards published on IFC's official website, together with any supporting guidance issued by IFC to explain these requirements.

Kimberley Process: The Kimberley Process Certification System is a system established by the "Interlaken Declaration" of 2002 under the leadership of the Republic of South Africa with the aim of preventing the illegal trade in diamonds extracted from conflict zones and controlling the diamond trade. Within the framework of this system, diamonds that are not certified in accordance with established principles are not allowed to be traded, and imports from and exports to countries that are not party to the system are prevented. The system has been supported in some meetings of the United Nations Security Council and General Assembly, with references to it in the resolutions and recommendations of these meetings. As of the date of publication of this Policy, 47 countries have been parties to the Kimberley Process.

The Global Impact Investing Network (GIIN): GIIN aims at accelerating the development of the industry through focused leadership and collective action by bringing impact investors together to facilitate knowledge exchange, highlight innovative investment approaches, build the evidence base for the industry and produce valuable tools and resources. It does this by building critical infrastructure and developing activities, training and research that help accelerate the development of a coherent impact investing industry.

Indigenous People: This is a general term used to describe groups that have the following characteristics to varying degrees and have significant social and cultural differences; there are no communities in Türkiye that fall under this category:

- A person identifying with a unique and distinctive indigenous culture and others accept this identity;
- Collective connectivity to different geographic habitats or ancestral territories within the project area and to the natural resources within these habitats and territories;
- Having traditional, cultural, economic, social or political institutions that are different from the mainstream society or culture; or
- The use of a distinctive language or dialect that is different from the official language(s) of the country or region in which they live.

Prioritization Basis: Prioritizes the value chain areas selected for the implementation of the Policy without exception according to the following criteria. The Company separately determines which parts of the Policy will be applied to activities that fall outside the areas determined as a result of such prioritization, or whether these activities will be completely exempted from the Policy, and justifies them on public platforms.

- The industry/industries in which the value chain area operates,
- Environmental and social impact created,
- Impacts on the following segments that are more sensitive to risks;
 - Employees of the company,
 - Women,
 - Children,
 - Vulnerable people and tribes,
 - Third party contracted labor,
 - Immigrants,
 - Local peoples.
- Availability of data required for the assessment of ESG risks,
- Applicability of ESG risk analysis (in terms of availability or accessibility of relevant methods and/or experts),
- Potential to create behavioral change in the relevant value chain area,
- The size of the relevant value chain area in the total portfolio.

As a result of the prioritization, the value chain areas to be covered by this Policy and the decision on which articles of the Policy will be applied to these areas and to what extent are decided by the relevant business units of the Company, on the condition that the risk management teams are consulted. The General Manager of the Company has the final approval on the prioritization approach.

RAMSAR Convention: It is an international convention that aims at ensuring the conservation and sustainable use of wetlands and refers to wetlands of international importance. The Convention was signed in 1971 in the city of Ramsar in Iran. Refers to the list of wetlands that meet the conditions of being a Ramsar site within the borders of the relevant country under the Ramsar Convention.

'Sabancı Holding' or 'Holding': Refers to Hacı Ömer Sabancı Holding A.Ş.

Sustainable Development Goals (SDG): A universal call to action to eradicate poverty, protect the planet, and ensure that all people live in peace and prosperity. These 17 Goals build on the achievements of the Millennium Development Goals (MDGs) while incorporating new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. The Goals are interconnected - the key to success on one Goal is to address common challenges together.

Sustainability Focus Groups: The Sustainability Management Committee consists of 6 focus working groups. Refers to focus groups established as a support structure for achieving sustainability goals and taking sustainability actions.

Sustainability Management Committee: Refers to the Sustainability Management Committee, which is sponsored by the General Manager and chaired by the Deputy General Manager of Human Resources and Sustainability. The Committee, whose permanent members are the General Manager, Deputy General Managers, Group Managers and focus group leaders, may also be attended by relevant stakeholders by invitation when necessary. The Sustainability, OHS and Environment Group Manager, who acts as the secretariat of the Committee, is responsible for the coordination of the Committee's activities.

Third Party Contracted Labor: Refers to workers employed by subcontractors of 3rd parties to provide services that supply goods and services to the Company. Its scope is limited to the workers working within the scope of the services provided to the Company.

4. DUTIES and RESPONSIBILITIES

4.1. Duties and Responsibilities

Implementation

The relevant sustainability, supply chain, sales and marketing, risk and compliance teams, as well as the General Manager at the highest level, are responsible for the implementation of this Policy within the Company.

The Company informs all suppliers, prioritized business partners and customers about this Policy.

The Company's suppliers may use subcontractors only if permitted by the contract made between them and the Company. Suppliers are responsible for informing the subcontractors they hire within the scope of the service they will provide to the Company about this Policy and ensuring their compliance.

Supervision

Under the supervision of the Audit Committee, the Company's Internal Audit Unit conducts regular audits at least once every three years in prioritized areas to ensure compliance with this Policy.

5. FUNDAMENTAL PRINCIPLES

The issues, commitments and policies contained in this document cannot contradict the internal regulations of the company or the laws and regulations to which the company is subject. In case of conflict, the internal regulations or laws and legislation will be applicable.

5.1. Due Diligence Process

Due Diligence is an integral part of the Company's Enterprise Risk Management processes and is performed to determine the compliance of the relevant value chain areas with this Policy.

This process is conducted by the relevant specialized teams of the Company.

Prioritized areas in the value chain include, at a minimum, suppliers of goods and services and all or selected groups of new investments and acquisitions. It does not mean that the Company will not apply the Policy in other areas of their value chain; however, the scope or method of analysis of the requirements or sanctions they seek for compliance with the ESG criteria in the Policy may differ. On the other hand, if it is not a high priority area in terms of impact and/or there are significant constraints in terms of access to data and applicability of the analysis, it may be completely exempted from the Due Diligence Process.

Provided that the basic principles are as above, the Company makes reasonable efforts to determine the compliance status of its customers, business partners and suppliers in terms of the criteria in this Policy on a prioritization basis and in the light of the information it obtains, in the light of the data it can access. If no non-compliance is identified as a result, no action is taken. In case of non-compliance, the guidelines in the 'Actions Taken in Case of Policy Violation' section are followed.

The method to be used in the ESG due diligence of the prioritized group may include visiting the customer, business partner or supplier on site, requesting information through digital channels, or conducting analysis or on-site audits through data pools and scanning of media and news outlets.

The due diligence analysis is updated at least every 2 years. Similarly, the group identified as a priority for potential ESG risks subject to these analyses is updated at least every 2 years.

5.2. Contractual Process

Prohibited activities and minimum ESG standards included in this Policy (*Applicable if it is within the scope of the application defined in the 'Minimum ESG Standards for Greenfield Investments and Acquisitions' section of the relevant contract*); In all contracts to be made with customers, suppliers and business partners within the scope of the value chain areas prioritized by the Company, the Policy is committed within 12 months at the latest from the date of full entry into force or on the first contract renewal date after the entry into force if the contract renewal period arrives within 12 months. Contracts subject to automatic renewal or where significant barriers to implementation have been identified by the relevant business unit and legal teams may be assessed for enforceability and exempted where necessary.

Incidents of non-compliance detected before the specified deadlines are evaluated by the company's Legal, Risk and/or Compliance teams, taking into account the existing contractual clauses, the magnitude of the risk that may arise, the other risks that may arise in case of termination of the contract and any sanctions imposed, and the assessment of the Sustainability, OHS and Environment Group Manager of the relevant company, and the action to be taken is decided by the company's authorized committees or top management.

5.3. Stakeholder Engagement Process

The Company regularly informs its internal stakeholders by means of Sustainability Focus Groups, and its suppliers, customers and other business partners through planned annual meetings and public disclosures under the following 3 headings;

- Climate Emergency
- Human and Society
- Sustainable Business Models

By means of these platforms, suggestions for improvements in the sustainability of the value chain are discussed and good practices are shared. The Company is a member of the business world and sustainability platforms and conducts studies on environmental or social issues.

The memberships and membership status are disclosed on the Company's investor relations web page and/or in the annual Integrated Annual Report.

5.4. Actions Taken in Case of Policy Violation

One of the Company's main objectives with this Policy is to raise awareness of stakeholders such as suppliers or customers on sustainability issues. For this reason, from the effective date of the Policy and despite the contractual commitment of the Policy, customers, business partners or suppliers who are discovered to have violated this Policy are contacted and, if technically feasible, a 12-month action period is granted. Failure to eliminate the detected breach at the end of maximum 12 months will lead to a re-evaluation of the business relationship with the relevant customer, business partner or supplier and, based on the nature and magnitude of the risk, the right of termination in terms of the contract will also be evaluated and, if deemed necessary, the relationship will be terminated. The final decision regarding the termination of the relationship is made by the senior managers of the relevant business unit and/or the General Manager of the company.

5.5. Requirements on Addressing Climate Emergency

In addition to the conditions above, among companies that supply goods and services amounting to 5% or more of the total annual goods and service supply amount per company and have more than 500 employees, those that commit to annual reporting to CDP Climate Change, CDP Water Programs in the first reporting period starting from their contract renewal date and/or publicly announce their commitment to be net zero emission and/or zero waste by 2050 at the latest are prioritized.

5.6. Transparency

The Company may disclose the following which are defined in the Policy and do not constitute a trade secret, in public company-specific channels such as the sustainability report, annual report or official website:

1. Methods related to the Due Diligence Process,
2. Results of the prioritization analysis (together with its justifications and method),
3. Proportion of suppliers, business partners or customers covered in the relevant year,
4. Number of violations it detected and its ratio in the total pool evaluated,
5. What actions were taken for how much of these violations and
6. Which countries these actions covered,

provided that the public disclosure obligations are reserved depending on the public disclosure status and that it does not constitute any contradiction to these obligations of the company.

The publicly available information related to items 3 to 5 above may be made for the last 3 years for each of the company's own activities, suppliers, customers and/or business partners, based on at least one of the following parameters (*not applicable in the first and second year of application*):

In its own operations:

- ✓ Number of full-time employees,
- ✓ Net sales revenue,
- ✓ Regions of operation,
- ✓ Number of products/services.

For its suppliers:

- ✓ Number of all suppliers.

For its business partners:

- ✓ Number of business partners.

5.7. List of prohibited Sectors, Companies, and Activities

Unless otherwise indicated or the scope is clearly defined in the relevant clause, the Company applies the following prohibited list to the part of the value chain that it prioritizes as having a high risk of engaging in these activities.

5.7.1 Defense Industry

The prohibited list for the Defense Industry is as follows:

- The Company does not invest in companies engaged in activities related to the production and trade of arms and explosives, primarily for assault and hunting purposes.
- The Company does not supply goods and services and/or provide financial services to companies that have more than 25% of their revenues coming from activities related to the production and trade of arms and explosives and are engaged in the following prohibited activities.

In order to proceed with a financing transaction or supply of goods and services, the company or activity subject to the financing transaction or supply of goods and services must be assessed, based on information from accessible sources, for all of the following prohibited activities, respectively, and the assessment must conclude that the relevant organization is not engaged in such activities.

- **Countries with high risk for human rights violations:**
 - Arms trade-related activities in countries at high risk of human rights violations. *(The list of these countries is determined annually by Holding Risk teams and shared with Group companies.)*
- **Countries which are subject to arms embargo:**
 - Activities related to the arms trade in countries under an arms embargo imposed by the United Nations, the European Union and/or the United States.
 - Companies that sell arms to countries or groups subject to an arms embargo imposed by the United Nations, the European Union and/or the United States.
- **Activities related to controversial weapons:**
 - Companies engaged in activities related to the production and sale of 'controversial' weapons, including landmines, including anti-personnel mines, biological weapons, chemical weapons, cluster munitions, nuclear weapons, white phosphorus and depleted uranium weapons, and their basic components.
- **Nuclear weapons:**

- Companies engaged in the manufacture or sale of nuclear weapons or their components, located in countries that are not signatories to or do not comply with the Non-Proliferation Treaty of Nuclear Weapons (<https://treaties.unoda.org/t/npt>).
- **Weapons for civilian use :**
 - Companies engaged in the manufacture or trade of military assault weapons and hunting weapons for civilian use.

5.7.2 Human and Labor Rights & Ethical and Cultural Issues

The prohibited list for Human and Employee Rights & Ethical and Cultural Considerations is as follows:

- Situations that are prohibited and contrary to the local legislation, especially the legislation regulating the environment, occupational health and safety of the country of operation and/or international conventions to which Türkiye is a party in this regard,
- Companies against which there is concrete evidence (based on court decisions and related legal disputes) of violations of existing laws and regulations or human rights, regardless of country,
- Companies that have been found to employ workers by paying them salaries below the legal minimum wage in the country where they operate and that do not allow employees to exercise their right to organize or sabotage this right through practices such as intimidation of organized employees,
- Organizations found not to comply with the principles of equal and fair treatment,
- Organizations that employ child and/or young workers outside of the working procedures defined under the applicable legislation in the country of operation, or that are found to be engaged in forced labor or human trafficking,
- Organizations that are found to act in violation of human rights determined by the following principles as well as the legislation determining the working life in the country of operation:
 - United Nations Universal Declaration of Human Rights,
 - The requirements of international conventions to which Türkiye is a party, particularly the basic principles of the International Labor Organization,
 - The United Nations Global Compact, which addresses all dimensions of sustainability, including human rights.
- Projects that result in the resettlement or violation of the rights of indigenous peoples without their free, prior informed consent,
- Individuals and organizations that are in violation of the legal legislation on misconduct and unethical behavior, including fraud, embezzlement, misappropriation, bribery, corruption and all other improper activities, as well as the Holding SA Ethics and the Company's own code of ethics,
- Activities that are prohibited by the legislation in the country of operation, such as pornography, prostitution, drug production and trafficking, and gambling,
- Companies that derive more than 10% of their revenues from activities related to tobacco and cigarette production, (*Applicable for new investment and acquisition transactions as of the publication date of this Policy*)
- Persons and entities named on blacklists published by national and international authorities in the country of operation on the laundering proceeds of crime and financing of terrorism, and companies located in countries subject to extensive nationwide sanctions by the EU, the US or the United Nations,
- Projects with reputational risk that have received widespread negative reactions in local and/or international media and social media channels, and where the negative environmental and/or social impacts indicated in these channels have been confirmed by independent consultants and/or internal or external experts,
- Activities that threaten the cultural heritage qualities of sites identified as UNESCO World Cultural Heritage sites

5.7.3 Environmental Issues

The prohibited list for Environmental Issues is as follows:

- Manufacture or trade of any product that is considered illegal under national laws or regulations or international conventions and agreements and/or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCBs, etc.,
- Fishing activities in which drift nets longer than 2.5 km are used, which are considered illegal and overfishing,
- Production or trade of wood and other forestry products obtained from forestry activities that are not sustainably managed,
- All commercial activities that negatively impact tropical rainforests,
- Activities taking place in or threatening RAMSAR areas,
- Activities breaching the provisions of the CITES convention,
- Activities in regions defined by AZE,
- Activities in areas defined in Categories 1-4 of the International Union for the Conservation of Nature (IUCN),
- The extraction, processing, sale and importation of all forms of asbestos, the sale and importation of all asbestos-containing products, the manufacture and processing or trade of asbestos products or products to which asbestos has been added,
- Companies engaged or ¹found to be engaged in the production and/or trade of radioactive materials,
- To be effective for new investment² transactions as of the publication date of this Policy:
 - Coal power plants for electricity generation,
 - Coal mines.

5.8. Minimum ESG Standards for Greenfield Investments and Acquisitions

In new investments and acquisitions of existing facilities involving³ production activities with an investment amount of more than USD 10 million and which may pose significant environmental/social risks, the Company pays utmost attention to taking into account the relevant guidelines of the International Finance Corporation Performance Standards (IFC PS) and/or the European Bank for Reconstruction and Development Performance Requirements (EBRD PR), among other investment criteria.

If deemed necessary, compliance with these standards may be audited by competent national or international independent consultants⁴ designated by the Company. Significant risks and mitigation measures identified as a result of the independent assessments made by these consultants are presented to the authorized committees and/or the highest level authority responsible for sustainability and top management, including the opinion of the Company's risk teams, and decided upon.

¹ Except for cases where the use of health equipment, quality control devices and radioactive materials is limited, insignificant and there is adequate protection, and power generation plants that do not comply with the non-harm principle of the European Union Green Taxonomy as of the date of publication of this Policy, but meet the best international standards to be accepted by this Taxonomy in the future and the International Finance Corporation Performance Standards, and are established to meet the basic energy needs of the country and are critical for the country's economy.

² For coal mines, the definition of 'new investment' includes new coal mine sites for which a license has not yet been obtained as of the publication date of this Policy.

³ This definition excludes service industry companies/facilities that are predominantly engaged in office activities and have low environmental/social impact, and facilities/companies that produce materials, etc. with low environmental/social impact.

⁴ Consultants are selected from a list approved by the Holding and shared with Group companies annually.

The Company takes necessary measures to compensate for or minimize environmental, social or governance risks arising from investment and procurement transactions.

5.9. Impact Investment

Sabancı Holding, of which we are a subsidiary, attaches importance to supporting the entrepreneurship ecosystem, one of the most important elements serving sustainable development in Türkiye. For this purpose, Sabancı Ventures established Sabancı Ventures, a Corporate Venture Capital Fund, to gain early access to technological innovations and developments and to create agile and technology-based growth platforms.

Therefore, it aims not only to contribute to the Sabancı Group, but also to create mutual value and support the Turkish startup ecosystem by contributing to the scaling of startups. This fund focuses on investments that can create mutual value in areas where Sabancı Group has competencies such as the Internet of Things, artificial intelligence, new material technologies, sustainability, new energy technologies, mobility and cyber security.

Sabancı Ventures encourages the use of ESG impact indicators such as the IRIS+ [Indicator Catalog](#) created by The Global Impact Investing Network (GIIN) for impact analysis of candidate investments.

5.10. Complaint Mechanism

If employees discover an ethical violation that may be in violation of this Policy, they are obliged to report it to their direct managers, to the Company Ethics Compliance Officer if the situation is related to the manager to whom they report directly, to the Company Ethics Hotline, to the Company Internal Audit Manager and/or to the CEO/General Manager of the company, and to the Holding Ethics Committee if no action is taken and no results are obtained. If the violation is related to the top management of the Company, it should be reported directly to the Holding Ethics Committee. The reporter has the opportunity to report violations of this Policy to the Ethics Committee via e-mail (etik@sabanci.com), telephone (+90 212 385 85 85) and mail to Sabancı Holding Headquarters.

The reports are evaluated meticulously and in accordance with the principle of confidentiality. The person who reports to the Ethics Committee is protected by that Committee and is assured that they will not be subjected to any pressure, coercion or criminal sanction for this action.

6. Enforcement Approval and Revision

This Policy is effective from the date of its publication and will be implemented as a pilot scheme for the year 2024 and enter into full force and effect on 30.10.2024.

The Sustainability and OHS, Environment Group Directorate is responsible for updating, reviewing and announcing the Policy annually in consultation with the relevant units according to current developments.

The Sustainability Management Committee is responsible for reviewing these changes and finalizing the recommendations.

The Company's Board of Directors is responsible for putting this Policy into effect and approving the changes.