

## ENVIRONMENTAL MANAGEMENT POLICY

### 1. PURPOSE AND SCOPE

The Environmental Management Policy (Policy) has been created to outline the roadmap for Çimsa Çimento Sanayi ve Ticaret A.Ş and its subsidiaries (the "Company") to adopt environmental excellence practices in all operations and processes, and to present the principles and guidelines it addresses with a continuous improvement perspective within this scope.

With the mission of building a sustainable future, as a building materials manufacturer aware of its environmental responsibility, we aim to conduct our activities in a way that minimizes environmental impacts. We monitor our environmental footprint to protect tomorrow from today, and we work to take our performance to higher levels and make it sustainable.

### 2. DEFINITIONS AND ABBREVIATIONS

**Decarbonization:** Refers to the reduction or elimination of carbon emissions in economic, industrial, and energy production processes.

**Circular Economy:** An economic system based on closed loops where raw materials, components, and products retain their value for as long as possible, renewable energy sources are used, and system thinking is fundamental.

**Biodiversity:** Represents the variety of living organisms in all sources, including terrestrial, marine, and aquatic ecosystems, and the ecological structures they are part of, encompassing diversity within species, between species, and in ecosystems.

**Nature:** Refers to all entities that exist independently, consisting of living and non-living objects, constantly renewing and changing.

**Scope 1 Emissions:** Scope 1 emissions are direct emissions from sources owned or controlled by a company. These emissions typically come from fuel burned in assets such as buildings, vehicles, and equipment. In other words, they are emissions released into the atmosphere as a direct result of a company-level activity or activities.

**Scope 2 Emissions:** Scope 2 emissions are indirect emissions that result from the production of energy that a company purchases and uses. These emissions typically occur from the consumption of energy resources such as electricity, steam, heat, and cooling.

### 3. PARTIES AND RESPONSIBILITIES

#### 3.1. Company

The sponsor of this Policy at the highest level is the Company's General Manager, and the Human Resources and Sustainability Department is responsible for the implementation, development, monitoring, and reporting of the policy within the company. The Company informs all relevant stakeholders, including suppliers and business partners in the value chain, about this Policy.

#### 3.2. Suppliers and Business Partners

Suppliers and business partners are responsible for working in compliance with the commitments, principles, and guidelines outlined in this policy. If additional information, implementation, or

collaboration is needed regarding the Policy, they ensure necessary communication with Çimsa Çimento officials. Suppliers can only use subcontractors if permitted under their contract with Çimsa Çimento. Suppliers are responsible for informing the subcontractors they hire about this Policy.

### **3.3. Employees**

All employees under the umbrella of our domestic subsidiaries, along with all our affiliates operating in different countries where Çimsa Çimento San. ve Tic. A.Ş. operates, are responsible for adopting and implementing this policy.

## **4. COMMITMENTS, PRINCIPLES, AND GUIDELINES**

As Çimsa Çimento, we believe that ensuring environmental sustainability is one of the cornerstones of our business. Therefore, we prioritize fulfilling our responsibilities to nature and society in all our activities. We adopt best practices to minimize environmental impacts in our business processes and continuously aim for improvement.

With this policy, we implement the following fundamental principles and principles that will carry us into the future:

### **4.1. CLIMATE CHANGE**

#### **Decarbonization**

We meticulously evaluate the sustainability and climate crisis risks awaiting us in the transition to a low-carbon economy across our entire value chain, and we prepare action plans to eliminate financial risks within the framework of compliance with the European Union Green Deal to maintain our competitive edge in the market. We invest in innovative and sustainable technologies that will reduce carbon intensity by adopting decarbonization strategies in our production processes. Our decarbonization strategies are integrated into all our business processes and stakeholder maps, from our supply chain to our final products. In this direction, we take steps to increase energy efficiency, promote the use of alternative and renewable energy sources, and develop low-carbon production methods by investing in R&D activities and new technologies, taking a leading role in the industry. We adopt the goal of creating an emission reduction target in line with the requirements of the SBTi (Science-Based Targets Initiative) and implementing the roadmap that supports this target. We progress by including our decarbonization transition plans aligned with SBTi targets into our strategic business model and investments. We present the contribution amounts and implementation details of the initiatives we plan for reduction in line with the SBTi target on our website and in our Integrated Activity Report.

#### **Pledge Not to Engage in Climate Denial or Lobbying Against Climate Regulations**

As Çimsa Çimento, we acknowledge that climate change is a scientifically proven fact and do not support any initiatives that ignore this fact or engage in lobbying activities against climate change regulations. We commit to complying with local and international regulations aimed at combating climate change and contributing to the strengthening of these regulations. In this context, we are determined to adopt a transparent, accountable, and scientifically based approach in the fight against climate change.

## **Commitment to Using Renewable Energy**

In addition to Scope 1 (direct) carbon emissions, we identify and implement necessary actions to ensure energy efficiency, reduce energy consumption, and use renewable energy to reduce Scope 2 (indirect) emissions. We conduct studies to capture opportunities for thermal and electrical energy efficiency in all our facilities and implement investments in areas of improvement. We see digitalization as the North Star in ensuring energy efficiency. To accelerate the use of low-emission electricity and increase the use of renewable energy, we develop projects based on solar, biomass, waste heat, and other renewable energy sources, and invest in renewable energy sources within our facilities. We continuously implement improvement processes to integrate our existing energy infrastructure with cleaner and more sustainable sources. On the other hand, we aim to reduce carbon emissions and our environmental impact through market-based renewable energy use by including renewable energy certificates (I-REC, etc.) in our electricity purchase agreements. We aim to increase the total proportion of electricity obtained from renewable energy sources to over 80% by 2030 through the use of renewable energy plants within our facilities and renewable energy certificates.

## **Commitment Not to Invest in Fossil Fuel Expansion**

As Çimsa Çimento, we are committed to combating climate change, and one of the most important steps in this fight is to limit the use of fossil fuels. In this context, we commit not to allocate resources to any investment aimed at expanding fossil fuels. As a company, we are progressing on the path of building our future with sustainable energy solutions and investing in renewable and low-carbon energy sources to meet our energy needs. Our strategy to reduce the use of fossil fuels will not only minimize the environmental impacts of our business processes but also play an important role in achieving our long-term sustainability goals. In this context, we support the waste management processes of various industries by replacing carbon-intensive fossil fuels with low-carbon biomass, tires, household waste, and waste-derived fuels in the thermal energy process of clinker production. We develop and increase the amount of alternative fuel use in our production facilities in parallel with technological advancements. We aim to reach a 35% alternative fuel usage rate in gray cement production by 2025 and 40% by 2030. Our commitments, principles, and principles in this regard are detailed in the Responsible Investment Policy.

## **4.2. CIRCULAR ECONOMY AND WASTE MANAGEMENT**

As Çimsa Çimento, we aim to contribute to the circular economy and reduce environmental impact by increasing the use of secondary materials and reshaping our raw materials, strengthening cooperation in the building materials value chain, and achieving zero waste in all our operations and value chain.

We adopt the Butterfly Model in the circular economy and implement capacity-building efforts in the circular economy to differentiate from the linear economy. You can find our goals, principles, and principles in this regard in the "Circular Economy and Waste Management Policy."

## **4.3. AIR QUALITY**

As Çimsa Çimento, we prioritize improving air quality to minimize the environmental impacts of our activities and protect public health. Within the framework of our sensitivity to protecting the environment, we commit to complying with local and international regulations, adopting best

practices in this area, and sharing information transparently with the public to continuously improve air quality.

We conduct emission measurements in all our locations in accordance with local regulations for emissions from both processes and fuels in the cement production process, and we evaluate the situation. Additionally, we monitor, report, and communicate parameters such as dust emissions and NOx (nitrogen oxides), SOx (sulfur oxides), TOC (Total Organic Carbon), HF (Hydrogen Fluoride), and HCl (Hydrogen Chloride) with continuous emission measurement systems in our main chimneys.

We improve our emission values to meet both local and global standards through the technologies we use and the improvement efforts we implement. To minimize emissions of dust, gases, and other pollutants, we integrate modern filtration systems and emission reduction technologies.

We create "dust management plans" to protect air quality within the scope of dust emissions. Through these plans, we implement modeling studies based on the effective management, control, and long-term monitoring of dust emissions. In addition to our contribution to the environment through dust management plans, we plan to achieve developments aimed at protecting the health of our employees and the surrounding community. We adapt the necessary investments to long-term plans and implement them.

#### **4.4. BIODIVERSITY MANAGEMENT**

We aim to carry out nature-positive operations and uncover long-term business resilience opportunities with a strategy to identify and reduce the potential impacts of our operations on biodiversity and to prevent long-term biodiversity loss. With this perspective, we make nature protection a strategic priority and develop solid long-term plans.

Our goal is to halt and reverse biodiversity loss by 2030, taking 2022 as a baseline, and achieve full recovery by 2050, focusing on high impacts in our value chain, including our own operations as well as our quarry operations and supply of raw materials.

In order to improve Çimsa Çimento's biodiversity performance, we will follow a science-based approach by developing action-oriented roadmaps in close collaboration with stakeholders, communities, sectoral platforms and our supplier network. These initiatives will be structured and communicated through "Biodiversity Action Plans," which will include location-specific actions.

You can find our goals, principles and guidelines in this context in the "Biodiversity Management Policy".

#### **4.5. WATER MANAGEMENT**

Aware of the strategic importance of water, which holds a significant place in the ranking of chronic physical risks identified based on climate scenarios, we focus on minimizing water consumption, better managing the water cycle, and identifying technological innovations that enable water recycling.

In collaboration with our supply chain and business partners, we aim to disseminate best practices in water management and make water use more sustainable. Our commitment to water management

also includes compliance with local and international water management standards and raising societal awareness.

You can find our goals, principles, and guidelines in this context in the “Water Management Policy.”

#### **4.6. STAKEHOLDER ENGAGEMENT AND ENVIRONMENTAL CAPACITY BUILDING COMMITMENT**

We see stakeholder engagement and capacity building on environmental issues as a critical priority in achieving our sustainability goals. To minimize our environmental impacts and provide greater benefits to society, we adopt continuous communication and collaboration with our stakeholders.

In this regard, we organize various capacity-building programs to increase our stakeholders’ awareness of environmental issues, encourage information sharing, and improve our environmental performance. These programs cover a wide range of stakeholders, including our employees, suppliers, local communities, non-governmental organizations, and public institutions.

By establishing transparent and open dialogue with our stakeholders, we consider their feedback in our environmental management strategies and involve them in the solution development process. Additionally, through regular meetings, training sessions, and information sessions, we aim to share best practices in environmental management and enhance mutual knowledge and competence on environmental issues.

Our environmental capacity-building efforts aim not only to improve our business processes but also to enable our stakeholders to contribute to their sustainability goals. This commitment supports compliance with local and international environmental management standards and allows us to build stronger relationships with society and the natural environment.

#### **5. PRACTICES**

In order to effectively implement our Environmental Policy, we adopt a comprehensive application process under the following headings:

**Environmental and Energy Management Systems:** We operate in accordance with the requirements of the Environmental and Energy Management System in all our operations. All our factories and ready-mixed concrete plants have ISO 14001 Environmental Management System certification, and our factories have ISO 50001 Energy Management System certification. The environmental excellence approach we manage within this scope refers to being in line with the best techniques in terms of environmental performance, management, and protection. We conduct our activities in full compliance with national and international environmental regulations. Changes in legislation and global standards are regularly monitored, and necessary updates are made in our operations to align with our environmental policies.

**Operational Environmental Controls:** To effectively implement our Environmental Policy across all operational areas, we adopt an integrated management approach. Environmental strategies and actions are developed and implemented considering the specific needs and conditions of factory sites. This ensures that our environmental management processes are effectively carried out in the field.

**Training and Awareness:** We organize regular training programs to increase our employees’ environmental awareness and encourage full compliance with our policies. We maintain continuous communication with our employees about our environmental goals and practices and gather their feedback.

**Environmental Impact-Dimension/Risk-Opportunity Studies:** Any changes made in our operations are evaluated in terms of their environmental impacts and prioritized in our change management processes. All environmental risks and opportunities are thoroughly assessed, and strategic decisions are made accordingly. Our risk assessment processes aim to minimize environmental impacts and maximize sustainability opportunities.

**Audit and Control:** Operations at our factories are continuously monitored to minimize environmental impacts and ensure compliance with established environmental standards. This allows us to identify the current situation and take necessary actions by identifying potential environmental risks in advance.

## **6. REPORTING AND AUDITING**

Our environmental activities and performance are regularly reported and shared with all our stakeholders and the public through integrated activity reports in line with our transparency principle. These reports, prepared in accordance with national and international standards, include key environmental indicators such as carbon emissions, energy efficiency, water consumption, waste management, and biodiversity.

To ensure continuous compliance with environmental goals, internal audit processes are implemented in our factories and operations. Internal audits regularly evaluate the effectiveness of the implementation of environmental policies and strategies, legal compliance, and progress towards achieving set goals.

The Company's environmental performance is also audited by independent third parties. These audits ensure compliance with international standards and enhance the effectiveness of environmental practices.

Findings and feedback obtained from reporting and audit processes are used to continuously improve our environmental performance, and strategies are continuously updated to achieve environmental goals.

## **7. RATIFICATION AND REVIEW**

The policy is binding on all interested parties from the date of publication and remains valid as long as it remains in force.

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

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

The Company General Manager is responsible for the entry into force of this Policy and approval of changes.