**ÇİMSA Çimento Sanayi ve Ticaret A.Ş.**

DOCUMENT NAME: CIRCULAR ECONOMY AND WASTE MANAGEMENT POLICY

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CIRCULAR ECONOMY AND WASTE MANAGEMENT POLICY

1. PURPOSE AND SCOPE

The Circular Economy and Waste Management Policy (Policy) has been established to contribute to the circular economy, strengthen collaborations within the building materials value chain to increase the use of secondary materials, and achieve a zero-waste target across all operations of Çimsa Çimento Sanayi ve Ticaret A.Ş. and its subsidiaries (the "Company").

In this context, under "Circular Design," we plan to develop innovation projects aimed at the reuse of construction and demolition waste. By 2030, under "Circular Inputs," we aim to increase the use of alternative raw materials in grey and white cement production to a total of 10%. By 2050, under "Circular Outputs," we target achieving zero waste.

2. DEFINITIONS AND ABBREVIATIONS

- **Circular Economy:** An economic model in which material and energy cycles are closed to ensure efficient resource use, reuse of waste, and reduction of environmental impact.
- **Zero Waste:** A waste management approach aimed at preventing, reducing, reusing, and recycling waste.
- **Waste Management Hierarchy:** A systematic framework covering waste prevention, reduction, reuse, recycling, energy recovery, and disposal processes.
- **Butterfly Model:** A visualization approach that divides circular economy strategies into biological cycles (restoration of renewable resources) and technical cycles (reuse, recycling, and refurbishment of products).
- **Sustainability Goals:** Long-term development goals covering environmental, social, and economic aspects.

3. PARTIES AND RESPONSIBILITIES


3.1. Company

The sponsor of this Policy is the Company's Chief Executive Officer, while the Human Resources and Sustainability Department is responsible for its implementation, dissemination, monitoring, and reporting. 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 guidance, or collaboration is needed, they should contact Çimsa representatives. Suppliers may only use subcontractors with explicit permission as per their agreement with Çimsa. They are also responsible for informing their subcontractors about this Policy.

3.3. Employees

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All employees under the umbrella of Çimsa Çimento San. ve Tic. A.Ş., including all domestic subsidiaries and international affiliates, are responsible for adopting and implementing this Policy.

4. COMMITMENTS, RULES, AND GUIDELINES

In line with our understanding of the circular economy and sustainable waste management, Çimsa adheres to the waste management hierarchy. This approach systematically aims to minimize environmental impacts by addressing all stages from waste prevention to disposal. Our commitments and principles are as follows:

a) Prevention (P): We optimize our production processes and implement strategies to reduce resource consumption to completely prevent waste generation.

b) Reduction (R): When waste generation cannot be entirely prevented, we improve processes to minimize waste quantity.

c) Reuse (ReU): We develop business models to maximize the reuse of products and materials.

d) Recycling (ReC): We establish the necessary infrastructure to recycle waste as raw materials.

e) Recovery (Rec): We maximize the value obtained from waste through energy or material recovery.

f) Disposal (D): When recovery or recycling is not possible, we ensure the safe disposal of waste.

As a guiding principle, we prioritize sourcing raw materials from secondary materials in line with circular economy principles and only prioritize natural primary raw materials when required by quality, production specifications, or legal obligations.

5. PRACTICES

5.1. Circular Economy Strategy


To structure its circular economy efforts, Çimsa has established three fundamental pillars based on the Circular Transition Indicators (CTI) framework developed by the World Business Council for Sustainable Development (WBCSD):

- Focusing on circular inputs to ensure efficient material use,
- Supporting product design with circular principles,
- Promoting the recovery of products, materials, and waste.

Çimsa measures and improves its efforts using key targets and performance indicators (KPIs) established for each of these pillars.

5.2. Resource Efficiency and Waste Management

Çimsa maximizes the reuse of waste and resources to protect natural resources. In this context, we redesign traditional production and consumption processes to minimize material and energy waste. We develop innovative solutions for the recovery and reuse of raw materials and by-

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products in our production processes. We also strive to minimize waste generation and re-evaluate waste in ways that create economic value.

5.3. Circular Economy Approach

Our circular economy approach focuses on increasing material efficiency, extending product life cycles, and creating closed-loop supply chains. By increasing the recycling, reuse, and use of alternative raw materials and fuels in our production processes, we aim to reduce natural resource consumption.

Additionally, we adopt the Butterfly Model, which helps differentiate us from the linear economy. Through this model, we reinforce our circular economy vision, covering a comprehensive approach from circular inputs to output targets. We integrate waste management into our circular economy practices, ensuring the prevention, recycling, and recovery of waste generated during our operations.

5.4. Interventions in the Value Chain

The value chain has been considered as a flow extending from raw material procurement to production and logistics processes, the delivery of final products to customers, and waste management. In line with circular economy principles, interventions in both inputs and outputs have been categorized under specific headings.

Interventions in Inputs:

- a) Collaboration with raw material suppliers and other industries to develop infrastructure and supply chain networks that increase the use of alternative raw materials and construction-demolition waste.
- b) Implementing mechanisms to promote the use of alternative raw materials and construction-demolition waste during operations.
- c) Integrating innovative alternative energy solutions in line with circular economy principles.
- d) Prioritizing technology and solutions that prevent waste generation in product and service selections.

Interventions in Outputs:

- a) Effectively managing operational and office waste to reduce waste volume and achieve zero-waste targets, in collaboration with waste processors.
- b) Monitoring the circularity of products and services through circular economy performance indicators.

6. REPORTING AND SUPERVISIONS

Data on waste generation across all production processes and operational activities is regularly collected, analyzed, and reported. Detailed records of waste types, quantities, and disposal methods are maintained and reported in compliance with regulations.

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Additionally, recovery, recycling, and alternative raw material/fuel utilization rates are measured periodically and compared against performance targets for monitoring. Compliance with local regulations is ensured by sharing data in formats specified by local authorities.

7. ENFORCEMENT, APPROVAL, AND REVISION

This Policy is binding for all relevant parties from the date of publication and remains in effect as long as it is valid.

The Sustainability, Environment and OHS Directorate is responsible for reviewing, updating, and communicating this Policy annually in consultation with relevant departments. The Sustainability Management Committee is responsible for reviewing and finalizing any revisions.

The General Manager of the Company is responsible for the enforcement of this Policy and for approving any changes.