Strategic — Sustainable — Technological — Agile — Corporate



TRANSFORMATION

2024
Integrated Annual Report

ÇİMSA

CONTENTS

2 INTRODUCTION
3 Introduction and About the Report
4 About Çimsa
10 Çimsa in Numbers
11 Messages from Management

18 STRATEGIC TRANSFORMATION
20 Business Model and Strategy
21 Value Generation
22 Value Creation Model
24 Sustainability Strategy
25 Sustainability Management
26 Sustainability Priorities
29 Stakeholder Engagement and Management
30 Economic and Sectoral Environment
32 Financial Performance

34 SUSTAINABLE TRANSFORMATION
37 Transformation in a Climate Change Environment
39 Decarbonization Transition Plan
46 Climate Related Risk and Opportunity Descriptions
48 Transformation with Environmental Excellence
56 Transformation with Responsible Investments
62 Transformation with Sustainable Supply Chain

64 TECHNOLOGICAL TRANSFORMATION
67 R&D, Innovation and Technology
74 Transformation with Digitalization
76 Transformation in Customer Experience and Loyalty
81 Transformation with Innovative and Sustainable Products

86 AGILE TRANSFORMATION
89 Transformation with Strategic Workforce, Employee Experience and Engagement
104 Transformation in Occupational Health and Safety
109 Transformation with Social Contributions

116 CORPORATE TRANSFORMATION
119 Corporate Governance
123 Risk and Opportunity Management
126 Ethics and Compliance
128 Human Rights
130 Business Continuity
131 Anti-Bribery and Anti-Corruption
132 ESG Rating Systematics
134 Integrated Management Systems
136 Awards

140 ANNEXES
142 TSRS 1 and 2 Risk and Opportunity Descriptions
163 TSRS 1 and 2 Compliance Assessment Tables
168 Competence Sets
170 Sustainability Related Incentives
172 Performance Outputs of Sustainability Management Committee Focus Groups
174 Contributed SDGs
176 Relation of Material Topics to Reporting Frameworks
177 Our Stakeholder Relations
180 Corporate Memberships
182 Sustainability Target Tables
186 Sustainability Performance Indicators
200 Board of Directors Annual Report
232 Financial Tables and Statutory Auditor's Report
318 Reporting Guide
330 Limited Assurance Report
334 GRI Content Index
342 SASB Reference Table
344 Abbreviations and Technical Glossary
348 Contact

GRI 2-2, 2-3, 2-5

INTRODUCTION AND ABOUT THE REPORT

We are pleased to present our Integrated Annual Report 2024 to you, our stakeholders. In our report covering the period January 1 - December 31, 2024, we present the outputs of our activities, our plans and targets for the future and the opportunities and risks we face, both present and potential, from an integrated perspective using the capital elements recommended by IFRS (International Financial Reporting Standards), of which we are a member.

This report provides a comprehensive and transparent assessment of Çimsa's integrated operations in Türkiye and abroad. It includes data from 4 integrated cement plants, 34 ready-mixed concrete stations operating in Türkiye, and globally 1 integrated cement plant in Bunol, Spain, 1 grinding facility in the USA, terminals in Germany, Spain, Italy and TRNC, as well as the Sabancı Technology Center in Germany. As part of the acquisition of 94.7% of the shares of Mannok Holdings DAC ("Mannok") in Ireland by Cimsa Ireland Ltd. which is a 100% subsidiary of our subsidiary Cimsa Building Solutions B.V. as of October 1, 2024, selected outputs of the activities of 1 integrated cement plant, cement-based products and insulation materials and recycled plastic packaging production facility for the period October 1 - December 31, 2024 were included in the report.

The Integrated Annual Report, which includes the Board of Directors' Annual Report, consolidated financial statements and independent auditor's reports, presents a holistic view of Çimsa's operations in Türkiye and abroad.

As a member of the IFRS Sustainability Alliance of the IFRS Foundation and a founding member of the Integrated Reporting Türkiye Association (ERTA), this Report has been prepared in accordance with the Integrated Reporting (IR) Framework of the IFRS Foundation and the "Core" option of the Global Reporting Initiative (GRI) Standards. In addition, compliance with the Turkish Sustainability Reporting Standards S1 and S2 (TSRS S1, S2) published by the Public Oversight Authority in parallel with the International Sustainability Standards Board's (ISSB) IFRS S1 (General Requirements for Disclosure of Sustainability-Related Financial Information) and IFRS S2 (Climate-Related Disclosures) standards has been observed.

The Global Cement and Concrete Association (GCCA) principles of the World Business Council for Sustainable Development (WBCSD) were also taken into consideration.

Sustainability Accounting Standards Board (SASB) Guide, Carbon Disclosure Project (CDP) Guides on Climate Change and Water Programs and LSEG Data & Analytics valuation systematics were utilized to prepare the report content. The report also includes our contributions to the UN Sustainable Development Goals.

In accordance with the announcement made by the Public Oversight Authority (KGK) on November 23, 2023 and the "The Practical Guide on Financial Reporting in Hyperinflationary Economies", the consolidated financial statements as of and for the year ended December 31, 2024 and comparative periods were prepared in accordance with Turkish Accounting Standard (TAS) 29 "Financial Reporting in Hyperinflationary Economies". Unless otherwise stated, inflation accounting was applied to all financial effects.

The Report also meets the minimum reporting activities requirements set by the Turkish Commercial Code (TCC) and the Capital Markets Law (CML). It was reviewed within the scope of the independent audit conducted by Deloitte. Reasonable assurance was provided for the financial information, while limited assurance was provided for selected non-financial information as stated in the limited assurance report. The 2024 audited non-financial data were clearly marked in the performance tables in the annexes. In this scope, utmost care has been taken to prevent the phenomenon of "greenwashing" against the risk of creating a false impression or presenting misleading information on sustainability topics.

In our Integrated Annual Report 2024, we have summarized the transformation that we continue in our Company, which is a part of the great transformation in the world and progresses with the motto of inspiring the sectors in which it operates, in 5 main sections. In all sections, we have adapted our motto to the relevant areas to explain the value we create with the theme of "Transformation" and our growing global footprint that we will pass on to future generations.

- In the **"Strategic Transformation"** section, we have included our value creation model, our material sustainability topics, our relations with our stakeholders, the initiatives we support in the field of sustainability and a general evaluation of the environment in which we operate.
- In the **"Sustainable Transformation"** section, we have provided a comprehensive summary of our climate action efforts and our approach to environmental excellence, responsible investment and sustainable supply chain.
- In the **"Technological Transformation"** section, we have reported our R&D and innovation efforts, a summary of our digitalization process, customer experience and loyalty, and the highlights of our sustainable and value-added products.
- In the **"Agile Transformation"** section, we have explained the opportunities we offer for our employees, development programs and the practices we developed for the next-generation business life. A summary of our performance in occupational health and safety and of our social responsibility efforts were also included in this section.
- In the **"Corporate Transformation"** section, we have touched upon our approaches and practices in corporate governance, risks and opportunities, business ethics, human rights, sectoral and academic support, business continuity, compliance, anti-bribery and anti-corruption.

You can access our report from the Sustainability tab at www.cimsa.com.tr

GRI 2-1, 2-6

ABOUT ÇİMSA

Çimsa, a subsidiary of Sabancı Holding, was established in Mersin in 1972. Today, Çimsa operates in Türkiye with 4 production facilities located in Mersin, Eskişehir and Afyonkarahisar. Apart from grey cement, our Company leads the Turkish cement and building materials industry in innovation with special products such as white cement and calcium aluminate cement (CAC).

One of the world's leading brands in white cement and one of the world's three largest producers of CAC, Çimsa carries out its international operations through Cimsa Building Solutions BV (CBS BV), an subsidiary established in the Netherlands.

Cimsa Building Solutions BV has become an international white cement player with its white cement plant in Valencia (Spain), grinding facility in Houston (USA) and terminals in Hamburg (Germany), Trieste (Italy) and Sevilla (Spain). Finally, with the acquisition completed in October 2024, Ireland-based Mannok Holdings DAC, which manufactures and sells cement, cement-based products (such as tiles, precast, concrete), insulation materials and recycled plastic packaging, was also included into Cimsa Building Solutions BV.

Developing new technologies that shed light on the future of the building materials industry in Türkiye with Formülhane, the first R&D Center in the industry approved by the Ministry of Industry and Technology, located at the Mersin Plant – the only integrated facility in the world capable of producing grey cement, white cement, and CAC – Çimsa also brought its innovation power to Europe with the Sabancı Technology Center located on the campus of the Technical University of Munich in Germany.

With its market-focused approach and wide distribution network, Çimsa covers its customers' product and service needs completely and on time. As a reliable business partner of its stakeholders, it provides the necessary materials for living spaces and infrastructures that will remain to future generations.

+2,000
Number of Employees

Exports to more than 70 Countries

7
Production Facilities

29
Companies

Please click here for Çimsa's vision and mission.

Our Affiliates and Subsidiaries

Türkiye



Çimsa Cement Sanayi A.Ş. Headquarters (İstanbul) - (Central Office)

Mersin Çimento San. T.A.Ş
Production Facility
2.5 mt
Clinker

Afyon Çimento San. T.A.Ş
Production Facility
1.5 mt
Clinker

Eskişehir Çimento San. T.A.Ş
Production Facility
1.2 mt
Clinker

Netherlands



Cimsa Building Solutions B.V
Headquarters

Ireland



Cimsa Ireland Ltd.
Mannok Cement Production Facility
1.2 mt
Clinker

UK



Cimsa Cement UK Ltd.
Company

Spain



Cimsa Cementos España S.A.U.
Production Facility
600 kt
Clinker

Germany



Cimsa Cement Sales North Gmbh
Terminal

Sabancı Global Technology Center Gmbh
R&D Center

Italy



Cimsa Adriatico S.R.L. Terminal

United States of America



Cimsa Americas Cement Manufacturing and Sales Corp.
Grinding Facility
300 kt
cement

Turkish Republic of Northern Cyprus



Çimsa Cement Free Zone Ltd
Terminal

GRI 2-1, 2-6

Production Facilities

Cement

Mersin Plant

Starting production in 1975, Mersin Plant produces grey clinker/cement, white clinker/ cement and CAC with a total of seven production lines. Grey cement production capacity is 1.9 million tons/year, white cement production capacity is 1.1 million tons/year, and CAC production capacity is 131 thousand tons/year with the new production line that was accepted in 2024.





Eskişehir Plant

Established in 1957, Eskişehir Plant was incorporated into Çimsa on December 27, 2005. The plant has a capacity of 750 thousand tons/ year of white cement and 1.45 million tons/year of grey cement.

Afyon Plant

51% shares of Afyon Çimento Sanayi Türk Anonim Şirketi, which was established in 1957, were acquired by Çimsa on May 31, 2012. Afyon Çimento Sanayi Türk Anonim Şirketi has continued its operations as a subsidiary of Çimsa after this date. The Plant's production facility, equipped with modern technologies, has a capacity of 2.1 million tons/ year of grey cement.





Buñol Plant

The Buñol plant is one of the leading production facilities in Europe with a production of 750 thousand tons/year of white cement. It operates in the European, African, American markets, exporting to more than 65 countries apart from the Spanish market.

Ready-Mixed Concrete

Ready-Mixed Concrete Stations

Starting operation in 1988 with the Zeytinli Ready-Mixed Concrete station in Adana, Çimsa Ready-Mixed Concrete has a widespread distribution network with 34 ready-mixed concrete stations. Çimsa carefully monitors technological and scientific developments, and brings the developments to its customers as new products, new machinery and services.



Mannok Holdings DAC

Mannok has 50 years of experience in the production of cement, ready-mixed concrete, building materials (precast, aerated concrete, roofing materials, insulation) and recycled packaging. (For more information please visit **Mannok Holdings DAC** page)



GRI 2-1, 2-6

Our Global Footprint

Cimsa Building Solutions B.V. (Netherlands)

Cimsa Sabancı Cement BV (CBS BV) was founded in 2020 in the Netherlands to combine the financial strength of Sabancı Holding, our main shareholder, with the operational capability of our Company in line with Sabancı Group's global leadership in building materials.

Cimsa Cementos España S.A.U, Cimsa Americas Cement Manufacturing and Sales Corporation, Cimsa UK Ltd, Cimsa Ireland Ltd, Cimsa Cement Sales North GmbH, Sabancı Global Technology Center Gmbh and Cimsa Adriatico S.R.L., all subsidiaries of Çimsa, were included under the umbrella of the Company, bringing together the Company's investments in building materials outside Türkiye under a single roof.

The Company's name was changed to Sabancı Building Solutions B.V. on 06.12.2022. With the Board of Directors' decision dated 23.10.2023, shares corresponding to 10.1% of its capital were acquired from Sabancı Holding and Çimsa's shareholding rate increased to 50.1%. In this scope, the name of the Company was changed to Cimsa Building Solutions B.V. (CBS BV) as of September 6, 2024. Sabancı Holding did not participate in the capital increase of CBS BV on September 26, 2024 amounting to EUR 150 million, and Çimsa's share increased to 68.31% as a result of this capital increase in which Çimsa participated alone.



Cimsa Cementos España S.A.U. (Spain)

Çimsa has been directly reaching Spanish white cement consumers since 1996 with its 5,000 tons terminal in Seville. White cement from the Çimsa Mersin Plant, arriving as bulk in ships to Seville Port, is transferred to the silos owned by Cementos.

With the Buñol Plant, whose purchase was completed in July 2021, it is in operation both with its terminal unit and its plant unit. The Seville terminal is active in the Spanish market with a plant producing white cement added furnishing materials, cement packaging lines with modern infrastructure and logistics infrastructure.

Whereas the Buñol plant is one of the leading production facilities in Europe in the production of 750 thousand tons/year of white cement, it is active with both sales from production and sales of products received from Türkiye both in the Spanish market and also by exporting to more than 65 countries primarily in European, African and American markets.

Cimsa Building Solutions B.V. has acquired 100% shares of Cimsa Cementos España S.A.U., which was previously a subsidiary of our Company, and the transfer operations related to this acquisition have been completed as of 30.06.2021.

Cimsa Americas Cement Manufacturing and Sales Corp. (USA)

We have contributed as 100% founding partner to this company which was established in 2017 with the title Cimsa Americas Cement Manufacturing and Sales Corp. to operate on cement production, sales and marketing in the United States of America. After completion of the 2018 and 2019 investment periods, the facility started production in November 2019. With the facility built on Houston port, white clinker supplied from Çimsa Türkiye is grinded and sold on the market both as bulk and in bags according to customer demand. It has become a resident player in the North American white cement market with the advantage provided by its proximity both to the port and to railroads.

Cimsa Building Solutions B.V. acquired 100% shares of Cimsa Americas Cement Manufacturing and Sales Corporation, which was previously a subsidiary of our Company, and the transfer operations related to this acquisition have been completed as of 30.06.2021.



Cimsa Cement Sales North GmbH (Germany)

Cimsa Cement Sales North GmbH, which was established in 2000 in partnership with German Cement Terminals North GmbH and whose shares were completely transferred to Çimsa in 2014, continues white cement and calcium aluminate cement marketing activities in Northern and Western Europe with its 9,000 tons capacity bulk cement silo. Apart from marketing bulk white cement and calcium aluminate cement to Germany, France and Benelux countries, there are also sales into Norway, Denmark, Switzerland, Austria and Czechia. The Company is headquartered in Hamburg, Germany and it continues its operations with an administrative and sales office in Hamburg, various packaging product warehouses and cycling facilities in Germany and the Netherlands. The white cement market of Germany and surrounding countries, along with the Spanish market, is one of the most important markets of Europe. Whereas the calcium aluminate cement market of Germany and surrounding countries is the most important market of Europe in this area. Çimsa has been selling to the market through terminal channel since 2000 and is among the players which reach customers in these markets directly with its own brand and is preferred both by its product quality and its service quality.

Cimsa Building Solutions B.V. has acquired 100% of the shares of Cimsa Cement Sales North GmbH, which was previously a subsidiary of our Company, and transfer operations regarding this purchase have been completed as of 30.06.2021.

Cimsa Adriatico S.R.L. (Italy)

On February 9, 2010, Çimsa acquired the majority shares of Medcon Company and became the majority owner (70%) of the terminal with four 5,000 tons silos located at the Port of Trieste. The title of the Company was changed to Cimsa Adriatico S.R.L. on April 26, 2010. The Terminal allows reaching into the Italian market, which is the third largest consumer of white cement in Europe after Spain and Germany, with the Çimsa brand. With its advantageous location, the Terminal sells not only to Northern Italy but also to Austria and the developing markets of Slovenia, Croatia, and Bosnia and Herzegovina. The Terminal is also suitable for storing grey cement as well as storing and packaging white cement and sells grey cement to these markets as well. Also, calcium aluminate cement is supplied according to customer demand.

Cimsa Building Solutions B.V. acquired 70% shares of Cimsa Adriatico S.R.L., which was previously a subsidiary of our Company, and the transfer operations related to this acquisition were completed as of 30.06.2021.

Çimsa Cement Free Zone Ltd. (TRNC)

Çimsa has been serving the market since 2005 with a terminal with 5,000-tons grey cement storage capacity established in Famagusta Free Port and Zone in the Turkish Republic of North Cyprus (TRNC). Grey cement produced by Çimsa in Mersin Cement Plant is transferred from Mersin Port with ships to Cyprus Famagusta Port and is stored in the terminal's silo. Sales are made from the silos in bulk according to market demand.

Cimsa Cement UK Ltd (UK)

The Company was founded in July 2023 as a 100% subsidiary of Cimsa Building Solutions BV.

Cimsa Ireland Limited (Ireland Cumhuriyeti)

Established in July 2024, it is a 100% subsidiary of Cimsa Building Solutions BV. Cimsa Ireland Limited acquired 94.7% of the shares of Mannok Holdings DAC based in Ireland as of October 1, 2024. The information on Mannok Holdings DAC's direct or indirect subsidiaries is as follows. For more information please visit MANNOK HOLDİNGS DAC page.

Sabancı Global Technology Center Gmbh (Germany)

In line with Sabancı Group's long-term strategy to become a leading player in the global building materials trade, Sabancı Global Technology Center Gmbh (SGTC) - Germany, a 100% subsidiary of Sabancı Building Solutions B.V., was founded in Munich, Germany in October 2022. Established on the campus of Munich Technical University, SGTC carries out research and development activities in the area of building materials, especially CAC, as well as work on innovative technologies.

ÇİMSA IN NUMBERS

Strategic Transformation

Financial Performance

TRY **28.2** billion
Turnover

TRY **14.6** billion
Invested

TRY **5.6** billion
EBITDA

Business Continuity

5.31 million tons/year
Cement Production

2.48 million m³
Ready-Mixed Concrete



8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainable Transformation

Climate Crisis Management

28%
Alternative Fuel Usage Rate[1]

14.6%
Reduction in the Scope 1 and 2 Cementitious Gross Specific CO_2 Emissions Intensity[4]

484 thousand
Reduction in Scope 1 and 2 Absolute CO_2 Emissions[4]

450 thousand tons
Alternative Raw Material Utilization

Environmental Excellence

63%
Renewable Energy Usage Rate

563 ha
Active Quarry Site Area

13%
Specific Water Density Reduction Rate[2]

33%
Biodiversity Management Plan (BMP) Coverage Rate[3]

Responsible Supply Chain Management

65.6%
Domestic Supply Rate

74
Number of suppliers subject to sustainability assessment



8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND

Technological Transformation

R&D, Innovation and Technology

TRY **87.5** million
Sustainability-Oriented R&D and Innovation Investment Budget

9
Artificial Intelligence Project

Innovative and Sustainable Products

14.4%
Ratio of Revenues from Sustainable Products

3.4%
Ratio of Revenues from EU Taxonomy Aligned Products

6
Number of EU Taxonomy Aligned Sustainable Products

Customer Experience and Loyalty

10 Points Increase
NPS (Net Promoter Score) (Türkiye)

18 Points Increase
NPS (Net Promoter Score) (Global)



8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Agile Transformation

Employee Involvement and Development

1,980
Number of Employees

33%
Ratio of White Collar Female Employees

18,561
Total Training Hours Provided to Subcontractors

15
Ethnicities

51
Hours Training per Employee

25%
Ratio of Female Employees in STEM Roles

Occupational Health and Safety

2.99
Accident Frequency Rate

TRY **72.7** million
Invested within the Scope of OHS

Corporate Social Responsibility

9
University Collaborations

4
Corporate Social Responsibility Projects



3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES

Corporate Transformation

Corporate Governance

33%
Ratio of Female Members on the Board of Directors

82
ESG Rating Score[5]

586 hours
Ethics Training

A
CDP Climate Change Score

A
CDP Water Score



8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

[1] White cement
[2] Based on year 2022.
[3] Ratio of locations where BYP work has started among prioritized locations
[4] Based on year 2021.
[5] The survey is conducted every 2 years. Survey score for 2023

MESSAGE FROM THE CHAIRPERSON OF THE BOARD



Burak Orhun
Chairperson of the Board

We are on our way to becoming a global brand as a player that offers value-added building materials solutions to more than 70 countries on six continents. We are the world's second largest producer in white cement and the world's third largest player in calcium aluminate cement (CAC).

Dear Shareholders,

In 2024 Çimsa resolutely pursued its strategic transformation goals and successfully continued its journey to become a global player. We continue our efforts for the "Çimsa of the Future" with our strong financial structure, expanding footprint in the geographies where we operate, proactive solution development capacity against changing conditions and competent human resources.

While geopolitical tensions and tight monetary policies shaped the global economy throughout the year, inflationary pressures in developed economies tended to decline and countries focused on long-term growth policies. Despite all these dynamics, we were proud to successfully implement all the initiatives we planned in line with our strategy.

We are shaping the "Çimsa of the Future" with confident steps in line with our strategic goals.

Our investments in the sustainable material technologies market form the basis of our global expansion strategy. We are preparing the infrastructure of the next century through innovative applications in production technologies. This understanding sheds light on Çimsa's transformation journey into a global building materials company focused on sustainability and technology.

Following the acquisition of the Buñol Plant in Spain, which produces white cement, in 2021, we acquired Ireland-based Mannok Holdings DAC, which has a broad portfolio including aerated concrete, precast, roofing solutions, insulation and recyclable packaging materials, in the second half of 2024 in addition to the cement business line. While it is the largest strategic investment made abroad by Sabancı Holding during the year, it was also an important milestone in Çimsa's transformation plans. On the other hand, in addition to our existing white cement grinding facility in the USA, our investment in a grey cement grinding facility, which will be operational in the last quarter of 2025, continues.

With these investments, we are on our way to becoming a global brand as a player that offers value-added building materials solutions to more than 70 countries on six continents, both through exports and on-site production. We are the world's second largest producer in the white cement market and the world's third largest player in calcium aluminate cement (CAC).

A global building materials company focused on "Sustainability and Technology"

Energy, materials and digital transformation are among the most important agenda items of the business world. The differences and advanced practices to be created in these areas will significantly impact our competitive advantage. The integration of this transformation into our processes, which is also high on our sustainability agenda, accelerates the achievement of our net zero targets.

In addition to the renewable energy sources in operation at Çimsa's Mersin, Afyon and Buñol plants, our investments in plants converting solar energy and waste heat to electricity, which we started to install at our Eskişehir plant, continued in 2024. We also supported our investments in clean energy with the "Hydrogen Feeding System", which we are testing at our Buñol plant.

We see circularity as an important driving force in the journey towards our decarbonization targets, and we are implementing important projects with a collective effort, involving all parties from our R&D units to our Supply Chain, from our Operations teams to our Sales network. The incentives we have received for the use of urban transformation waste as cementitious and recycled aggregate accelerate the pace of implementation of pilot projects.

Artificial intelligence (AI), an integral part of the triple transformation, plays a facilitating role in achieving our goals in our sustainability journey. By focusing on projects that will increase employeeand process efficiency, we are developing tools that will adapt our group to new business models of the future. In this scope, we strengthened our transformation process with nine artificial intelligence projects we launched in 2024.

Strong Investments with Sustainable Resources

We demonstrated our leadership in environmental, social and risk-opportunity management on a global scale by moving up two ranks in the "Climate Change" and "Water" categories on the Climate Disclosure Project (CDP) platform, an important evaluation mechanism in terms of sustainability performance, and being included in CDP's A List. This progress has opened important doors for us to make strong investments with sustainable resources. In this scope, we signed loan agreements amounting to EUR 25 million with the European Bank for Reconstruction and Development (EBRD) and USD 70 million with the International Finance Corporation (IFC), the private sector arm of the World Bank Group. The fact that the EBRD provided financing to a cement company for the first time in Türkiye and that the agreement with the IFC is considered as a green loan are concrete indicators of our sustainability-oriented growth strategy. These agreements are a confirmation of the confidence of international financial institutions in our Company's transformation into a global building materials company and its long-term strategy.

2025 will be a year in which we carry forward our plans to transform into a sustainability and technology-oriented global building materials company and realize our transformation strategy with all its requirements. Emphasizing that this transformation is only possible with the contributions of our employees, I would like to thank all our stakeholders for their valuable support on this journey.

Yours respectfully,

Burak Orhun
Chairperson of the Board

MESSAGE FROM THE CEO



Umut Zenar
CEO

We ended 2024 with a turnover of approximately TRY 28 billion and an operating profit of TRY 3.5 billion excluding one-off items. The Mannok group of companies, which we acquired as of October 1, 2024, completed 2024 with sales of approximately EUR 300 million and an EBITDA of about EUR 60.1 million.

Dear Shareholders,

In 2024 tight monetary policies were effective on a global scale, inflationary pressures eased, but geopolitical tensions persisted.

In the United States of America (USA), uncertainties disappeared with the completion of the elections, while the decline in inflation in the UK and Ireland compared to previous years reduced economic vulnerabilities. For consumers, the beginning of energy prices stabilization in the European Union countries was a positive development. Although some uncertainties persist in the global economy, countries have started to focus on long-term sustainable growth policies.

In Türkiye, export and production-oriented growth strategies were at the forefront, while fighting inflation and improving the investment environment were among the main priorities. The determination in the tight monetary policy strengthened the economic outlook and gave hope for the future, especially as inflation and interest rates fell in the last quarter of the year.

We Moved Up to the League of Global Players with Our Investments

While we experienced these global conditions in the geographies where we operate, 2024 was a year in line with our strategic plans, with high economic outputs and supporting our growth journey.

As Çimsa, we continued to resolutely implement our strategy to grow in sustainable building materials and expand our global footprint. We took an important step in line with our strategy by acquiring 94.7% of the Ireland-based Mannok Holdings DAC. With this acquisition, we not only strengthened our grey cement business line, but also became a strong player in the UK and Ireland markets.

In addition, thanks to Mannok's industry expertise and broad product range, we acquired an innovative product portfolio comprising building materials made from cement, high-performance insulation solutions that play a critical role in the energy efficiency of buildings and recyclable packaging materials that support the circular economy.

In the same period, we continued our investments in the USA and Türkiye with determination. Our new grey cement grinding facility project in Houston, USA, which we launched last year with an investment of USD 82 million, continued to progress unabated in 2024 as well. To be commissioned in the last quarter of 2025, this plant, with an annual grinding capacity of 600 thousand tons, will strengthen Çimsa's presence in the grey cement field in addition to its white cement operations in the American market and will make significant contributions to the Company's global growth strategy.

We successfully commissioned the Solar Power Plant (SPP), which we started to invest in last year at the Buñol Plant in Spain, on schedule. With this power plant, which meets approximately 18% of the plant's energy needs, we continue to contribute to the future with sustainable and environmentally friendly solutions by preventing 3,000 tons of CO_2 emissions per year.

In Türkiye, we realized two important projects within the scope of our sustainable energy investments at our Eskişehir plant. Launched in the second quarter of 2024, our Solar Power Plant (SPP) project with an installed capacity of 14.2 MWp DC has been designed to meet 14% of the total annual electricity consumption of our plant and became operational in the first quarter of 2025.

In addition, we continue the investment for the Waste Heat Recovery (WHR) Power Plant with an installed capacity of 5.5 MWp within the scope of the contract signed with Enerjisa in 2023. With the commissioning of both investments, approximately 40% of the electricity need of our Eskişehir plant will be provided from renewable energy sources and a significant contribution will be made to our emission reduction targets by preventing 27,400 tons of CO_2 emissions annually.

In 2023, we increased our capacity to 131 thousand tons per year with the new Calcium Aluminate Cement (CAC) Production Facility commissioned at our Mersin Plant. Our product range, equipped with new technologies and utilizing our own R&D competencies at the highest level, increased our appetite for investment in this area, and we announced our plan to increase our CAC production capacity in the last quarter of 2024. With CAC, an important representative of our value-added product portfolio with high export capability, we are taking another step towards realizing our growth strategy.

We transform with responsible financing sources by creating sustainable positive value

We ended 2024 with a turnover of approximately TRY 28 billion and an operating profit of TRY 3.5 billion excluding one-off items. The Mannok group of companies, which we acquired as of October 1, 2024, completed 2024 with sales of approximately EUR 300 million and an EBITDA of EUR 60.1 million. In our 2025 year-end financials, we will see Mannok's full-year contribution for the first time, which we consolidated from its performance for the last three months in our 2024 financials. Furthermore, thanks to our high export capacity and global acquisitions, we diversified our geographies and industries of operations, which resulted in more than half of our revenues being generated from FX-based revenues.

On the other hand, this year stood out as a period where we realized our sustainability-oriented investments through responsible financing agreements. The EUR 25 million loan agreement we signed with the European Bank for Reconstruction and Development (EBRD) is the first long-term financing provided to a cement company in Türkiye. This agreement is a strong indicator of Çimsa's green financing vision. This financing will not only support solar energy and waste heat recovery investments, but will also contribute to the realization of our projects that will increase our operational efficiency.

Moreover, within the scope of the USD 70 million green loan agreement signed between Çimsa and the International Finance Corporation (IFC), we plan to realize projects such as renewable energy, alternative fuel, alternative raw materials and product transformation at our Mersin, Eskişehir and Afyon plants.

Thanks to these strategic investments, we continue to consistently realize our decarbonization efforts in line with science-based targets with sustainable financing sources.

MESSAGE FROM THE CEO

Towards net positive in all our impact areas with Science Based Targets

As Çimsa, we see sustainability as an integral part of our way of doing business and place it at the center of our strategy in line with our long-term, balanced growth targets. With this understanding, we carry out comprehensive studies and take concrete steps to reduce carbon emissions.

In 2024, the verification and approval process of our short-term emission reduction target commitment to the Science Based Targets Initiative (SBTi) was completed. We do not limit our science-based target setting efforts to greenhouse gases. We left behind a year in which we focused on infrastructure preparations for nature-based goal setting and achieving net positive and started new projects to protect biodiversity and water resources.

Zero Tolerance in Occupational Health and Safety

The health and safety of our employees has always been our primary value. With this understanding, we launched the "Zero Tolerance" initiative to minimize occupational accidents and strengthen our safety culture. With this initiative, we encourage each of our employees to take an active role not only in their own safety, but also in preventing risks in their surroundings. We adopt the "be proactive, react" approach and work together to ensure full compliance with the 10 Golden Life-Saving Rules.

Utilizing the advantages offered by digital transformation, we strengthen our Occupational Health and Safety (OHS) processes with artificial intelligence-supported analysis platforms. We thus minimize unsafe behaviors and quickly identify and prevent potential risks. With innovative artificial intelligence-based solutions such as Çimsafe, we contribute to our goal of creating a safe working environment by providing fast and accurate answers to our employees' OHS questions.

Global Structure, Global Workforce

As Çimsa, we support the development of our employees through our human-oriented approach, embrace diversity and create a working environment that offers equal opportunities for all. We support our workforce at every step with flexible working models, global career opportunities and comprehensive development programs.

> Thanks to our projects to increase women's employment, we achieved our 2030 target of 30% female white-collar employee ratio in 2024.

We strengthened our pioneering steps in diversity, equality and inclusion with our Global DE&I Committee. In order to shape our global growth with an inclusive culture, we implement programs to expand our employee diversity in 15 different countries. Thanks to our projects to increase women's employment, we achieved our 2030 target of 30% female white-collar employee ratio in 2024. With our strong talent pool, global structure and workforce, we look to the future with confidence.

We Shape the Building Materials Industry of the Future through R&D, Innovation and Technology

As Çimsa, while creating our transformation story, we act with the mission of creating sustainable living spaces and develop innovative and sustainable products that meet the needs of our customers. Working in synergy at the Sabancı Technology Center at the Technical University of Munich (TUM) campus and Formülhane, our R&D center in Mersin, we aim to develop innovative products and new production technologies that reduce natural resource consumption. We continue to develop pioneering projects in the international arena while maintaining a strong position in export markets with our sustainable and value-added products.

In 2024, we increased the rate of transition to low clinker products in our grey cement product portfolio to over 60%. We registered our commitment to our sustainability goals with the "Green Wave - Low Carbon Program" and continued to offer innovative solutions for the needs of our customers by expanding our low carbon product range with new products. We increase our competitiveness in the market with our next-generation cements such as Ecoshine and Ecofort, and we comply with global sustainability standards by using the European Union Taxonomy as a guide in the transformation of our products.

Another important achievement this year was that we received support for our project proposal on "Producing Sustainable Grey Concrete Mortar for Use in 3D Printers", which we developed within the scope of the "SAYEM Green Transformation Call" supported by TÜBİTAK and the World Bank.

Our RapiDome project, which combines our specially developed 3D concrete mortar with 3D printers – the architects of the future's movement toward more environmentally friendly and low carbon footprint buildings – continued to produce innovative solutions in 2024. As part of this innovative business model, we built the Çimsa Technology and Impact Center at Eskişehir Technical University and made it available to students, with whom we aim to transform brain drain into brain power through the Sabancı Youth Mobilization.

Outlook for the Coming Period

As Çimsa, we will continue to meticulously implement our transformation strategy, which we define as "From Cement to Building Materials, Grey to Green, Local to Global" in line with our future vision. Without compromising our balance sheet quality, we will closely monitor investments that will provide Çimsa with geographical and product diversity. We will continue our transformation journey as a Company that expands its global customer base, thinks globally, stays close to customers both physically and intellectually and prioritizes creating value for its stakeholders. I would like to thank all our stakeholders, especially our employees, for their valuable contributions during this strategic transformation.

Yours respectfully,

Umut Zenar
CEO

STRATEGIC TRANSFORMATION

In line with our business strategy, we spread our sustainability approach throughout our value chain and continue our investments and operational efficiency efforts without interruption in line with our sustainability targets.

In this Section:

Business Model and Strategy	20
Value Generation	21
Value Creation Model	22
Sustainability Strategy	24
Sustainability Management	25
Sustainability Priorities	26
Stakeholder Engagement and Management	29
Economic and Sectoral Environment	30
Financial Performance	32

Mannok Cement Production Facility (Ireland)

TSRS 1/32-33, TSRS 2/14

BUSINESS MODEL AND STRATEGY

As a leading player in an ever-changing and transforming industry, we are taking steps to build a sustainable future with a focus on maintaining our strong position in cement and building materials.

Çimsa assumes a pioneering role in its industry with its strong market position in Türkiye and extensive operational network. We aim to be closer to our customers with our strategically located production and distribution facilities and continuously improve our operational efficiency. By continuously expanding our global operation areas and increasing our effectiveness in international markets, we expand our competitive power and global footprint with firm steps.

Through our integrated business model, we continuously improve our operations with an approach based on innovation and digitalization, with an effective management approach across the entire value chain. We intend to make a difference in the industry by increasing resource efficiency and prioritizing operational excellence.

Placing sustainability and innovation at the center of its business model, Çimsa takes firm steps into the future by reinforcing its power in the global market.

Çimsa, acting with the mission of sustainable growth, increasing its global footprint and making it more prominent, builds its strategy on three main areas.

1

Protection of the main business line and value maximization

The Company strengthens its existing operations and focuses on increasing operational efficiency by prioritizing value creation in cement production, its main business line. This approach stands out as a critical element in rapidly adapting to market dynamics and maintaining competitive advantage.

2

Value creation through portfolio transformation

Çimsa aims not only to develop its existing business lines but also to create new growth opportunities by transforming its portfolio. Diversifying its business model through investments in innovative areas such as building materials and sustainable products, the Company aims to achieve a stronger position on a global scale. This strategic transformation is considered an important step in adapting to changes in the industry and creating long-term value.

3

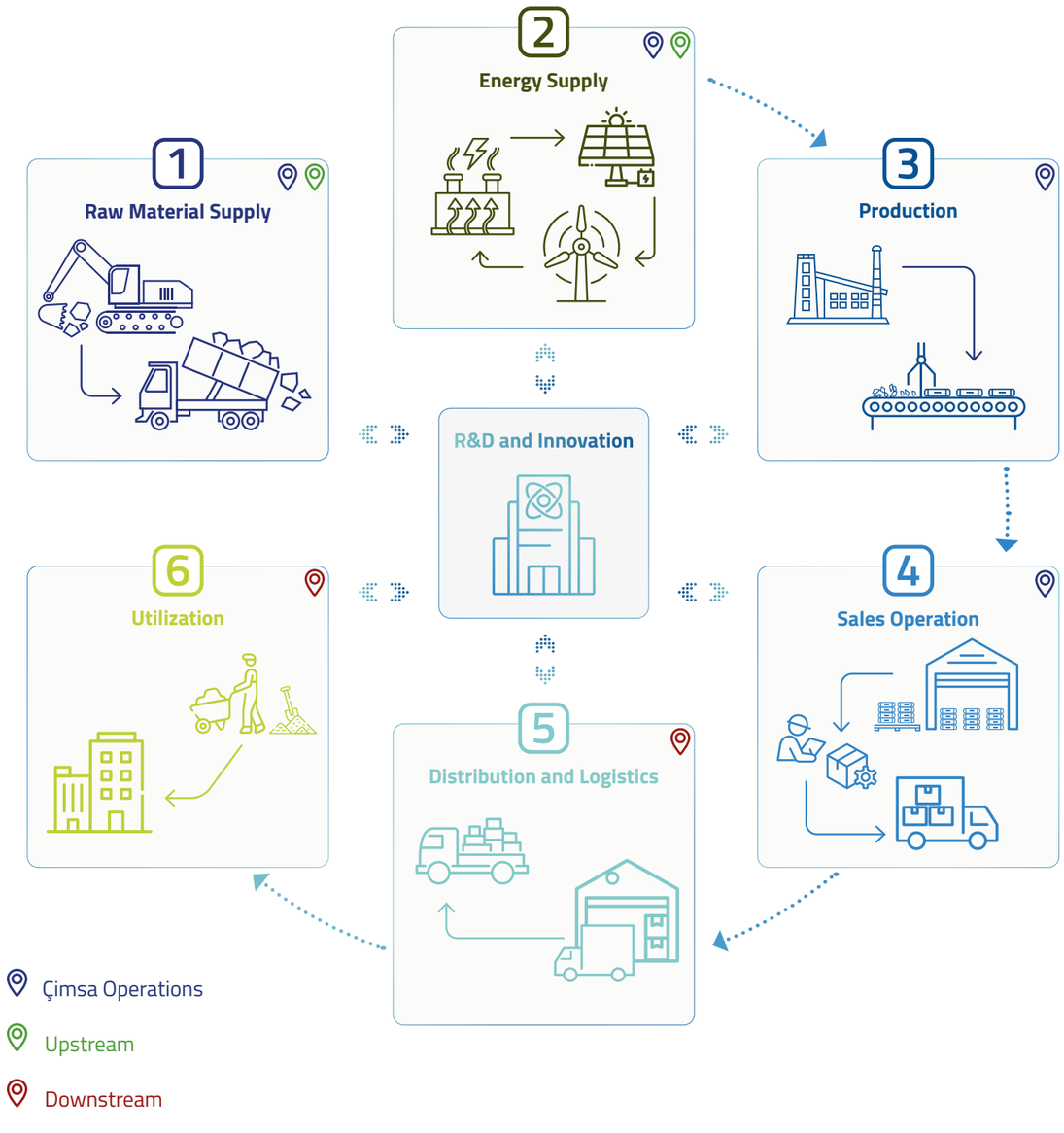
Investing in the Future

Investments for the future constitute one of the cornerstones of Çimsa's long-term vision. Focusing on renewable energy projects, 3D production technologies and low-carbon production processes, the Company supports sustainable growth by developing environmentally friendly solutions. The investments realized in this context not only increase the Company's competitiveness, but also enable it to pioneer a more responsible industry transformation on a global scale.

VALUE GENERATION

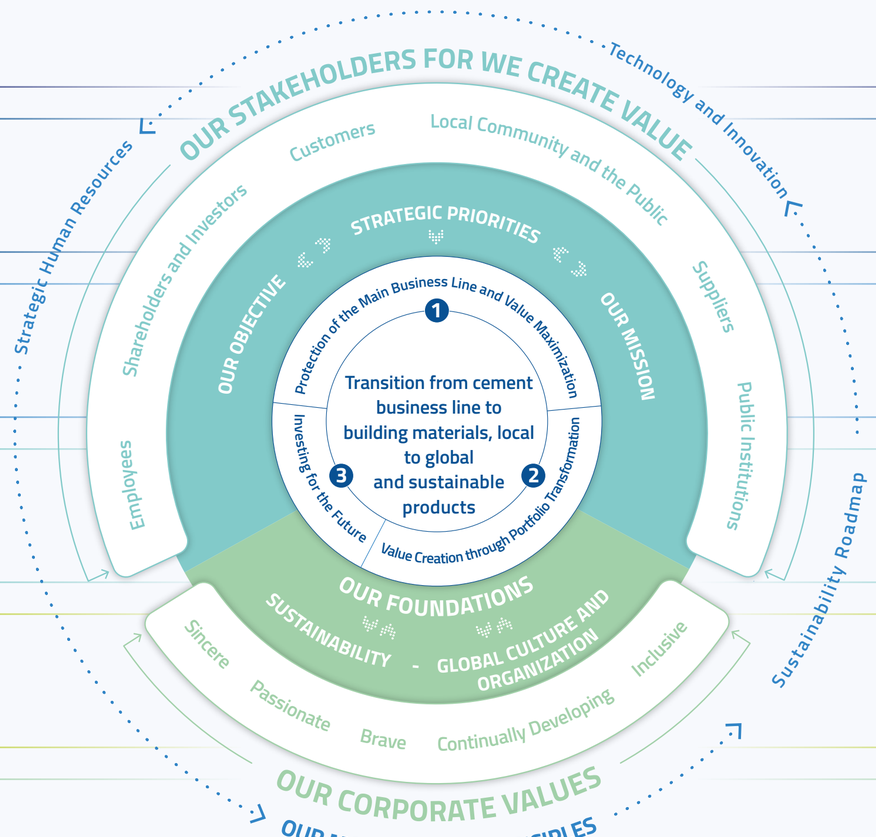
Çimsa aims to create permanent economic and social value for its stakeholders by focusing on sustainability with the vision of "Transformation" and effectively managing risks and opportunities. Accordingly, we see continuous development, innovation and sustainable growth as the cornerstones of our business processes and transform our operations in line with these principles.

Value Chain



Value Creation Model

Input / Capital Element	Our Business Model and Value Chain	Output	Sustainable Impact
Financial ▪ Financial income ▪ Sales revenues ▪ Investments	FINANCIAL SOUNDNESS	TRY **28.2** billion Turnover TRY **3.5** billion Net Profit TRY **14.6** billion Invested	
Manufactured ▪ Equipment ▪ Facilities and infrastructure	GLOBAL FOOTPRINT	TRY **87.5** million R&D and Innovation Investments Amount TRY **4** billion Income from Sustainable Products **70** Countries with Overseas Operation Points **11** Number of Sustainable Products and Services **7** Number of Countries Operated in	
Human ▪ Talent management ▪ Learning and development ▪ OHS Practices ▪ Equality and Diversity ▪ Employee Involvement	STRATEGIC WORKFORCE	**33%** Ratio of White Collar Female Employees **101,361** Total Training Provided for Employees **64%** Employee Engagement Survey Score[1] **30%** Ratio of Female Employees in Income Generating Roles	
Social and Relational ▪ Stakeholder Relations ▪ Laws ▪ Regulations	SOCIAL WELFARE	TRY **13.2** million Social Responsibility Expenditure **2,102** Reached Vulnerable Audiences	
Natural ▪ Energy ▪ Water ▪ Raw Materials	CLIMATE ACTION	**49,537** MWh Renewable Energy Production **85%** Ratio of Recycled Waste **8%** Ratio of Water Recovered/Reused **8,730** MWh Total Energy Saving TRY **370** million Environmental Investment Amount	
Intellectual ▪ R&D and Innovation Projects ▪ R&D and Innovation Investments	TECHNOLOGY AND INNOVATION	**1** Number of New Patents **35%** Ratio of Female Employees in Digitalization Departments	



[1] The survey is conducted every two years. This is the survey score for 2023.

TSRS 1/33
GRI 2-22

SUSTAINABILITY STRATEGY

We work in many areas to maximize the value we create in our operations. We increase our operational efficiency through our focus areas such as energy investments, alternative fuel use, creating a balanced and sustainable product portfolio and using alternative raw materials.

We thus both reduce our environmental impact and use our resources more effectively.

Our Focus Areas

1

Contributing to the transition to a low carbon economy through strong R&D, innovation and technological transformation

Fight against the climate crisis and transition to a low carbon economy are at the heart of our sustainability efforts. The fact that we operate in building materials, an emission-intensive industry, places a great responsibility on us in this regard. In order to achieve our zero carbon goal, we develop innovation and technology-oriented solutions by utilizing our R&D power. We will expand the use of low-emission raw materials and fuels through technological transformations in our operations. We are also taking firm steps towards our goal of becoming carbon neutral by utilizing advanced technologies such as carbon capture, utilization and storage.

2

Pioneering the development of sustainable living spaces through our products

In order to create sustainable living spaces, we strive to develop products with low-emission intensity and reduced environmental impact throughout their life cycle. With our responsible investment approach, we support projects to contribute to the protection of the ecosystem and thus contribute to social sustainability. We aim to spread our sustainability goals across our value chain by acting together with our suppliers, customers and business partners. Through this collaboration, we develop new business models and create new opportunities in sustainability.

3

Creating sustainable stakeholder value through our balanced and risk-sensitive governance model

In order to look to the future with confidence, we have placed sustainability-based risk and opportunity management at the center of our main strategy. In our journey to fight the climate crisis and transition to a low carbon economy, we prioritize creating sustainable stakeholder value. Through an efficient governance model in the areas where we operate, the roadmap we developed in this direction enables us to focus on projects that will contribute to social welfare.

4

Focusing on “Decent Work” and “Equality at Work” in all our business processes

With the goal of creating a sustainable world, we conduct community and human-oriented activities and strive to create a positive impact. We act with a culture that is egalitarian, respectful of diversity and inclusive, and we reflect these values in every aspect of our business. With the steps we take today, we are building a better future and shaping tomorrow.

TSRS 1/27-30-32-33, TSRS 2/6
GRI 2-13, 2-14, 2-23, 2-24, 2-25

SUSTAINABILITY MANAGEMENT

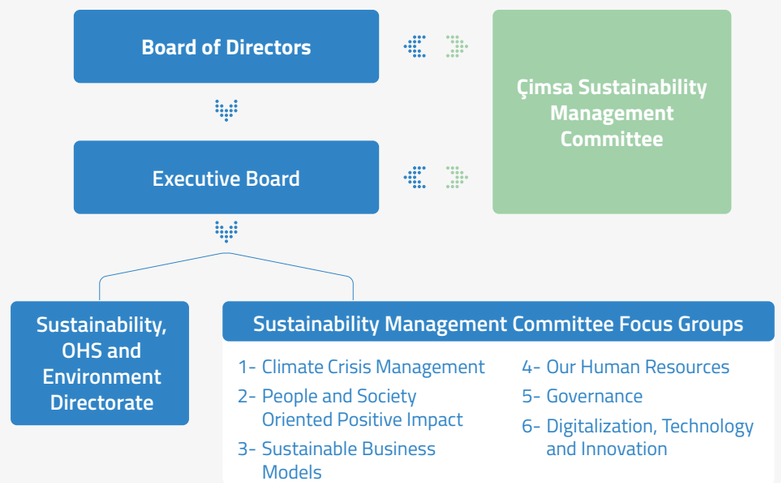
At Çimsa, sustainability is treated as a strategic priority integrated into all processes starting from the highest management level of the Company. The management approach to sustainability is determined by the Board of Directors, the highest level leadership body. The Board of Directors not only sets strategy, but also undertakes the identification, prioritization and management of risks and opportunities within the framework of Environmental, Social and Governance (ESG) standards. It also provides leadership required to regularly review ESG performance and ensure alignment with stakeholder expectations. While setting the sustainability vision and strategic goals, the Board of Directors closely monitors the efforts in this area through its Sustainability Representative. The Executive Board is responsible for the implementation of the identified sustainability strategies. Necessary coordination is provided by the Executive Board to integrate and implement the sustainability principle into all business processes by spreading it across the Company.

The Sustainability Management Committee, which is established within the Company and convenes at least 4 times a year, addresses sustainability topics from a multidimensional perspective. This committee serves as a platform where sustainability performance is evaluated and areas for improvement are identified by bringing together all stakeholders related to environmental, social and governance dimensions. The Sustainability Department ensures the effective implementation of the strategies identified by the Board of Directors and Executive Boards throughout the Company and coordinates the achievement of sustainability targets.

With the incorporation of Mannok Holdings DAC into Çimsa, the Sustainability Working Groups under the Sustainability Coordination Group at Mannok were integrated into the Çimsa Sustainability Management Committee Focus Groups and started their activities. Following the completion of the integration process, the sustainability governance structure will be updated.

At Çimsa, sustainability goals are an important tool used to measure the outputs of the Company's strategy, and achieving these goals is the joint responsibility of the entire organization. With the inclusion of sustainability performance in the individual goals of Management and Executive Board members, they have become a part of the performance indicators of employees across all functions. You can find detailed information about the Sustainability Management Committee Focus Groups and 2024 Studies in the ANNEXES section.

Organization Structure



TSRS 1/33
GRI 3-1

GRI 3-1, 3-2

SUSTAINABILITY PRIORITIES

Our sustainability priorities are an important building block of our sustainability performance, which we actively monitor in light of sectoral and global trends and determine the need for updates.

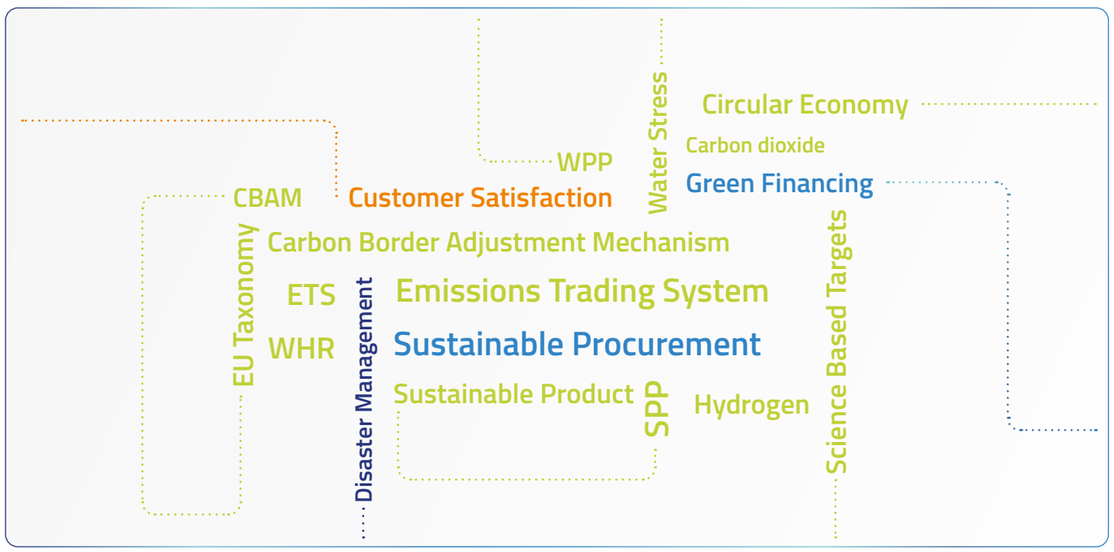
We update our materiality study every two years, unless a different need arises, using analyses that include the risks/opportunities created by sectoral and global trends, as well as the stakeholder expectations we obtain concurrently.

During this year's activities, we used our existing work, which we reviewed and updated with a double materiality approach to our material topics, taking into account the greatest impact on our business and the opinions and expectations of our stakeholders as a result of the work we conducted at the end of last year.

Materiality Method

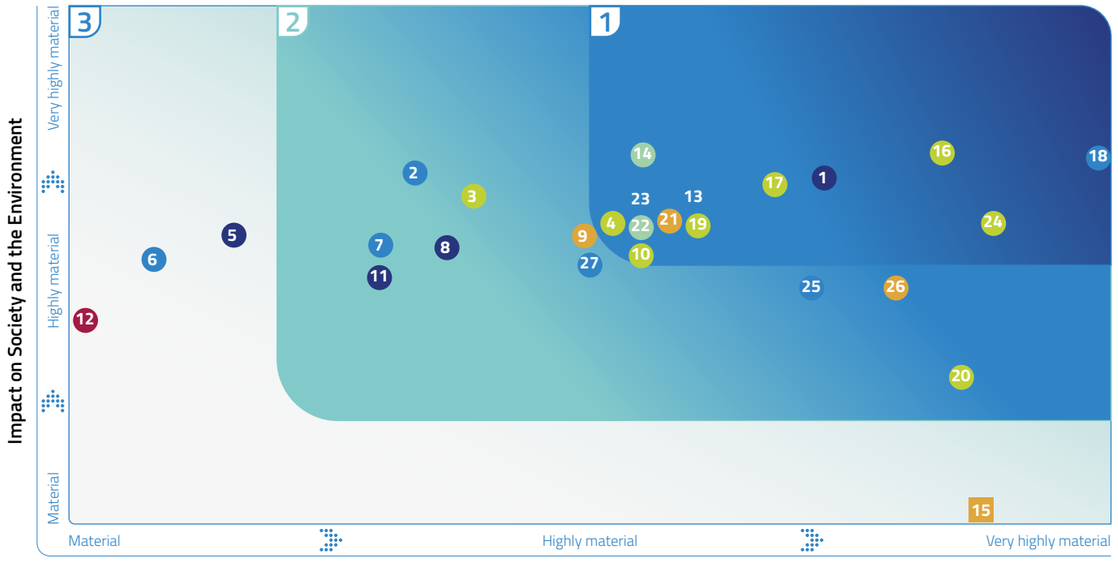
We identify the environmental, social and governance issues that we believe are of the highest importance within the scope of Çimsa's field of activity, taking into account corporate strategies, changing legislation and standards, sectoral practices, corporate regulations and global trends. We ask our stakeholders to evaluate the impact on Çimsa in a "two-dimensional" manner from an environmental, social and governance perspective, as well as the financial impact, through the surveys we prepare within the framework of the identified topics. The evaluation of these topics enables us to prioritize and focus on the most important topics, and the outputs constitute an effective input to all our policies, programs and targets. In addition, we consider the impact of the topics on the business strategy, the risks and opportunities they create, as well as the impact of Çimsa on the external world from this perspective. After analyzing stakeholder opinions and responses obtained for the topics, we identify the impact levels and financial impacts of the topics. Material topics are reviewed by the Sustainability Management Committee and submitted to the Board of Directors for approval.

We reviewed our sustainability topic universe that emerged as a result of all these processes in 2024 as well. As a result of the internal studies conducted, no differences emerged in the topic universe in terms of content, and we continued our operations with the same 27 material topics as in the previous reporting period.



Materiality Matrix

1st Material Topics and 2nd Material Topics we identified as a result of materiality studies are presented. Company strategy, targets and performance monitoring and independently audited metrics have been determined from 1st Material Topics.



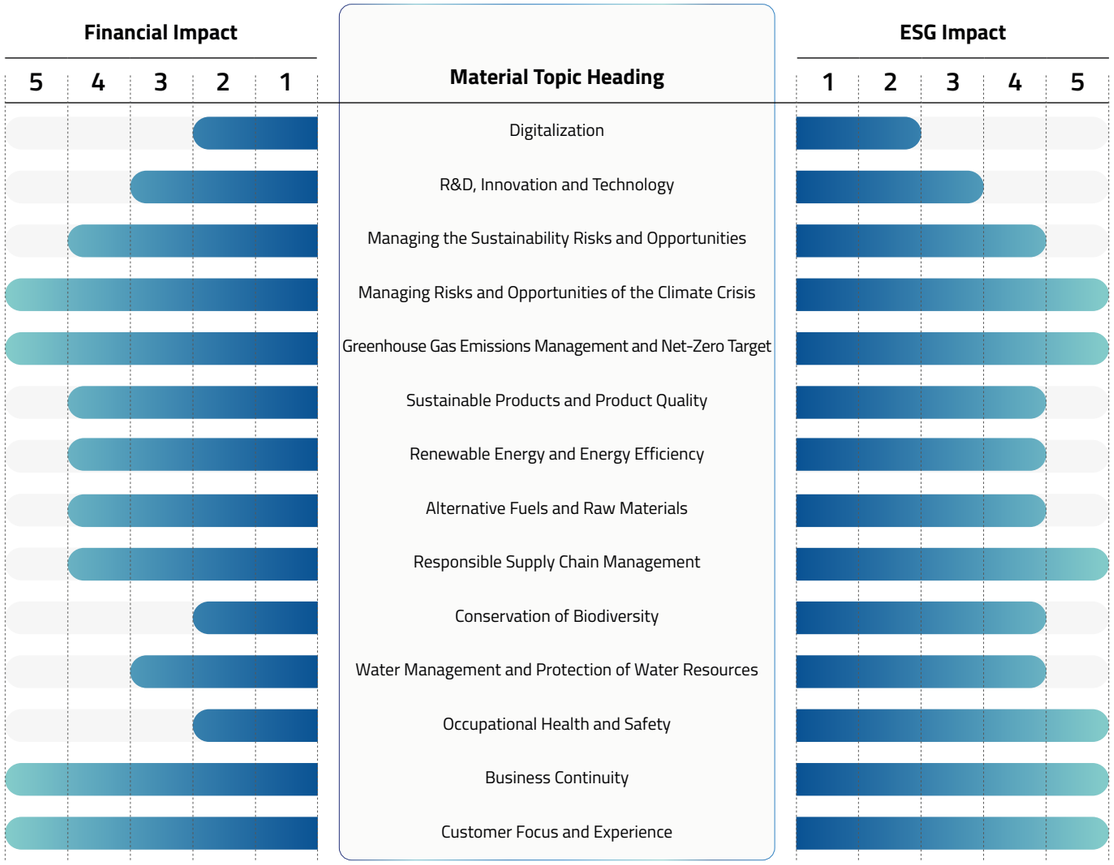
Konular

1 Occupational Health and Safety
2 Ethics and Compliance
3 Pollutant Air Emissions
4 Sustainable Products and Product Quality
5 Equality and Inclusion
6 Human Rights
7 Corporate Governance
8 Resilience and Well-being in the Workforce
9 Responsible Investment
10 Water Management and Protection of Water Resources
11 Employee Involvement and Development
12 Corporate Social Responsibility
13 Managing the Sustainability Risks and Opportunities
14 Digitalization
15 Financial Performance and Risk Management
16 Renewable Energy and Energy Efficiency
17 Greenhouse Gas Emissions Management and Net-Zero Target
18 Responsible Supply Chain Management
19 Conservation of Biodiversity
20 Carbon Pricing and Taxation
21 Customer Focus and Experience
22 R&D, Innovation and Technology
23 Business Continuity
24 Alternative Fuels and Raw Materials
25 Anti-Bribery and Anti-Corruption
26 Growth in International Markets
27 Managing Risks and Opportunities of the Climate Crisis

Working Life | Good Governance | Climate Action | Financial Soundness | R&D, Innovation and Technology | Contribution to Social Welfare

STAKEHOLDER ENGAGEMENT AND MANAGEMENT

Another dimension of the materiality study is the process of evaluating the identified material topics in terms of financial and ESG impact and including them in the strategic goals. Within the scope of this study, material topics with an impact dimension of 4 and above on a 5-point scale are evaluated in detail and included in strategic goals.



Information on the relationship between our material topics and reporting frameworks can be found in the ANNEXES.

As Çimsa, we shape our operations by taking into account the expectations of a wide range of stakeholders and continuously renew our business processes accordingly. We adopt creating mutual trust and benefit as a fundamental principle in our relations with our stakeholders. This understanding is not limited to a communication approach, but also reflects our aim to integrate the needs and expectations of our stakeholders into our business strategies.

We take care to establish a sincere, open, transparent and participatory dialog with all our stakeholders, from our employees to our customers, our investors to our suppliers. We also work in close cooperation with other stakeholders such as local communities, public institutions, academic organizations and the media, acting with awareness of the importance of their contributions to the sustainable success of our business.

We customize our communication methods and channels and ensure the uninterrupted flow of information through the feedback mechanisms we created for our different stakeholder groups. For example, while we conduct social impact assessment studies and one-on-one contacts with local stakeholders in the immediate vicinity of our production facilities, we provide access to large-scale mass information through surveys or social media tools.

In shaping our processes and business plans, we carefully evaluate the feedback we receive from our stakeholders and make this feedback a part of our continuous improvement culture. With this approach, we aim not only to meet expectations but also to create new values. Increasing the value we add to each of our stakeholders and contributing to their success stories is an integral part of Çimsa's way of doing business.

While fulfilling our environmental and social responsibilities, we place managing risks and making the best use of opportunities at the center of our stakeholder management, taking into account the dynamic structure of the business world. This approach makes it possible not only to overcome current challenges, but also to bring opportunities for innovation and sustainability into our business.

Please refer to the ANNEXES section for more information on the material topics for our stakeholders, the value we create and responses to their expectations.



ECONOMIC AND SECTORAL ENVIRONMENT

In 2024, geopolitical tensions and economic uncertainties shaped the global outlook.

The global economy grew moderately in 2024 amid geopolitical risks, efforts to control inflation, volatility in financial markets and tightening monetary policies. In its World Economic Outlook (WEO) report dated January 2025, the International Monetary Fund (IMF) announced its global growth forecast for 2024 as 3.2%. IMF emphasized that global growth followed a moderate course in 2024, but downside risks remained dominant. In 2024, inflation, geopolitical tensions and volatility in financial markets stood out as major challenges for the global economic outlook.

According to the IMF's forecast in the same report, the 1.7% growth in advanced economies in 2024 was slower than the 4.2% growth in developing economies. Growth in developing economies was driven by increase in domestic demand, recovery in external demand and structural reforms implemented in some countries, and this growth was supported by exports, consumption and investment in particular.

2024 continued to be a year full of challenges for the European Union (EU) due to geopolitical uncertainties, high energy prices and inflationary pressures. According to the European Commission's latest downward revised forecasts, the EU economy is expected to grow by about 0.8% in 2024. While this ratio represents a decline from previous forecasts, it also points to a limited recovery after 0.4% growth in 2023.

Inflation remained one of the biggest challenges for the European economy in 2024 as well. While high energy and food prices put upward pressure on price increases, the European Central Bank (ECB) started to cut interest rates in June and implemented a 100 basis point rate cut by the end of the year. Average inflation in the Eurozone for 2024 was realized at 2.4%.

Spain, one of the key markets in which we operate, demonstrated a stronger economic performance in 2024 compared to other European countries. According to the Spanish Institute of Statistics, the Gross Domestic Product (GDP) growth rate increased from 2.3% in 2023 to 3.5% in 2024.

However, high inflation and interest rates continued to pose challenges for the Spanish economy. Rising consumer prices and tightening financial conditions continued to pose significant risks to the sustainability of economic growth.

In Ireland, where we started to operate after the acquisition of Mannok Holdings DAC, the economy showed a limited growth of 0.3% in 2024 after a contraction in 2023. And inflation declined from 4.6% in 2023 to 1.4% in 2024. Compared to 2023, this improvement in the inflation rate indicates that consumer prices followed a stable course and contributed to the preservation of purchasing power.

In the same period, the UK economy went through a challenging period and recorded an annual growth rate of 0.8% in 2024. Inflation in the country was realized as 2.5% in 2024. The Organization for Economic Cooperation and Development (OECD) emphasized that the UK economy has started to regain momentum after a period of weak growth, but that comprehensive reforms must continue for this momentum to be sustainable.


Mannok Cement Production Facility (Ireland)

The United States economy grew by 2.8% in 2024. This growth was supported by consumer and government spending as well as an increase in exports. By December 2024, the annual inflation rate had fallen to 2.9%, down from 3.4% in 2023. This high level was driven by the low base effect in energy prices, while the decline in energy costs lost pace, and food prices increased.

The impact of inflation continues with a gradual decrease

Turkish economy grew by 3.2% in 2024. The construction industry stood out with a high growth rate of 9.3% in GDP in 2024.

Inflation remained high, especially in the first half of 2024. With the downward trend starting in the middle of the year, the Consumer Price Index (CPI) recorded an annual increase of 44.38% at the end of 2024 compared to 2023.

In 2024, compared to the same period of 2023, the number of buildings with construction permits decreased by 12.2%, while the number of buildings with occupancy permits increased by 10.8%. In the same period, 1.5 million houses were sold, and the share of first-hand sales in total sales was realized as 33%. By the end of 2024, it is estimated that there are approximately 3.6 million housing stocks in Türkiye.

Türkiye's exports in 2024 increased by 2.4% year-on-year to USD 261 billion 855 million, and imports decreased by 5.0% to USD 344 billion 20 million. The annual foreign trade deficit decreased by 22.7% from USD 106 billion 339 million in 2023 to USD 82 billion 165 million in 2024. Germany, the USA, the UK, Iraq and Italy were the top five countries in Türkiye's exports in 2024. China ranked first in Türkiye's imports for the same period, followed by the Russian Federation, Germany, Italy and the USA. Türkiye's budget deficit increased by 53% in 2024 compared to the same period of 2023 to TRY 2.106 billion.

Shrinking Exports, Increasing Domestic Consumption

According to TÜRKÇİMENTO data, Türkiye's cement production in 2024 increased by 4% compared to 2023 to 84.8 million tons. In the same period, domestic cement consumption increased by 8.9% compared to 2023 to 70.8 million tons. According to data from the Central Anatolian Exporters' Association, Türkiye's total cement and clinker exports in 2024 decreased by 3% year-on-year to 19 million tons. North America, Europe and MENA were the regions where the industry realized the highest cement and clinker exports in 2024.

In Spain, cement consumption in 2024 was realized at around 15 million tons. Total cement demand in Ireland has maintained its annual level of approximately 2.5 million tons with the impact of public infrastructure investments. It is estimated that cement demand in the UK market in 2024 was around 10 million tons, and that the total cement consumption in the United States, where we operate, was around 105 million tons.

FINANCIAL PERFORMANCE

In 2024, we continued our investments and operational efficiency efforts in line with our sustainability targets without interruption.

We started 2024 with global economic uncertainties and an inflationary environment. The uncertainties and limited growth that continued throughout the year also had a significant impact on financial markets.

As Çimsa, we entered the year with a strong balance sheet and financial capital structure. With the actions we took and the risks we managed throughout the year, we were careful to maintain our strong position. While our investments in grey cement grinding in the USA and renewable energy and waste heat recovery (WHR) in Türkiye continued, we increased our stake in Cimsa Building Solutions to 68%. In the last quarter of the year, we successfully completed the acquisition of Mannok, one of the most comprehensive acquisitions in Sabancı Holding's history, thanks to our strong balance sheet and advantageous financing from our own resources. This investment was one of the most important strategic steps we realized during the year. Our net financial expenses were 41% below the previous year. Thus, we ended the year with a debt multiplier of 2.38x with the impact of ongoing investments.

In 2024, we recorded a turnover of TRY 28 billion and a net profit of TRY 3.5 billion excluding one-off items. As a result of our value-added products and geographic diversification, more than half of our sales were FX denominated.

In 2024, we prioritized effectively sharing our forward-looking strategy and strong financial performance with our stakeholders. We provided a regular and transparent flow of information about our operational and financial performance through various communication channels such as financial results briefings and bulletins. As a result of these efforts, we added a new one to our indices and joined the FTSE4Good Emerging Index in 2024.

Çimsa Treasury Policy

Through the "Working Capital and Cash Management Committee", which convened regularly with the participation of the executive board, potential risks arising from working capital and financing needs were dynamically managed to maintain a strong balance sheet.

Çimsa bases its borrowing and depositing decisions on cash flow estimates. These estimates include inputs such as macroeconomic assumptions, periodically revised sales and production quantity forecasts, sales price and payment term days forecasts, purchasing price and payment term forecasts, as well as investment spending assumptions.

The Company's main borrowing and depositing policy is continuously monitored and revised when necessary according to activity outcomes, cash flow expectations, potential developments in financial markets and in line with regulatory changes.

Access to Sustainable Finance

As Çimsa, we recognize the necessity of transitioning to a low carbon economy within the scope of our sustainability strategy, and we see the sustainable finance we will need during this transition as a strength and a tool to further align Çimsa's sustainability goals with the expectations of our stakeholders.

In 2024, we realized important strategic collaborations with two international financing institutions. Following detailed due diligence processes, they confirmed their confidence in our sustainability systematics and the investments we propose.

We signed a loan agreement with the European Bank for Reconstruction and Development (EBRD) amounting to EUR 25 million with a total maturity of 5 years, 2 years of which are non-refundable. This loan was the first loan provided by the EBRD to the Turkish cement sector, thus being an example that opened the door to green financing for the industry. Following this, we signed another loan agreement with the International Finance Corporation (IFC) amounting to USD 70 million with a total maturity of 5 years, 2 years of which are non-refundable. These loans are green loan-linked financing sources in line with Çimsa's sustainability strategy.

Green Financing Framework

The Green Financing Framework is a guide that regulates the use of financial instruments aimed at achieving environmental goals by investing in sustainable projects. Çimsa published this framework in 2024, which is an important step in achieving its sustainable development goals. The framework aims to contribute to Çimsa's sustainability strategy and achievement of 2030 targets with issuance of Green Financing Instruments and investments in Eligible Green Projects.

Click here to access the Green Financing Framework document.





TSRS 1/30-32-33-34-35-40-41-44-46-49-51, TSRS 2/6-25

SUSTAINABLE TRANSFORMATION

We continuously monitor and accordingly manage our environmental footprint through our efforts to fight climate change and environmental excellence practices. We strive to increase the added value we create through responsible investments and responsible supply chain practices.

In this Section:

Transformation in a Climate Change Environment	37
Decarbonization Transition Plan	39
Climate Related Risk and Opportunity Descriptions	46
Transformation with Environmental Excellence	48
Transformation with Responsible Investments	56
Transformation with Sustainable Supply Chain	62

Mersin Cement Production Facility (Türkiye)

WHY IS THIS IMPORTANT FOR US?

Sustainable transformation requires being proactive. In line with this understanding, we continuously monitor our environmental footprint, identify areas for improvement by evaluating our performance and strive to move it forward.

HOW DO WE MANAGE?

Our environmental responsibility and our commitments in this regard are included in the Environmental Policy document. Our relevant performance is systematically audited for compliance by our Environmental Management System (EMS). Our operations are managed in accordance with the requirements of the TS EN ISO 14001:2015 Environmental Management System. All our production facilities and ready-mixed concrete stations have the ISO 14001 Environmental Management System Certificate and our production facilities have the ISO 50001 Energy Management System Certificate. Our environmental excellence principle, built on this foundation, refers to the state of meeting environmental achievement, management and protection standards with the best technical practices. We manage our environmental excellence efforts under the headings of air emissions, water management, waste management and biodiversity.

RELEVANT STAKEHOLDERS

Shareholders and Investors
Customers
Local Community and the Public Suppliers
Public Institutions

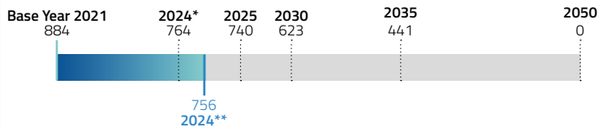
RELATED CAPITAL ELEMENTS

Natural Capital
Manufactured Capital

TRANSFORMATION IN A CLIMATE CHANGE ENVIRONMENT

Performance Data

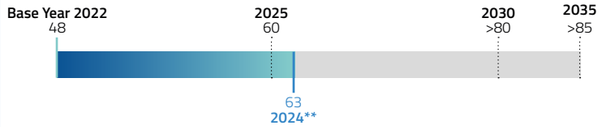
Scope 1 and Scope 2 specific GHG product emission intensity ***(kg CO_2/ton cementitious)***



Alternative raw material utilization rate (Grey cement) ***(%)***



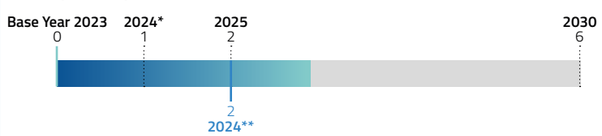
Increasing consumption of renewable electrical energy ***(%)***



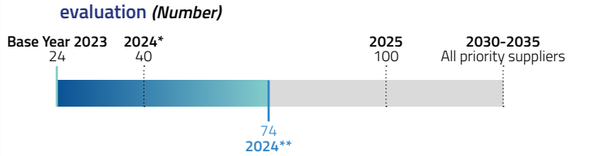
Reduction in specific water consumption for cement production ***(L / ton cementitious)***



Number of priority locations with biodiversity action plans ***(Number)***



Number of priority suppliers subjected to sustainability evaluation ***(Number)***



* Target ** Realized

The COP29 Summit of the Parties at Baku, Azerbaijan between November 10-22, 2024 was a platform where important decisions were taken in the fight against the climate crisis. Among the main agenda items of this year's summit, climate finance, loss and damage fund and adaptation studies were at the forefront. Renewable energy investments and financing strategies to support energy transition, especially for developing countries, were widely discussed.

One of the main targets of the summit was to advance discussions on the New Collective Quantified Goal (NCQG), which will replace the USD 100 billion financing target set in previous years. This goal aims to support poor countries most affected by climate change.

While adaptation finance aimed to provide assistance to the most vulnerable countries to develop infrastructure resilient to the impacts of climate change, carbon markets under Article 6 of the Paris Agreement also played an important role at the summit. Within the summit, the rules for the implementation of Articles 6.2 and 6.4 were finalized. These articles will allow countries to create new sources of finance by trading carbon credits.

During the Summit, solution proposals were discussed on issues such as expanding carbon markets, increasing financial support and fair transition policies for developing countries.

The COP29 Summit of the Parties, in which we, as Çimsa, participated with different functional departments, enabled us to take strong steps to translate our commitment to fight the climate crisis into action across all our operations and value chain, in line with global developments.



Science-based Carbon Emission Reduction Target

We are shaping our commitment to reducing carbon emissions with concrete steps. The Science Based Targets Initiative (SBTi), which guides companies worldwide to limit global warming to 1.5°C, validated our near-term reduction commitment target compatible with climate science in April 2024. We update our decarbonization investments and emission-reducing project needs on an annual basis within the efforts of a sub-group under the Sustainability Management Committee and include them in our long-term strategic plans in a trajectory compatible with SBTi targets.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

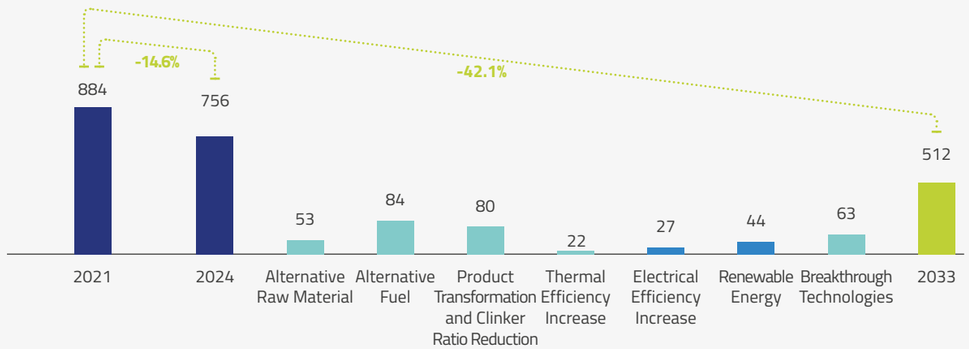
Also this year, we took planned steps towards achieving our targets in line with our decarbonization roadmap, and where we deviated from our plans, we determined alternative actions to ensure compliance with our targets. In this scope, we reduced Scope 1 and Scope 2 cementitious product emission intensity by 14.5% compared to the base year 2021. In this direction, we advance in parallel with our target to reduce the emission intensity of cementitious products by 39.3% in Scope 1 and 86.8% in Scope 2.



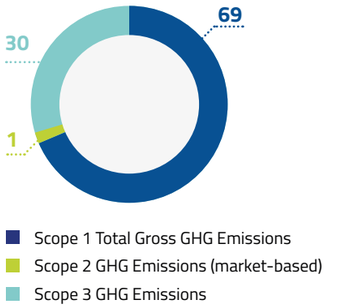
DECARBONIZATION TRANSITION PLAN

Çimsa's decarbonization transition plan realization status and the distribution of future plans to reach the 2033 target on the basis of mitigation topics are as shown in the graph.

Carbon Emissions Transition Projection (Scope 1 + 2)

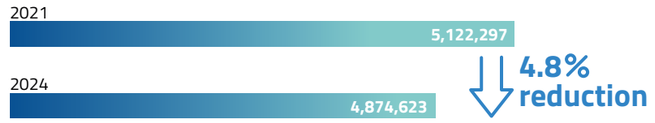


Çimsa's Emission Distribution* (%)



*Mannok operations are not included in the graph.

Scope 1 Total Gross GHG Emissions (tons CO_2e / year)



Scope 2 GHG Emissions (market-based) (tons CO_2e / year)



Product Transformation with Alternative Raw Materials

The use of alternative raw materials and auxiliary cementitious materials (ACMs) to replace natural resources in clinker production and cement grinding processes plays a major role in low-carbon product transformation, both in supporting the circular economy and reducing product emission intensity. Decarbonized industrial by-products such as blast furnace slag, vitrified waste and fly ash are the main alternative raw materials used in cement production.

Ensuring the long-term quality continuity and supply of such materials presents the biggest risk and opportunity of product portfolio transformation. In this scope, we took steps to ensure long-term planning and product-based supply safety with the collaborative efforts of Çimsa's Strategy, Sustainability, Sales, Supply Chain and Operations teams.

With Green Wave, our product transformation program, we ensured the supply of suitable alternative additives on a location basis and ensured the spread of composite cements such as those with blast furnace slag, ash and vitrified waste in our markets. In this way, we reduced the clinker utilization rate in our grey cement products to 80% and reached our 2025 year-end target 1 year earlier.

450 thousand tons — Amount of alternative raw materials used in 2024.

Energy Transformation with Alternative Fuels

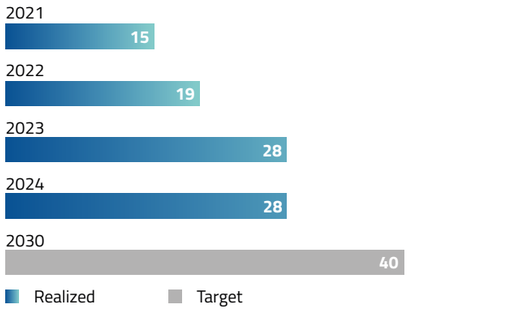
As Çimsa, we reduce our carbon emissions and decrease the consumption of natural resources by using low-carbon secondary materials such as biomass waste, refuse-derived fuel (RDF) and end-of-life tires (ELT) as thermal energy sources in line with our decarbonization and circular economy strategies.

The use of alternative fuels as a substitute for primary fuels is only possible if the necessary structural investments in the facilities are completed and material supply is provided under favorable economic conditions. In recent years, we have taken important steps at our Afyon and Buñol plants to develop alternative fuel preparation, storage and delivery systems, which have an important place in our decarbonization investment plans. Through our dynamic energy management approach, we constantly evaluate the process and keep waste supply opportunities alive, even while the economic nature of supply opportunities varies within the context of regional market dynamics. We strengthen our collaborations with leading ports and recycling facilities at our locations, thus establishing ties that will ensure supply continuity.

In 2024, 28% of the thermal energy at our Buñol plant, which produces white cement, was provided from alternative fuels, while this rate was 55% for Mannok Holdings DAC, a new Çimsa subsidiary with a grey cement production line.

When we look at the grey cement production lines across Çimsa, while alternative fuels provided 29% of the thermal energy in the previous year, it was kept at 10% in 2024, dynamically managed within the framework of economic evaluations, profitability optimization and supply opportunities. By taking a holistic view of our decarbonization actions, carbon emissions that could not be reduced through alternative fuel use were compensated by the category of emission reduction through product transformation.

Alternative Fuel Utilization Rate - Buñol

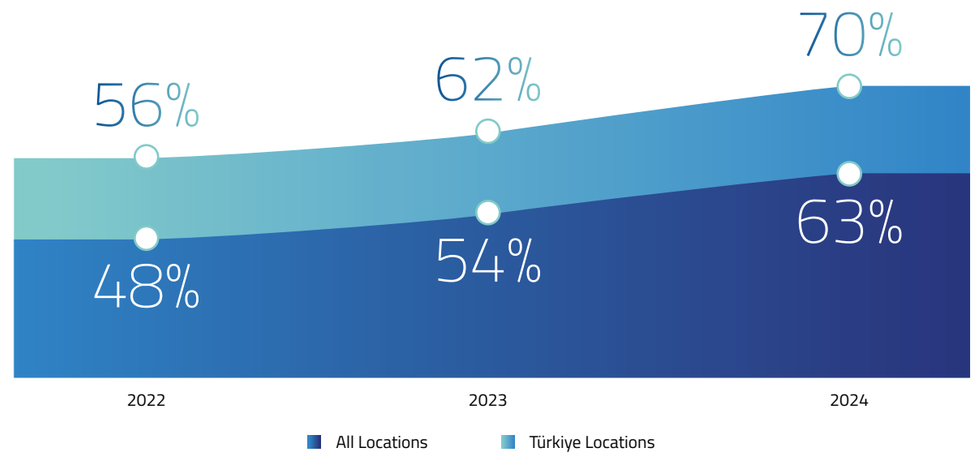




Energy Efficiency and Renewable Energy

Our 2030 Target is to reach 80% renewable electricity consumption rate

Renewable electricity energy utilization



With our strategies aiming to meet our Company's energy needs from more sustainable sources, we aim to reduce our environmental impact, increase our operational efficiency and raise our renewable electricity consumption to 80% until 2030, supporting our energy independence.

In line with this target, accelerating our transition from carbon-intensive energy sources to renewable resources and implementing our energy efficiency projects constitute two important building blocks to reduce Scope 2 (indirect) emissions. Our investments set a strong example not only for our Company but also on a sectoral scale.

Through the use of renewable electricity, **236 thousand tons of CO_2** savings and **73%** reduction in Scope 2 emissions compared to 2021

TSRS 2/10-13-14

Transformation from Grey to Green in Energy

We continued to push our renewable energy investments that started in 2023 to reduce market-based Scope 2 (indirect) emissions in line with the emission reduction commitment submitted to the Science Based Targets Initiative (SBTi).

In 2024, we greatly accelerated the infrastructure works for our Eskişehir plant to accommodate renewable energy sources. The solar power plant with an installed capacity of 14.2 MWp DC, installation of which has continued throughout the year, will generate about 19 million kWh of electricity annually, and the waste heat recovery (WHR) power plant with an installed capacity of 5.5 MW will generate about 40 million kWh of electricity annually. 40% of the plant's energy needs will be met from location-based renewable energy sources.

Please click here for the Responsible Investment Policy, the key to transformation.

Amount of renewable energy generated on-site in 2024

Afyon
(Solar Power Plant)

5.123 MWh
2.264 tons CO_2 savings



» In 2023, we commissioned the solar power plant (SPP) with an installed capacity of 3.3 MW at our Afyon plant, built in cooperation with Enerjisa.

Mersin
(Waste Heat Recovery Facility)

38.890 MWh
17.189 tons CO_2 savings



» The Waste Heat Recovery Facility at our Mersin plant has an installed capacity of 9.8 MW.

Buñol
(Solar Power Plant)

5.525 MWh
1.133 tons CO_2 savings



» The SPP with an installed capacity of 7.2 MW, installed turnkey by ID Energy Group at our Buñol plant, started production in the first half of 2024.

Transformation of Scope 2 Emissions through the Use of Green Energy Certificates

In addition to our location-based renewable energy investments, we demonstrated our support for renewable energy production mechanisms by supplying 362,650 MWh of International Renewable Energy Certificate (I-REC) certified electricity for our plants in Türkiye and 10 Ready-Mixed Concrete Stations, managing to reduce our market-based Scope 2 (indirect) carbon footprint by 157 thousand tons of CO_2.

In 2024, we received the Renewable Electric Energy Certificate (Guarantee of Origin-GO) for our Buñol Plant in Spain, which complies with the European Union rules, certifying that the electrical energy used is supplied from renewable sources.

We ensured transparency and traceability by certifying the amount of 49,538 MWh of renewable electricity we produced at our own facilities with the International Renewable Energy Certificate (I-REC).

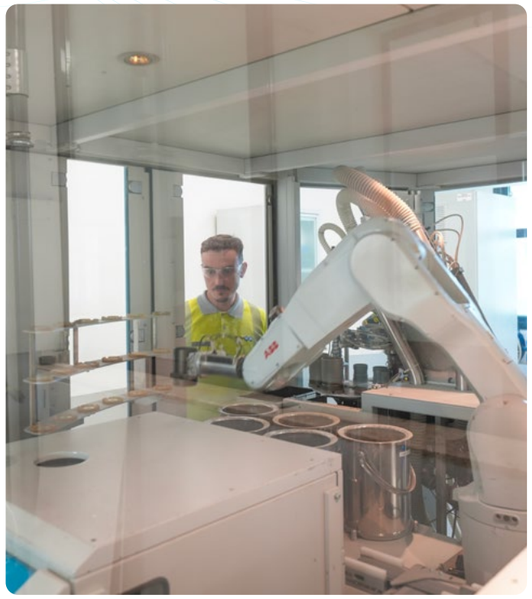
We continue to lead both national and international sustainability standards with our strong energy management model while serving as an important lever in reducing our Scope 2 (indirect) emissions with the consumption of the renewable energy certified electricity we purchase and produce.



Buñol Cement Production Facility (Spain)

Transformation with a Focus on Energy Efficiency

We plan strategic steps to optimize energy consumption by analyzing the outputs of comprehensive surveys we conduct to ensure thermal and electrical energy efficiency.



Our energy efficiency-oriented investments not only reduce operational costs but also support the reduction of our carbon footprint due to energy use. In this scope, we utilize advanced data analytics and automation systems as well as instant energy monitoring and optimization mechanisms. We constantly monitor energy consumption levels and take quick and effective improvement steps through data-driven decision-making processes. While pioneering the low-carbon energy transformation of the future, we aim to ensure both environmental and economic sustainability by integrating digital technologies and energy efficiency strategies.

Transformation in Lighting

Traditional lighting systems with low energy efficiency used in our plants have been replaced with modern LED technology. LED lighting supports our sustainability goals by significantly reducing energy consumption as well as being long-lasting and environmentally friendly.

Transformation in Equipment

As a result of analyses carried out to identify energy loss hotspots, old and inefficient compressors and motors were replaced with next-generation equipment with higher performance and energy savings. This change has not only saved energy costs, but also increased the reliability of our production processes.

Transformation in Measurement and Monitoring Systems

Mannok Holdings DAC, a new subsidiary of Çimsa, digitally monitors energy consumption levels by measuring all important energy usage areas and increases efficiency with energy management software. The system, which monitors energy use through a live online platform, offers the opportunity to forecast energy consumption, identify areas for improvement and respond quickly to potential problems.

Transformation with Advanced Technologies

As part of our decarbonization roadmap, together with our R&D and technology teams, we are building the infrastructure that will carry Çimsa into the future. In 2024, the most important progress we made in this area was the "hydrogen utilization project" we implemented at our Buñol plant. This project stands out as a groundbreaking step for the reduction of fuel-based emissions in the cement industry.

The use of hydrogen is particularly noteworthy as a catalyst that can replace fossil fuels or increase the utilization rates of alternative fuels. Green hydrogen produced from renewable resources provides environmental and economic benefits by reducing the carbon footprint across the entire value chain. This technology plays a critical role in the transition to sustainable production processes.

At our Buñol plant, we significantly reduce carbon emissions since 30% of the fuel used in clinker production is derived from biomass-containing secondary materials. In line with our strategic priority to increase the use of alternative fuels, we developed a project to reduce 30,000 tons of CO_2 emissions annually with green hydrogen, which increases combustion efficiency and has a high calorific value. In this project, combustion efficiency was increased by using green hydrogen in the rotary kiln and calciner sections in white clinker production, increasing the alternative fuel utilization rate up to 50%.

As Çimsa, we aim for green hydrogen to play a greater role in the main fuel composition and continue to play a pioneering role in the industry by accelerating our R&D efforts for hydrogen feeding systems and hydrogen technologies.



CLIMATE RELATED RISK AND OPPORTUNITY DESCRIPTIONS

We identified the necessary actions to understand and to mitigate the impacts of risks and opportunities arising from climate change on Çimsa's value chain and updated them by considering possible future scenarios. We determined the level of exposure to climate related risks and opportunities in 2050 under the <2°C and 3.5-4°C temperature scenarios and identified potential measures that can be taken to adapt to the main risks, such as "water stress", "carbon pricing" and "supply chain disruptions", which represent the highest level of risk.

DESCRIPTIONS REGARDING TSRS 1 AND 2 RISKS AND OPPORTUNITIES

Governance	**Board of Directors Oversight** » In the committees included in Çimsa's Corporate Governance Structure, sustainability and climate-related risks and opportunities are discussed by the "Early Detection of Risk Committee". **pp.121,123** » Sustainability Management Committee and subcommittees **p.25** » Conveyed in the "Risk and Opportunity Management" section. **p.123** » Roles and responsibilities were presented on **pp.119-120**.	**Role of the Executive Board** » Executive Board, Sustainability Management Committee and subcommittees **p.25** » General perspective was conveyed in "Risk and Opportunity Management". **pp.123-128** » Roles and responsibilities were presented on **p.122**.	**Sustainability Management Committee's Role** » Sustainability Management Committee and subcommittees **p.25** » General perspective was conveyed in "Risk and Opportunity Management". **pp.123-128** » Roles and responsibilities were presented on **p.172**.	**CDP** C1.1, C1.2, C1.3
Strategy	**Risks and Opportunities in the Short, Medium and Long Term** » Sürdürülebilirlik ve İklimle İlgili Risk ve Fırsatlar **pp.152-162**	**Impact on Business, Strategy and Financial Planning** » Conveyed in the "Risk and Opportunity Management" section. **pp.123-128** » Sustainability and Climate Related Risks and Opportunities **pp.152-162**	**Scenario Planning** » Climate scenarios **pp.142- 151**	**CDP** C2.1, C2.2, C2.3, C2.4, C3.1
Risk Management	**Identification and Assessment of Risks Related to Sustainability and Climate Change** » Conveyed in the "Risk and Opportunity Management" section. **pp.123-128** » Sustainability and Climate Related Risks and Opportunities **pp.152-162**	**Sustainability and Climate Change Related Risk** » Conveyed in the "Risk and Opportunity Management" section. **pp.123-128** » Sustainability and Climate Related Risks and Opportunities **pp.152-162**	**Integration into General Risk** » Conveyed in the "Risk and Opportunity Management" section. **pp.123-128** » Çimsa Corporate Governance Committee **p.121**	**CDP** C2.1, C2.2, C2.3
Metrics and Targets	**Reporting Sustainability and GHG Metrics** » Performance Tables **pp.182-183**	**Scope 1, 2, 3 Values** ▪ Performance Tables **pp.182-183**	**Targets for Sustainability and GHG** ▪ Target Tables **p.182**	**CDP** C4.1, C4.2, C4.3, C5.1, C6.1, C6.2

Çimsa's existing climate risk inventory was analyzed, and a qualitative risk map was created to evaluate its exposure to climate risks and opportunities. In this scope, 9 transition and 7 physical risks were identified in Çimsa's value chain. It was observed that the risks mostly cover raw material supply in the upstream of Çimsa's value chain rather than its own operations. In addition, 8 opportunities focusing on decarbonization and low-carbon products were identified.

After all evaluations, adaptation and reduction measures were created for the identified climate risks and opportunities.

Please click here for TSRS 1 and 2 risk and opportunity descriptions.

Risks with the Highest Materiality

We determined the adaptation actions to guard against the identified risks with the highest level of impact throughout our value chain under TSRS S2. These measures will allow our calculations to be updated and reassessed in terms of their impact on the Company's performance during the process of incorporating the relevant issues into financial planning.

	Risk	Impact on Value Chain	Adaptation Actions
Drought/Water Stress	(Acute) Drought and/or (chronic) water stress is the major physical risk that will impact Çimsa in all future climate scenarios. The higher the temperature trajectory of the scenario considered, the higher the impact for Çimsa.	The most significant impact occurs on Çimsa's own operations due to the risks of significant additional costs and potential temporary halt in operations.	At this stage, Çimsa is at the beginning of its journey on improving water efficiency. Additional levers exist in further optimization initiatives (identifying and reducing leaks, reducing inefficiencies) on top of broader assessment of water availability for future prospects of investments and location diversification.
Increased Carbon Pricing	Carbon pricing and accelerated decarbonization stand out as the top transitional risk in a low temperature trajectory (<2°C). This risk impact lessens in a high temperature trajectory (3.5-4°C) due to less stringent regulatory action.	Impacts are mostly expected to affect GHG emissions across Çimsa's value chain, yet most significantly on the upstream supply chain and Çimsa's own operations.	Çimsa currently aligns itself with and assesses impacts of CBAM and EU ETS on its products; integrates its carbon pricing strategy into production planning decisions through dynamic ETS management. The use of cementitious materials and ongoing R&D efforts focused on technologies such as Carbon Capture, Utilization, and Storage (CCUS) can be considered as additional levers.
Disruptions in the Raw Materials Supply Chain	Security of critical raw material supply needed for cement manufacturing may impact Çimsa, especially considering the increased demand for cement in both temperature trajectories (<2°C & 3.5-4°C).	The primary impact of this risk is in Çimsa's upstream supply chain. Specifically, Çimsa could experience volatility in raw materials availability and their prices.	Çimsa currently conducts scenario studies for mapping of suppliers to assess financial resilience, as well as R&D efforts for alternative raw materials. Long-term actions are being defined through ongoing R&D studies on new cement materials (construction and demolition waste-derived materials, calcined clay, etc.).

Incorporating Sustainability and Climate Performance into Incentive Mechanisms

Sustainability and climate performance assessment, which is a part of the individual performance management process within Çimsa, is applied for all employees regardless of the level of the role. For the General Manager and executive board members, at least 20% sustainability and climate performance is included in incentive mechanisms. Incorporated metrics include topics that are in parallel with Company targets, such as reducing emission intensity, decreasing clinker utilization rate and using alternative fuel raw materials. For detailed information, please refer to the **SUSTAINABILITY RELATED INCENTIVES** page.

TRANSFORMATION WITH ENVIRONMENTAL EXCELLENCE

The innovative and integrated governance approach we adopt across our value chain enables us to develop nature-based sustainable solutions and create long-term value while proactively managing environmental risks.

Transformation in Water Management

The conservation and sustainable use of water resources in all regions where we operate is an integral part of our vision of environmental excellence.

We meticulously shape our water management strategies by considering the unique geographical, climatic and hydrological characteristics of each region and implement them in line with our Water Management Policy.

In 2024, we focused on regions under water stress and conducted field studies to maximize the efficient use of existing resources and minimize losses. With these studies, we aimed to positively increase our impact on local ecosystems and communities.

Çimsa reinforces its commitment to water management with the goal of creating a positive impact in water, sanitation and hygiene (WASH). We reported achieving a performance of 95% in water and sanitation, and we aim to extend this target to our supply chain as well as our direct operations.

Our WASH target encourages the dissemination of responsible water use practices, not only in our own operations, but also among our suppliers and business partners, for the sustainable management of water resources, improving sanitation facilities and increasing hygiene awareness.

Please click here to access our Water Management Policy.

Please click here to access our CDP 2024 Report.



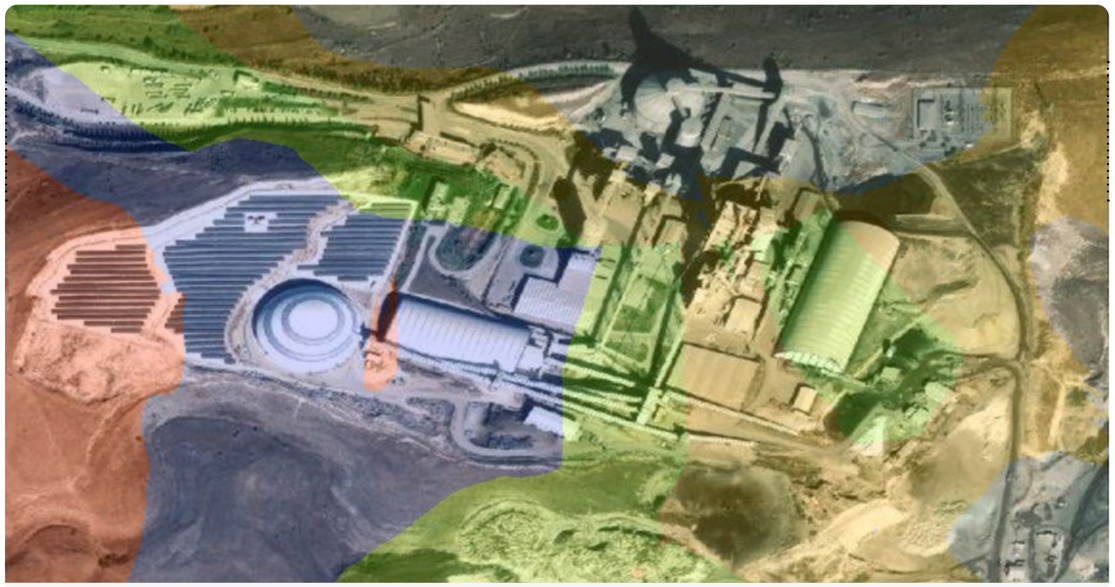
Strategic Water Management Project

Our "Strategic Water Management" project, which we implemented in 2024 and prepared in line with global reporting standards, WASH and GCCA Water Guidelines, enabled us to identify strategic targets by conducting a comprehensive analysis of our water use processes.

With the data obtained from the digital meters we integrated into our plants, we analyzed our water usage profiles, needs and areas for improvement. With these analyses, we were able to identify instant changes in water consumption and potential losses in real time, and we created our roadmap to increase our water efficiency and minimize our environmental impact.

An important component of our water management strategy is wastewater management. Accordingly, we initiated efforts to modernize our wastewater treatment plants. Our goal is to maximize the quality of discharged water by increasing treatment efficiency and to evaluate the potential for wastewater reuse. In this scope, we invested TRY 13 million in the modernization of our treatment plants.

Rainwater harvesting is an important part of our water management strategy. We conducted a comprehensive assessment of the annual rainfall amounts and regional physical and structural features in the Afyon, Eskişehir, Mersin and Adana regions where our plants are located. As a result of these analyses, we calculated the optimum rainwater collection capacities for our plants and prepared project plans to realize these capacities.



Afyon Çimsa Elevation Map

1.040-1.060* | 1.061-1.077* | 1.078-1.095* | 1.096-1.112* | 1.113-1.130*

*Unit meter

Reducing freshwater withdrawals from high water stress areas

By reducing the ratio of our freshwater withdrawals from high water stress areas, which was 98% in 2022, by 28% in 2024, we are rapidly progressing toward our 2030 target. By preventing losses and leaks in our processes, accurately monitoring our water data with digital meters and treating and reusing wastewater, we achieve our targets and reduce climate change pressure on this valuable resource.



Product Based Water Consumption

312 L/t cementitious
Cementitious

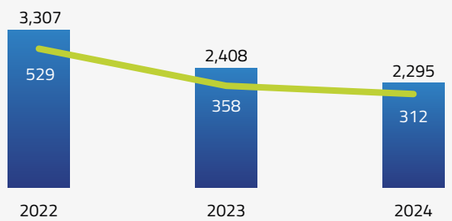
106 L/m³ concrete
Concrete

Total Water Data

2.33 million m³
Water withdrawal

2.30 million m³
Water consumption

Water Consumption



Reduction in total water consumption by 2022 base year
31%
in specific water consumption
41%
reduction

Transformation in Biodiversity

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

Our Biodiversity Management Policy, published in 2024, recognizes nature as a strategic priority and creates long-term plans to protect the ecosystems in which we operate.

Please click here to access our Biodiversity Management Policy.

As part of this approach, we value collaborations that have a dominant role in the ecosystems in which we operate and accelerate Çimsa in realizing our goals. We started a joint project with the Nature Conservation Center (DKM) with the vision of preparing "Biodiversity Management Plans" for our Türkiye locations and determining the steps to achieve Net Positive in our impact areas in light of these studies. We carried out a comprehensive study all year long surrounding the plant and in the regions (forest and steppe ecosystems) where we obtain our materials.

These studies, carried out with the contributions of expert teams, enabled a detailed analysis of biodiversity in the region and a comprehensive assessment of the impacts of human activities on ecosystems.

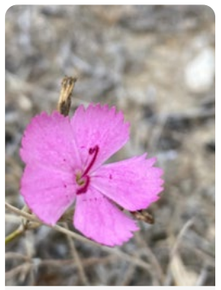
Biodiversity Management Plan

We embrace the natural value of biodiversity and the need to protect it throughout our operations as a priority principle. Biodiversity Management Plans are comprehensive strategic plans prepared to ensure the sustainability of natural ecosystems, protect biodiversity and minimize the environmental impacts of human activities. These plans serve as a guideline to make biodiversity conservation a standard management approach in our operational processes and to ensure the long-term sustainability of natural assets.

In 2023, we conducted a "Materiality Analysis" by considering the importance of sectoral impact, dependencies and our capacity and identified 13 locations as priorities. Then, with the "Sensitivity Analysis", we examined in detail the ecosystem integrity, biodiversity importance and physical water risks in ecologically critical areas. As a result of the combination of these two analyses, we identified 6 locations as priority areas for biodiversity management.

In collaboration with the Nature Conservation Center (DKM), we started preparing "Biodiversity Management Plans" for 2 of the prioritized locations. These plans include science-based strategies and action plans for the conservation, restoration and sustainable management of biodiversity in the identified areas. Our plans aim to protect species and habitats, ensure sustainable use of water resources and harmonize natural areas with human activities, taking into account the needs of local ecosystems.

We will continue to develop science-based and action-oriented roadmaps with our stakeholders, society, sectoral platforms and suppliers to improve our biodiversity performance through these efforts, which aim to create a long-term legacy that will ensure the transfer of natural assets to future generations.



Dianthus zonatus (Rock carnation), Eskişehir Göztepe Mine Quarry



Allium (Wild onion), Eskişehir Göztepe Mine Quarry



Erodium sp. (Stork's-bill), Eskişehir Göztepe Mine Quarry



Crocus pallasi (Crocus), Eskişehir Göztepe Mine Quarry



Quercus cerris (Turkey oak), Eskişehir İnönü Mine Quarry

Natural Assets Action Plans (NAAP)

As a result of comprehensive land and biodiversity research conducted in collaboration with Ulster Wildlife, Mannok Holdings DAC developed Natural Assets Action Plans (NAAP) for all of its owned lands. The research revealed a significant increase in biodiversity around Mannok Holdings DAC, particularly after the creation of wildflower meadows, with butterfly and insect species previously unseen in the area being identified.

With nearly 2,000 acres of biodiversity-rich land in total in 47 different locations both north and south of the Irish border, Mannok Holdings DAC has a significant responsibility to restore, protect and enhance flora and fauna using nature-based methods, and in this direction, it is working in close collaboration with its partners to implement its current plans.

Transformation to Nature Positive Strategy

From an Artificial Lake to a New Ecosystem

The natural transformation that has taken place at our Eskişehir plant on land that was formerly used as a quarry is an impressive example of nature's power to regenerate itself.

With the end of operations in the land, the accumulation of rainwater turned it into an artificial lake in a natural process, creating a unique wetland ecosystem over time.

Observations and research show that a significant diversity of waterfowl, amphibians, insects and aquatic plants have developed in the area.

In order to protect this valuable natural area and promote its biodiversity, it has also been included in the Company's Biodiversity Management Plan.



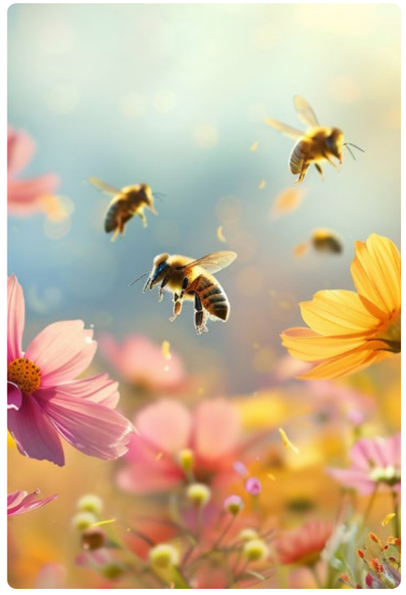
All-Ireland Pollinator Plan Initiative

Mannok is actively supporting the All-Ireland Pollinator Plan initiative to protect Ireland's pollinator population (including bees).

In this scope, more than 500,000 nectar-rich flowers and local trees were planted, a 1,000 m² wildflower meadow was created and a seven-acre area has been reserved for natural flowering. Drastically reducing the use of pesticides, Mannok has instead implemented methods that encourage natural growth.

With beehives installed on the Company site, native Irish black honey bee colonies tripled to 140,000, and scientific research was supported to protect endangered species. Protected butterfly species were relocated, and a monitoring study was conducted with Queen's University on kestrel nests in the Mannok quarry.

In this context, media campaigns and educational projects in local schools were implemented to raise awareness about red-listed species.



Transformation in Air Quality

Our Transformation to Global Standards Journey

Protecting air quality and controlling emissions are of great importance not only in terms of reducing our environmental impact and contributing to public health, but also in terms of protecting biodiversity and keeping ecosystems in balance.

We continuously monitor parameters such as nitrogen oxides (NOx), sulfur oxides (SOx), dust, etc. through Continuous Emission Measurement Systems-CEMS (SEÖS) installed at our plants. These systems offer a proactive management approach by enabling real-time monitoring of emissions.

Accordingly, we systematize our efforts in dust management in our plants with "Dust Management Plans" and harmonize them with international standards. We carry out our dust management efforts with an integrated approach through the following steps:

Current Status Analysis

The foundations of an effective management plan are laid by mapping dust emission sources at our plants in detail and conducting comprehensive analyzes.

Examination of Dust Emission Sources

Efforts are being made to increase the efficiency of systems such as bag filters, electro filters, conveying and transfer lines, while new investment needs are being identified.

Artificial Intelligence (AI) Based Monitoring Technologies

We are building the infrastructure to proactively predict emissions in the field by monitoring improvements made in the field or equipment experiencing performance degradation in dust containment through AI-based monitoring devices that provide real-time data and continuously monitor dust concentrations.

In line with our goal of improving air quality, we resolutely continue to minimize our emissions by utilizing technological innovations and to comply with international standards.

USD 2.64 million
The amount invested in dust control systems in 2024



Transformation in Circular Economy and Waste Management

Our Circular Economy Commitment

As Çimsa, we rethink the way in which we use materials to contribute to a Circular Economy and reduce environmental impact by increasing the use of secondary materials, and we aim to achieve zero waste in all our operations and value chain by strengthening collaboration in the building materials field.

Circular Economy

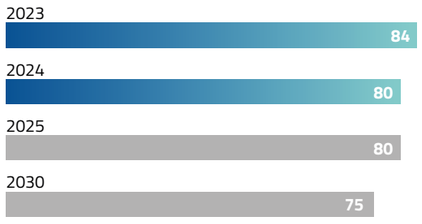
2025 — Developing an innovation project based on the utilization of construction and demolition waste

2030 — Increasing the ratio of alternative raw materials in grey and white cement production to 15% and 10%, respectively

2050 — **Zero Waste**

In line with our updated Circular Economy and Waste Management Policy, we adopt a zero-waste approach that includes the reuse of waste, increasing the use of alternative fuels and alternative raw materials, efficient use of resources, and accordingly, we develop new waste management strategies in our production processes.

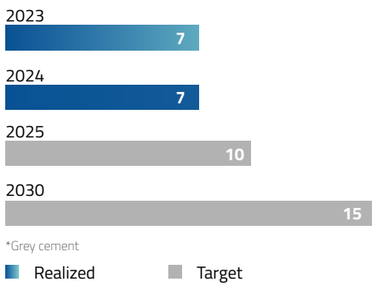
Clinker Utilization Rate - Grey Cement (%)



Circular Economy and Waste Management
Please click here to access our policy.

You can access the latest developments in the use of alternative fuels and alternative raw materials as part of our circular economy practices on the **ALTERNATIVE FUELS AND RAW MATERIALS** page.

Alternative Raw Material Utilization Rate (%)



Circular Economy Approach with Butterfly Model

We adopt the Butterfly Model in the circular economy, which differentiates us from the linear economy.

The Butterfly Model offers a comprehensive approach from circular inputs to output targets, enabling us to make our processes more sustainable. We address waste management in parallel with the basic principles of this model. We evaluate options such as repairing and reusing the waste that may be generated in our operations during the prevention phase, and then we include them in recycling and recovery processes.

Waste Management

Managing the wastes generated in our production processes by following the steps of the butterfly model ensures both the reduction of operational costs and the minimization of environmental impacts. With this approach, we aim to strengthen the circularity of our operations by reducing external dependency in waste management. Within the scope of waste minimization efforts, we integrate innovative technologies to increase process efficiency and develop sorting and recovery mechanisms in accordance with the type of waste generated.

Circular Design and Innovation

Having shared its experience and know-how as a supporting sponsor of the "Demolition Waste Management Guide for Urban Transformation, Earthquakes, and Other Potential Disasters" prepared in 2024 under the leadership of BCSD Türkiye to manage debris wastes resulting from urban transformation, earthquakes and other possible disasters in Türkiye with a holistic approach, Çimsa plans to realize the innovation projects being carried out for the reuse of construction and debris wastes as of 2025. These projects contribute to the understanding of reusing waste as raw material, which forms the basis of the circular economy.

Our circular economy and waste management approach not only increases operational efficiency, but also contributes to the protection of natural resources and the achievement of our sustainable production targets.

Please click here to access the Demolition Waste Management Guide





TRANSFORMATION WITH RESPONSIBLE INVESTMENTS

WE ARE TRANSFORMING BY JOINING OUR FORCES WITH MANNOK HOLDINGS

DAC In line with our growth strategy, in 2024, we acquired 94.7% of Mannok, one of the leading building materials manufacturers in the UK and Ireland. This investment is an important step in our vision of transition from cement to building materials and from local to global.



The addition of Mannok to the Çimsa family allows us to diversify our product portfolio and expand into new business areas with the production of cement and cement-based products as well as insulation materials and recycled plastic packaging. With strategically located facilities and a strong distribution network, we are consolidating our market presence, expanding our footprint in the global building materials market and increasing our share of foreign exchange-based revenues. At the same time, we are supporting our sustainable growth in line with our shared environmental, social and governance goals and increasing the sustainable value we create by seizing the opportunity to transform with a wider value chain.





With over 50 years of experience in the production of building materials, Mannok operates from its modern facilities in the Republic of Ireland and Northern Ireland with approximately 800 employees, providing innovative, sustainable and high quality solutions to the industry.

Mannok Product Portfolio

Cement
Mannok's modern production facility, which meets high sustainability standards, has an annual production capacity of 1.2 million tons of clinker and 1.3 million tons of bagged and bulk grey cement. It is a preferred brand in the market with its superior quality standards.

Precast
Mannok Precast serves with high quality precast concrete products to meet the growing demand for off-site construction. It offers production and installation services with an annual production capacity of 145,000 m^2 concrete panel flooring, 1,200 m^3 precast stairs and landings. It provides the advantage of fast construction with minimum field labor, while offering comprehensive support with its expert team from customized design to installation and maintenance.

Aircrete
Aircrete blocks are high performance thermal blocks that are precision manufactured through advanced technical processes using autoclaved lightweight concrete. Mannok is the only aircrete block producer in Ireland with an annual production capacity of 9.5 million blocks.

Roof Materials
With an annual production capacity of 12 million roof tiles, Mannok offers concrete roof and ridge tiles with outstanding durability and aesthetic features to the market in a wide range of colors and textures in accordance with British and European standards.

Insulation
Insulation boards with superior thermal conductivity, produced at Mannok's PIR plant with an annual production capacity of 800,000 m^3, are used in floor, roof and wall insulation. These products offer long-lasting performance to achieve low-energy building standards.

In addition, lightweight, versatile insulation boards produced at Mannok's EPS plant with an annual production capacity of 40,000 m^3 offer different solutions in floor, roof and wall insulation.

Recyclable Packaging
Mannok is a leading food packaging manufacturer with an annual capacity of 14,000 tons of thermoformed products, supplying all supermarkets in the UK and major food processing companies in the industry.

TSRS 2/14

Priority Investments

The investments realized in parallel with Çimsa's value creation model and in line with its strategy were shaped with a focus on growth and renewable energy in 2024. We continue to be the pioneer of sustainable growth with our investments that create long-term value not only for today but also for tomorrow.

With the vision of building the future with sustainability, we shape our investments with a focus on providing not only economic but also environmental and social benefits. In parallel with the Responsible Investment Policy, we will continue to implement our investment plans by maintaining a sustainability perspective and continuing our efforts to follow the prioritization and impact assessment steps. We aim to ensure business continuity, long-term benefits for our stakeholders and a sustainable future through investments that support the efficient use of resources, prioritize low-carbon technologies and create social value. Please click HERE for Çimsa Responsible Investment Policy.

In 2024, we continued to create value with our investments focused on renewable energy, energy efficiency, alternative resource use, product transformation, modernization, digitalization and occupational health and safety. Our total investment expenditures, including investments supporting our 2025 and 2030 sustainability targets, reached USD 52 million in 2024, including our overseas subsidiaries.

For Çimsa, 2024 was a year of transformation through energy investments. We continue our efforts to ensure energy efficiency through investments to increase the modernization, digitalization, operational performance and technological levels of our facilities.

USD 10.8 million

Total amount of our sustainability investments supporting our targets in 2024.



Mannok Recyclable Packaging Production Facility (Ireland)

Expanding Core Business Line: Cimsa Americas' Investment in Grey Cement Grinding Facility

The Grey Cement Grinding Facility Investment of Cimsa Americas, which operates in Houston, USA, has reached an important stage as of the end of 2024 and continues to progress as planned. The facility, which will have an annual grinding capacity of 600 thousand tons, will be completed with a budget of USD 82 million and commissioned in the last quarter of 2025. With this investment, we will increase our production capacity by starting to operate in the grey cement market in addition to our white cement operation in the USA with a grinding capacity of 300 thousand tons.



Maintaining Leadership in the Special Products Market: Mersin CAC Production Facility

In the first quarter of 2024, with the new Calcium Aluminate Cement (CAC) Production Facility commissioned at our Mersin Plant, we increased our capacity to 131 thousand tons per year and became the third largest producer in the CAC global market.

CAC, which is primarily used as the main input in construction chemicals and refractory production, is the most important representative of our value-added product portfolio. In the last quarter of 2024, we announced our plan to increase our production capacity by considering the opportunities to grow in export markets and utilize our R&D competencies at the highest level. With the new production technology to be used, we also aim to achieve low calorific consumption, a reduction in electricity use and thus a reduction in CO_2 emissions.



Moving Forward with a Focus on Customer Satisfaction: We reinforced our strong position with our new Ready-mixed Concrete Stations!

In 2024, we expanded our operational network by completing the installation of 7 new ready-mixed concrete stations to increase our ready-mixed concrete production capacity. Thanks to these new investments, which included steps to expand our fleet of mobile facilities and equipment and which became operational with a budget of USD 2.6 million, we reinforced our strong position in our industry by pouring an additional 570,000 m³ of concrete.

Our new facilities not only increased our production capacity and operational efficiency, but also enabled us to respond more quickly and efficiently to customer demands in different regions.



Sustainable Concrete Mixer is on the Field!

Our new hybrid truck mixers are powered by a battery and electric motor during concrete loading and unloading operations. This innovative system provides up to 30% fuel savings and carbon emission reductions, while eliminating noise pollution.



TSRS 2/14

Renewable Energy Investments

Transforming from Grey to Green in Energy: Eskişehir Solar Power Plant (SPP)

In order to ensure energy transformation, which is one of the important steps in the journey to realize our science-based emission reduction targets, we commissioned a solar power plant with 25,740 solar panels on an area of 166,000 m^2 at our Eskişehir Plant with an installed capacity of 14.2 MWp DC and that will generate approximately 19,000 MWh of electricity annually.

Completed in the first quarter of 2025, the investment will meet approximately 14% of the Plant's annual energy needs and save 8,400 tons of carbon dioxide.

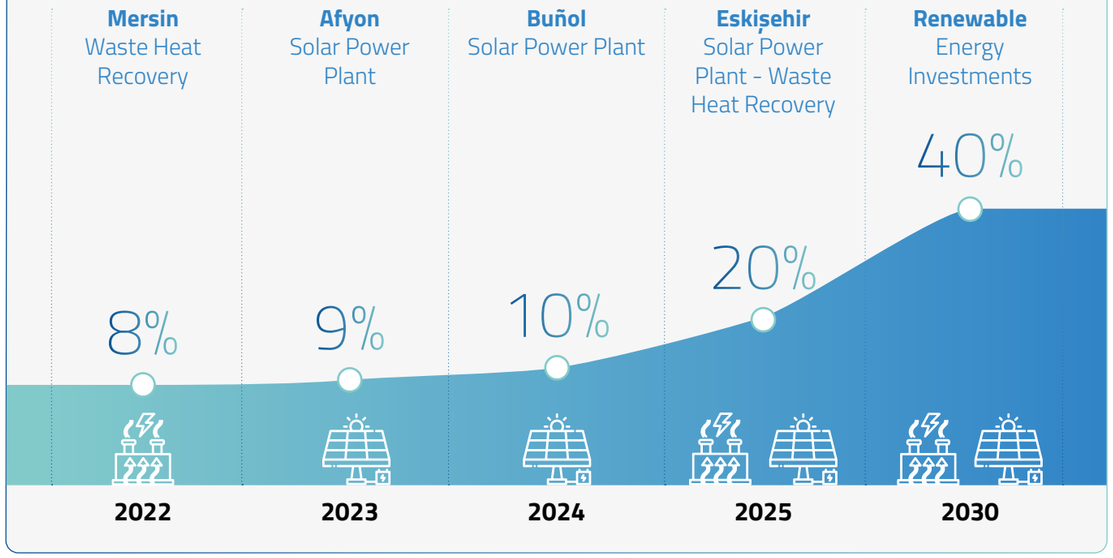
Producing for Energy Transformation: Eskişehir Waste Heat Recovery (WHR) Facility

In collaboration with Enerjisa, we started to invest in a Waste Heat Recovery Facility with an energy generation capacity of approximately 5.5 MWp at the Eskişehir Plant as part of the "Energy of My Business" project. The project will use next-generation waste heat recovery technology to generate electricity without the use of water, meeting approximately 25% of the Eskişehir Plant's electricity needs. With this investment, 19 thousand tons of CO_2 emissions will be prevented annually, making a significant contribution to the fight against the climate crisis.

With the commissioning of SPP and WHR investments, 40% of the total energy need of our Eskişehir Plant will be met from green energy.



With our total installed capacity of 36.8 MW obtained from renewable energy sources, we will generate 136 million kWh of electricity and prevent approximately 60 thousand tons of CO_2 emissions.



Technologies Enabling 65% Alternative Fuel Utilization at Mannok Cement

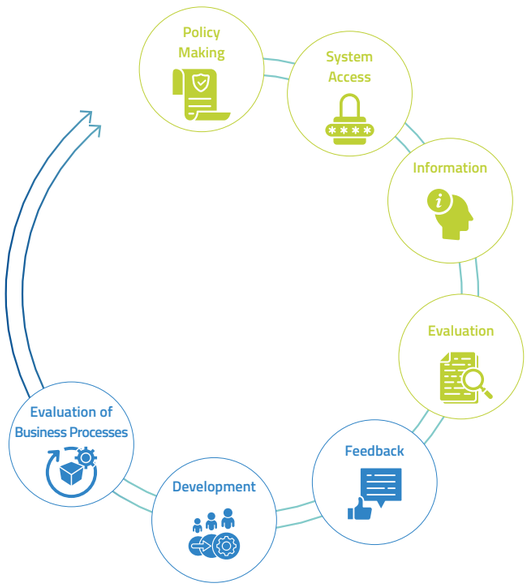
Mannok Cement considers the use of alternative fuels among its priorities within the scope of its decarbonization roadmap. While 20% of the total thermal load is provided from alternative fuels with the existing feeding and combustion systems, this ratio reached 43% with the FUELFLEX® Phase 1 project implemented in 2023 and 51% with the JETFLEX® Sattelite Flame Pipe commissioned in 2024.

With the completion of the installation of the FUELFLEX® Phase 2 project in January 2025, alternative fuel utilization capacity of up to 65% was reached. All these investment stages aim to reduce approximately 60,000 tons of CO_2.

TRANSFORMATION WITH SUSTAINABLE SUPPLY CHAIN

As Çimsa, we are aware of the importance of carrying the value we create and the principles we uphold into the future. To achieve this goal, we adopt a sustainability approach throughout our value chain. In particular, our suppliers, as one of the most important links in this chain, share the same values with us and accompany us on our sustainability journey.

In the last two years, we created a solid foundation for the strong implementation of environmental, social and economic sustainability principles in our entire supply chain. We thus designed sustainable ways of doing business that would create high added value together and took our strategic first steps in this direction. The **SUPPLIER BUSINESS PRINCIPLES POLICY** and **SUPPLIER MANAGEMENT POLICY** published following the **RESPONSIBLE PROCUREMENT POLICY** clearly set out the sustainability-based requirements we expect from our suppliers. These policies not only define the sustainability responsibilities of our suppliers, but also contribute to our collaboration with our stakeholders achieving a sustainability-focused structure. These policies provide important resources for our suppliers to be informed about Çimsa's approach to sustainability in supply chain management as they join our system.



Sustainability Assessment

In order to realize our goals in line with our sustainability vision, we plan our transformation journey together with our supply chain. We know that the most critical stops on this journey are establishing sustainable business relationships with our suppliers and providing them with strong support at every stage of this transformation process. In this context, we have successfully completed the first phase of the process we designed to be able to evaluate the sustainability performance of our suppliers.

In 2024, we delivered a Self-Assessment Questionnaire to our 63 priority suppliers through the Synesgy platform, with which we collaborated in order to comprehensively evaluate the environmental, social and governance (ESG) performance of our suppliers, and created their sustainability scorecards. This survey, which covers a wide range of topics from environmental impacts to social responsibility practices and governance principles with question sets differentiated according to company size and industries, allowed us to assess the sustainability maturity level of our suppliers and identify areas for improvement.

Feedback and Improvement

We aim to provide comprehensive feedback to our suppliers through performance scorecards and concrete suggestions for identified areas of improvement. Accordingly, we will design training programs tailored to the needs of our suppliers and expand these programs depending on demand.

As of 2025, we plan to create a comprehensive support program consisting of training, seminars and various resources to support our suppliers, as well as periodic visit calendars. In the long term, we will create a more environmentally and socially responsible ecosystem by developing sustainability-oriented action plans in collaboration with our suppliers.

Supplier Portal: An Innovative Platform for Efficient and Transparent Business Processes

Our Supplier Portal is an innovative platform developed to ensure a more effective, transparent and efficient collaboration with our suppliers by digitalizing business processes. The portal incorporates a series of functional features that facilitate our suppliers' business processes and improve their performance.

You can access the Supplier Portal via the website https://tedarikci.cimsa.com.tr/ which we created for our suppliers to offer services with an easily accessible and user-friendly interface.

The user-friendly design and integrated structure of the portal offers an easy and quick usage experience for all our suppliers. The portal enables instant tracking of orders, delivery planning and process control, while the invoice payment report feature increases financial management transparency.

Thanks to our **Artificial Intelligence-based Chainy** chatbot, our suppliers can perform their transactions on the supplier portal quicker and more effectively.

While the newly added chatbot feature is a helpful tool for users to quickly access the information they need, operational efficiency is increased with features such as action management, surveys, contact information updates and document management. In addition, through the Portal, suppliers can provide feedback on processes and this feedback guides our improvement efforts.

As Çimsa, we aim to support local producers in the regions where we operate and contribute to them to become a source of employment.

Accordingly, 65.6% of the 2,456 suppliers we actively worked with both in Türkiye and globally in 2024 were local suppliers. The ratio of the local procurement budget to the total procurement budget was 77.7%.

Sustainable Transformation in Logistics

In line with our sustainability goals, we are taking important steps to restructure our logistics processes to reduce our carbon footprint. Within this framework, electric vehicles were incorporated into the warehouse operations of three of our plants. Electric vehicles make significant contributions to both the environment and our operational efficiency with their low maintenance costs and low emissions. Furthermore, the use of these vehicles also reduces noise pollution, supporting the environmentally friendly transformation of our operations.

As part of the transition to sustainable logistics practices, we switched to intermodal transportation instead of traditional container ship transportation for cement shipments from Mersin Port to Trieste and additionally preferred the Ro-Ro line in 2024. Thanks to these methods, we increase the resilience of our supply chain and minimize pricing and supply risks, while providing energy efficiency and low emission advantages.

With sustainable and environmentally friendly logistics solutions, we aim to fulfill both our environmental and economic responsibilities in the best way while carrying our operations into the future.

We Gathered Together at the Supply&Sustain Event

With the first "Supply & Sustain" event held this year, we invited our suppliers to a sustainability-oriented transformation. The event provided an important platform to come together with our stakeholders in the supply chain and share the "From Grey to Green" transformation roadmap.

We told our suppliers that we will support their development by walking with them on this journey. We presented our determination to strengthen our collaboration for the establishment of environmentally friendly, innovative and efficient processes. Our goal in this transformation process is to increase the impact of each link in our supply chain by focusing on environmental and social obligations.





TECHNOLOGICAL TRANSFORMATION

We take advantage of the opportunities created by technological development, closely follow local and global developments and support them with our R&D and Innovation practices. In this way, we put our competitive products to use in line with our customers' expectations.

In this Section:

R&D, Innovation and Technology 67
Transformation with Digitalization 74
Transformation in Customer Experience and Loyalty 76
Transformation with Innovative and Sustainable Products 81

WHY IS THIS IMPORTANT FOR US?

We respond to the differentiating needs of our customers with innovative and sustainable products by integrating changing and developing technology into our processes and products.

HOW DO WE MANAGE?

Technological transformation requires us to consider the world of tomorrow and the future of our business. We carry out our digitalization and R&D activities in the areas of sustainability-oriented product, process and application development and digital transformation. In this way, we design goods that maintain customer satisfaction at the highest levels.

RELEVANT STAKEHOLDERS

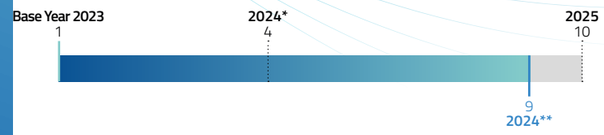
Shareholders and Investors
Customers
Employees

RELATED CAPITAL ELEMENTS

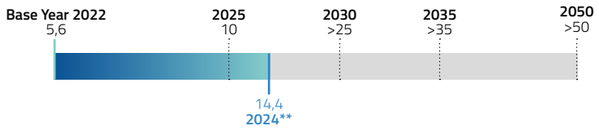
Intellectual Capital

Performance Data

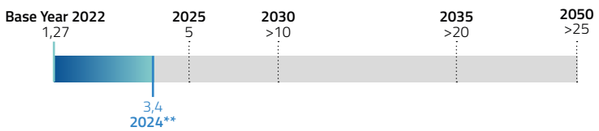
Development of in-house artificial intelligence projects (Quantity)



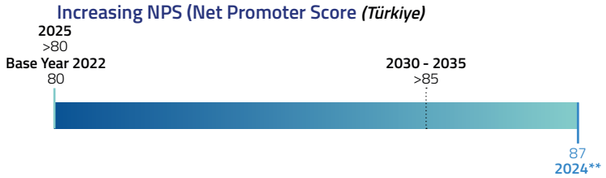
Ratio of sustainable products and services revenues
(% of Sustainable products revenue/Net Revenues)



Ratio of sustainable products and services revenues aligned with EU Taxonomy
(% of Sustainable products revenue aligned with EU Taxonomy/Net Revenues)



Increasing NPS (Net Promoter Score *(Türkiye)*



Increasing NPS (Net Promoter Score) *(Global)*



* Target ** Realized

R&D INNOVATION AND TECHNOLOGY

In line with our sustainability goals, we closely follow R&D and innovation innovations in the industry and work on new products and solutions in addition to improving our existing products. In this scope, by establishing close collaborations with start-ups, academia, private sector and non-governmental organizations, we integrate new production technologies and digital transformation efforts aimed at reducing natural resource consumption into our operations.

Connecting Türkiye and the World Through Innovation!

Sabancı Technology Center Gmbh (STC)

Sabancı Technology Center, which started operations at the Technical University of Munich (TUM) campus in 2023, contributes to Çimsa's sustainability strategies with new product studies, especially in calcium aluminate cement (CAC) and white cement, and strong collaborations with customers in the European market. We develop innovative products and services that reduce the CO_2 footprint and include high quality, sustainable solutions with all our work we carry out under the umbrella of STC. With this vision, we continue to grow day by day by increasing our effectiveness globally.



PRODUCT DEVELOPMENT PROJECTS

Snow Flake

In this project, which aims to develop methods to reduce the clinker content in White Cement, we focused on the use of ceramic waste. In our project, which also supports circular economy, the optimum amount of ceramic waste that can be used without compromising performance criteria such as strength and whiteness properties has been determined. With the laboratory studies completed, the project moved on to the raw material research phase for industrial applicability.

EcoCAC

The use of cementitious materials to reduce the carbon footprint of CAC has been examined. In this joint study with Friedrich Alexander University (FAU), the use of two different supplementary cementitious materials (SCM) in cement was studied, and the evaluation phase with customers was started with appropriate mixtures prepared. With the optimizations to be made in line with customer feedback, it is expected to be converted into a commercial product in 2025.

LACA

The disadvantage of cements with low clinker content, which is one of the most important application areas of sustainable cement production, may be low early strength. In order to develop a solution to this problem, calcium alumina based reaction accelerator effects were studied. We continue to work on different types of cement with different additives.

MgOFlux

In order to reduce costs, increase operational efficiency and save energy in iron and steel production, a new product was developed for different areas of use, inspired by the successful performance of our calcium aluminate-based Flux product Duro. By comprehensively handling the design process of this innovative Flux material, the most suitable raw materials were carefully selected and the recipe design was shaped by detailed analysis in the laboratory. The optimum product recipe was created with the data obtained in the laboratory phase, continuous improvement cycles and feedback from the field. The project was finalized with industrial trials.



White-Star

In this project, a new green cement with low carbon emissions was developed. This product was produced using different natural resources instead of clinker used in traditional CEM I type cement, reducing the carbon footprint of cement production by 20-30%. Laboratory and pilot scale tests have demonstrated that this innovative cement complies with industry standards and performs similarly to conventional CEM I 42.5R cement. Industrial trials have been successfully completed.

Re-CON

In the project aimed to recycle debris waste and use them as non-bearing structural elements, the objective was to use waste materials as non-bearing structural elements and to improve the properties of concrete. The effects of recycled and secondary aggregates on concrete strength, deformation and durability were investigated. The reuse potential of waste concrete was tested through pilot casting studies, and the applicability of powdered materials obtained from debris as cement substitutes was successfully evaluated in a laboratory environment. These studies aim to contribute to sustainable materials management in the construction industry and reduce the use of natural resources.

Repair Concrete

Studies have been carried out to increase the sulfate and high temperature resistance of CAC-based concretes, thus aiming to extend the life of structures in areas where sulfate attack may occur. In addition, studies to prevent heat-related wear when used in high temperature environments have also been carried out with materials specially designed for heat-resistant areas. The use of CAC-based concretes in these areas reduces maintenance costs by reducing the need for structural repair and renovation.

In 2025, these products are planned to be commercialized in line with customer needs and are expected to contribute to the sustainability goals of the industry and increase the durability of structures.

Hydrophobic Cement

A special type of cement with water-repellent properties was developed. This cement significantly reduces the water absorption of its particles, allowing the production of concretes that are more resistant and impermeable to water. It is specifically designed for use in areas exposed to excessive water, on house roofs and in various harsh conditions. This type of cement aims to extend the life of structures by preventing water from damaging the concrete structure. In 2025, field applications and detailed tests will be carried out to test its water resistance and verify its performance.

APPLICATION DEVELOPMENT PROJECTS

Feather

The project, which aims to make precast structural elements produced using white cement lighter, has focused on developing lighter alternatives to the raw materials used in precast production while keeping the performance criteria at the optimum level.

SmartCure

Using special additives, the goal was to develop an innovative hardening method that reduces the use of water in concrete and supports the self-healing properties of concrete. This method will minimize the negative effects such as cracking and loss of strength due to water evaporation during the hardening process of concrete and will ensure the long life of concrete. Compared to traditional methods, this new technique offers a more efficient concrete production with less water usage.

At the same time, the method we developed has increased the self-repairing ability of concrete, enabling the automatic repair of potential micro-cracks during the hardening process or due to environmental factors. This is especially advantageous in hot climates and water scarce regions. By increasing the durability of concrete, it supports environmental sustainability and maintains its structural integrity for a long time.

PROCESS DEVELOPMENT PROJECTS

Oli-Green

The aim is to perform carbon mineralization with Olivine rock and to produce supplementary cementitious material (SCM) with the carbon negative product obtained in this way containing magnesium and calcium carbonate minerals. With a special reactor designed for carbon mineralization, the CO_2 sequestration capacity of Olivine was studied at different temperatures and pressures.

ZinCem

The aim is to reduce the effect of factors that negatively affect the whiteness of clinker in white cement production stages. In the laboratory studies, the whiteness values of clinker produced with a mixture used in raw meal production were compared with reference clinker.

Cool Solution

Minimizing not only our CO_2 footprint but also our water footprint is an important part of our sustainability goals. Accordingly, studies on alternative solutions to reduce water consumption in white clinker production are being carried out. As one of these solutions, the use of whiteness enhancing chemicals has a significant potential. The white clinker production process aims to reduce water consumption and increase production efficiency by using these chemicals. In laboratory trials, water consumption in white clinker production was successfully reduced using chemical additives. As of 2025, field trials are being planned to test the feasibility of this solution on an industrial scale.

European Union Supported Projects

Horizon 2020 and Horizon Europe:

With the project applications we made within the framework of Horizon Europe, Eureka and bilateral collaboration programs between countries, we advance our Company's sustainability vision and contribute significantly to the European Commission's goals of developing solutions to global problems. As of 2024, under the Horizon Europe program, we made applications to increase the use of renewable energy in cement production processes and develop new low-carbon cement types. These projects aim to reduce environmental impacts, spread sustainable practices in the industry and contribute to the reduction of carbon footprint, and as Çimsa, we aim to develop innovative solutions that are critical for the industry's future by taking part in these projects.

Our Mannok operation is one of 17 industrial and academic partners in the DETOCS research consortium supported by Horizon Europe. Using the latest innovations in digital tools, the consortium, which has gathered to predict and control the quality of cement and concrete mixes containing high amounts of auxiliary cementitious materials (ACMs) compared to today's standards, aims to reduce CO_2 emissions to

0.2 t.CO_2/t by reducing the clinker factor by 40% until 2030 and 25% until 2035.

Iceberg

The Iceberg project focused on the production of eco-hybrid cement with low CO_2 emissions, using secondary resources from end-of-life buildings. This cement enables the production of environmentally friendly building components while aiming to promote sustainable and green building practices. Trial runs in Türkiye were successfully completed in 2023, and the project was successfully concluded in May 2024.

Eco-hybrid cement is used in the production of environmentally friendly materials such as ultra-lightweight wall elements and green concrete panels with wood chips, which contribute to reducing environmental impacts, reducing the carbon footprint of buildings and increasing energy efficiency. The Iceberg project contributes to the circular economy by providing sustainable solutions in the construction industry.

Forge

The Forge project, that we launched in November 2020, aims to develop protective coatings with new composite materials containing metal alloys and ceramics with special resistance properties that can be used in harsh environments. With this project, the goal is to increase the resistance of existing materials widely used in energy-intensive industries against problems such as corrosion and erosion with newly developed coating materials, improve materials based on a life cycle approach, reduce CO_2 emissions and reduce costs.

In 2023-2024, the coating material developed within the scope of the project was applied in areas exposed to erosion due to material flow and temperature at Çimsa. Comparisons determined that the new type of coating material developed has a longer service life compared to the reference material. These innovative materials contribute to reducing environmental impact while increasing industrial efficiency.



Tübitak Supported Projects

Our "3D Mortar" project proposal on the production of sustainable grey concrete mortar that can be used in 3D printers, which we submitted under the title of SAYEM Green Transformation in Industry Call, which was established as a result of the cooperation between the World Bank and TÜBİTAK within the scope of green transformation, was entitled to receive support.

Within the project, which is planned to last for 2 years, a new type of concrete mortar that also uses waste materials for the sustainability of cement-based mortars used in 3D printer applications will be developed and commercialized. With this project, we will be able to build more environmentally friendly 3D structures with a low carbon footprint. With this innovation, which is also an important step in environmentally friendly technologies, we continue our efforts to contribute to a greener and more efficient future on the road to sustainability.





Intellectual Property Rights

In 2024, 'Mobile Concrete Production and Application Vehicle' patent application was made, and the patent was registered. The mobile concrete production and application vehicle, which has been developed to meet the need for concrete in interventions after natural disasters, in rural and remote areas, in industrial and agricultural projects, includes a transport and weighing section and a concrete mixing and casting section. Thanks to its fast production capability and precise control mechanisms, this vehicle enables the production of quality and standard-compliant concrete every time.

Transformation with Start-up Collaborations

With Cimsa Building Solution BV, we exceed financial targets, explore new technologies and business models through strategic collaborations and prepare to enter new markets by identifying growth opportunities.

We invest in innovative companies to expand our ecosystem and establish open innovation networks with universities, start-ups and venture capital. In the last 2 years, we seized more than 100 investment opportunities and held meetings with more than 20 start-up companies.

We are working to decrease the consumption of natural resources and reduce CO_2 emissions resulting from concrete production with C2CA Technology, a start-up company that recycles concrete obtained from construction and debris waste and transforms it into high-quality building materials that can be used in new concrete production.

We established a strategic partnership with FenX, an innovative startup, to transform low-value construction waste into high-performance and sustainable building products. We aim to offer environmentally friendly and cost-effective material solutions with a special recipe developed using products from our cement portfolio and waste materials.

We started work at our Bunol plant in Valencia for the transition to the industrial production phase of the project, which will offer products focused on insulation materials more weight. The first patent for the products to be produced in this process was obtained, and two new patent applications were made.

Another company we collaborate with is Germany-based Ecoworks, which is developing a construction technology that renovates multi-storey houses with Building Information Modeling (BIM) supported technology.

With Ecolocked, which works on biocarbon-based concrete admixtures to decarbonize the construction industry, a one year-long research project was launched in collaboration with Sabancı University and Çimsa.

The Zacua Ventures collaboration is an early-stage venture capital focusing on investments in the construction and infrastructure ecosystem on a global scale. The fund has invested in 16 start-ups to date.

TRANSFORMATION WITH DIGITALIZATION

Beyond accelerating our business processes, we consider digital transformation as an understanding that pioneers to shape the future by adopting the requirements of the era.

Çimsa Digital Roadmap

In order to adapt to the new world where the transition to generative artificial intelligence (GEN AI) systems is accelerating, we implement digitalization projects to support our development areas.

In order to ensure cybersecurity and flawless execution of infrastructure projects, we aim to create maximum value by using technologies quickly, reliably and efficiently in all our facilities. To this end, we facilitate access to data by digitalizing data management processes, and at the same time, we develop applications that enable our employees to play an active role in these processes.

Industrial automation is an innovative technology approach that increases efficiency, reduces costs and minimizes the error rate by optimizing production processes. These systems, which are the key to maintaining competitiveness in modern industries, also make significant contributions to occupational safety and sustainability.



Digital Transformation and Innovation Steps with Artificial Intelligence

By utilizing artificial intelligence technology and big data analytics in many areas from production processes to the supply chain, sales operations to human resources, we both increase efficiency and realize our technological transformation move.

Raw Material Analysis Application

We integrated our artificial intelligence-based raw material analysis application, which we designed with our own R&D competencies, into our software and received our second software patent.

Digital Maintenance Application

By commissioning the artificial intelligence-supported digital maintenance application, which we first implemented at our Afyon plant, we prevent operational interruptions by detecting potential malfunctions in advance, and extend the service life of critical equipment with real-time predictive maintenance at our USA facility.

Autonomous Reporting System

We automatically create reports and presentations of production and maintenance data, thus saving time.

Digital Warehouse Project

As part of operational efficiency and process improvements, Thread in Motion's wearable display glove (VEGA-X) product and warehouse management software (WMS) integrated with our SAP system were implemented. This technology increases the productivity of employees with two-handed freedom, while providing instant data collection and traceability.

The system integrated software enhances the efficiency of logistics operation processes such as shelf and product barcoding, goods acceptance, stocking, internal order management, dispatch and inventory counting, and offers the flexibility to manage operations without gloves with its user-friendly interface. Performance dashboards created with the data obtained support business intelligence tools such as heat map, anomaly detection and chat bot integration.

Inventory Insight & Optimization Platform: Innovation in Inventory Management

The Inventory Insight and Optimization Platform is an AI-powered solution for inventory management that enables businesses to track, analyze and optimize their inventories in real time. It reduces costs and increases profitability by automating demand forecasting, stock level optimization and supply chain management with advanced machine learning algorithms. In this way, inventory problems are prevented, and operational efficiency increases by accurately forecasting demand. Its user-friendly interface enables users to perform detailed analysis and make data-driven decisions.

Spend Analysis Platform (SpendAI): Transparency in Expenditures and Strategic Management

The Spend Analysis Platform is a tool that strengthens cost optimization, risk management and data-driven decision-making processes by continuously analyzing expenditure data with advanced machine learning algorithms. With this platform, expenditure structures are analyzed in depth, cost reduction opportunities are identified, and proactive measures are taken by identifying potential financial risks in advance. Thanks to specially designed dashboards, managers and relevant units can monitor their expenditures in real time, conduct detailed analyses and improve their financial and operational decisions by developing data-driven strategies.

Digital Twin Project: CemClone

The CemClone project represents an innovative approach that aims to optimize operational and maintenance processes, increase performance and provide efficiency-oriented solutions by using the advanced opportunities offered by digital twin technology. Data from automation systems and advanced sensor networks are used to create a high-precision digital model that reflects the physical reality of the plant.

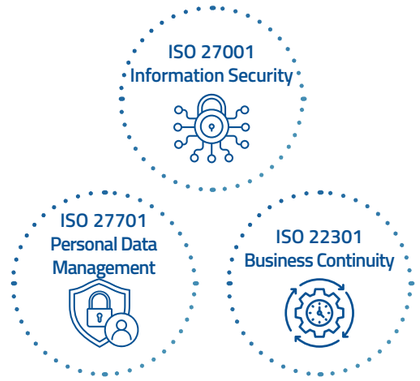
This digital twin model simulates the current state and functioning of the plant in detail, making it possible to analyze and improve operational processes.

By evaluating different scenarios with simulations, plant managers and engineers can see the potential impact of changes and decisions in advance, and thus make faster and more data-driven decisions.

CemClone contributes to our decarbonization goals by providing energy efficiency as well as operational efficiency. While supporting environmentally friendly production, it also increases the competitiveness and sustainability performance of facilities. This project, which brings together the technologies of the future with today's production processes, is a pioneering step in the digitalization journey of the cement industry.

Information Security

Under ISO 27001 Information Security, ISO 27701 Personal Data Management and ISO 22301 Business Continuity standards, we provide a strong cybersecurity and integrated information technologies infrastructure.



We regularly conduct penetration and phishing tests to identify potential security vulnerabilities and continuously evaluate the security of our systems. We use the data obtained to improve our digital technology processes and train our employees to increase their cybersecurity awareness.

Within the security, risk management and infrastructure improvements, we provide cross-system access control through authentication, user access management, enhancing security standards and multi-layered security management.

We successfully integrated Mannok into our current Information Technologies (IT) processes, thus contributing to more efficient and harmonized operation of the systems on a global scale.

TRANSFORMATION IN CUSTOMER EXPERIENCE AND LOYALTY

In order to respond to changing expectations and customer demands in the market, we integrate innovative solutions into our working model to improve the customer experience. We use our customer feedback system as a guiding beacon when identifying areas for improvement.

Enhancing Customer Experience

Customer Feedback System

In 2024, we expanded our Net Promoter Score (NPS) measurements to customers in different business lines, achieving higher scores in domestic and international markets. We measure customer satisfaction through regular surveys we implemented and continuously improve our service quality by proactively evaluating feedback.

With the NPS survey we conducted with the participation of white cement, CAC, grey cement and ready-mixed concrete customers in more than 35 countries, we received valuable feedback from different markets and had the opportunity to measure customer experience quality.

Increasing NPS (Net Promoter Score) (Türkiye)



Increasing NPS (Net Promoter Score) (Global)



We increased our domestic NPS score by 10 points compared to last year's results, reaching 87 points in 2024. Taking into account the feedback from all evaluations, we identified opportunities for improvement in close cooperation with our customers and took concrete steps in this direction.

The data we obtain from survey results help us better understand customer needs and shape our marketing strategies accordingly. This process continues with a continuous improvement approach to increase customer satisfaction.

Customer feedback forms the basis for project proposals to expand the areas of use for our CAC, grey and white cement products. We are conducting more frequent customer interviews and site visits, while expanding our network to effectively share marketing developments with our customers. In 2025, we aim to contact more than 80 overseas customers to collect their requests and suggestions.

Calcium Aluminate Cement (CAC) Product Catalog

We updated the product catalogs on digital platforms for our CAC product group, of which we are the only manufacturer in Türkiye and one of the top three manufacturers in the world. These catalogs include ISIDAC 40 with high abrasion resistance, the REFRO family adapted to high thermal conditions, the RECIPRO family suitable for special needs in construction chemicals, REGO, an aggregate that enables the production of high-performance concrete, and DURO used in the iron and steel industry. Our updated product catalog was published both in organic searches and on digital platforms, attracting great interest from our customers. This resulted in a significant increase in demand for our CAC products in 2024. Customer satisfaction continues to be our most important source of motivation that inspires our work.

Click here to access Calcium Aluminate Cement (CAC) Product Catalog.

Meetings with Customers

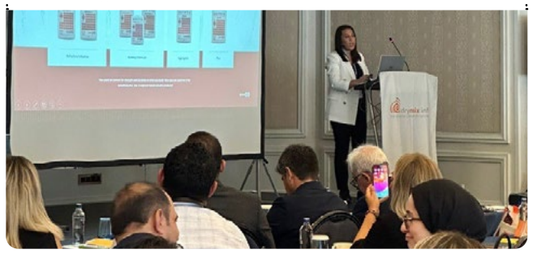
1st UK & Ireland Drymix Mortar Meeting
April 2024, Manchester, United Kingdom

Çimsa took part in the "1st UK & Ireland Drymix Mortar" event, which was held for the first time in Manchester, and where it was the Gold Sponsor. At the event, the Calcium Aluminate Cement family, which rewrote the rules of power, was introduced to visitors



8th Central and South European Drymix Mortar Conference
September 19, Istanbul, Türkiye

Çimsa met with different players of the industry on the same platform at the "8th Central and South European Drymix Mortar" Conference, where it was the gold sponsor. We participated in the event with our special product group, the CAC Recipro series. In addition, we took part in the event as a speaker and shared the advantages of CAC products and solutions for the future.



Drymix Mortars in the Middle East 2024
November 19, Abu Dhabi, United Arab Emirates

Çimsa participated in the "Drymix Mortars in the Middle East 2024" Construction Chemicals Conference in Abu Dhabi as a gold sponsor. As a speaker, Çimsa introduced its CAC products and innovative solutions to industry professionals. By presenting the Recipro series and calcium aluminate solutions to construction chemicals users, it emphasized its added value in construction and industrial applications.



International Colloquium on Refractories ICR®
September 18-19, Aachen, Germany

Our Solutions Shaping Refractories in Aachen

Çimsa participated in the International Colloquium on Refractories, which hosted more than 600 participants from all over the world, in 2024 as well. The Company appeared among the refractory manufacturers with its CAC product group, Refro series, Rego and Duro products.



India International Refractories Congress - 13-November 13-15, Goa, India

Çimsa introduced its global experience and innovative products in the refractory industry at the International Refractories Congress (IREFCON) in India. Refro40 and Refro50 high temperature resistant binders from the CAC Refro series and Rego refractory aggregates were introduced to the participants.

Çimsa Introduced Its Innovative Products at IREFCON Held in India

Çimsa shared its global experience by introducing its innovative products at the International Refractories Congress (IREFCON) held in India on November 13-15. At its booth, Çimsa introduced Refro40 and Refro50 binders and Rego refractory aggregates, emphasizing its sustainable solutions and quality-oriented approach.



Intercem-September 10-12, 2024, Istanbul, Türkiye

Çimsa participated in INTERCEM Istanbul 2024 conference, one of the most prestigious organizations of the industry. With its vision as a global building materials company, Çimsa introduced its grey cement, white cement and special products, which attracted great interest, to industry stakeholders. The Company reinforced its leadership in this area by sharing the best global examples of sustainability and innovation during the conference.



Intercem Americas-November 19-21, 2024

Çimsa participated in Intercem Americas, one of the prestigious organizations of the global building materials industry. It shared its globally recognized value-added works with industry professionals. At the fair, which attracted a large number of industry professionals from nearly 50 countries, Çimsa was among the most prominent producers of the organization with its ever-increasing global footprint and innovative products.



Customer Communication Channels and Digital Marketing

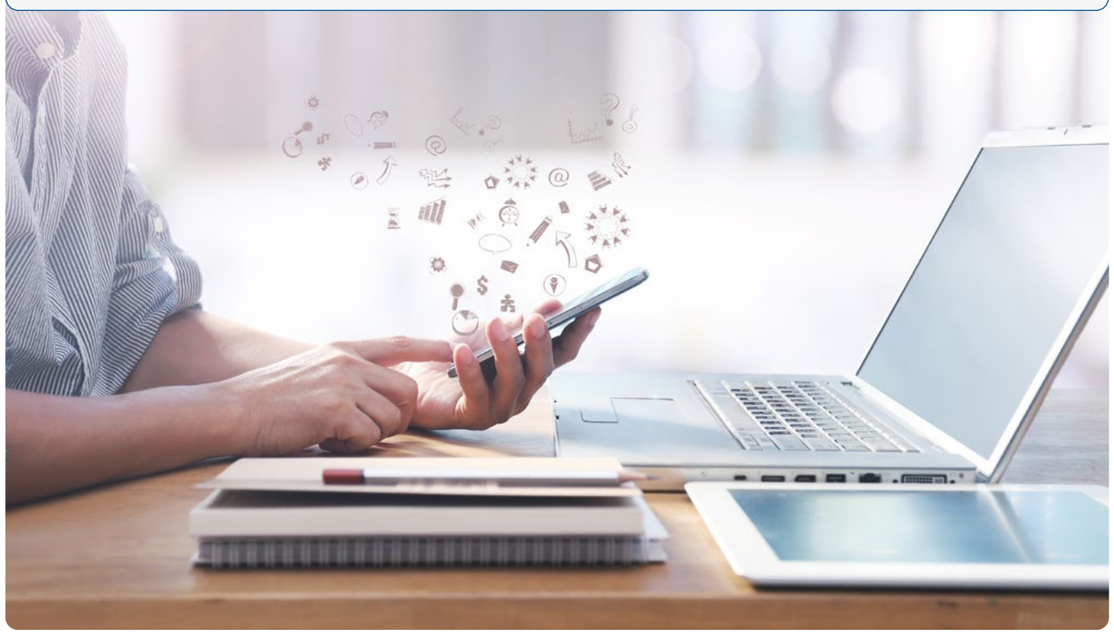
We Strengthen Our Global Communication with Chatbot and Digitalization Processes

Chatbot, one of Çimsa's digital customer experience channels, continues to play a key role in fast information access and effective communication about our products and services.

Approximately 700 people from more than 50 countries contacted Çimsa through our Chatbot application on our corporate website this year.

Our chatbot provides immediate and personalized assistance to our customers by offering product technical support and sales-oriented solutions.

700 people
Contacted us through our Chatbot application.



TSRS 1/46-49-51, TSRS 2/29

TRANSFORMATION WITH INNOVATIVE AND SUSTAINABLE PRODUCTS

244%

As part of our digitalization processes, the Google search visibility of our corporate website showed significant growth, increasing by 244%.

27%

This year, we also saw a strong increase in our email communications, with our click-through rate (CTR) up 27% compared to last year.

We carry our marketing activities further every day by improving our digitalization processes and strengthening our customer communication.

Çimsa Blog was Viewed More than 6 Million Times in Google Searches

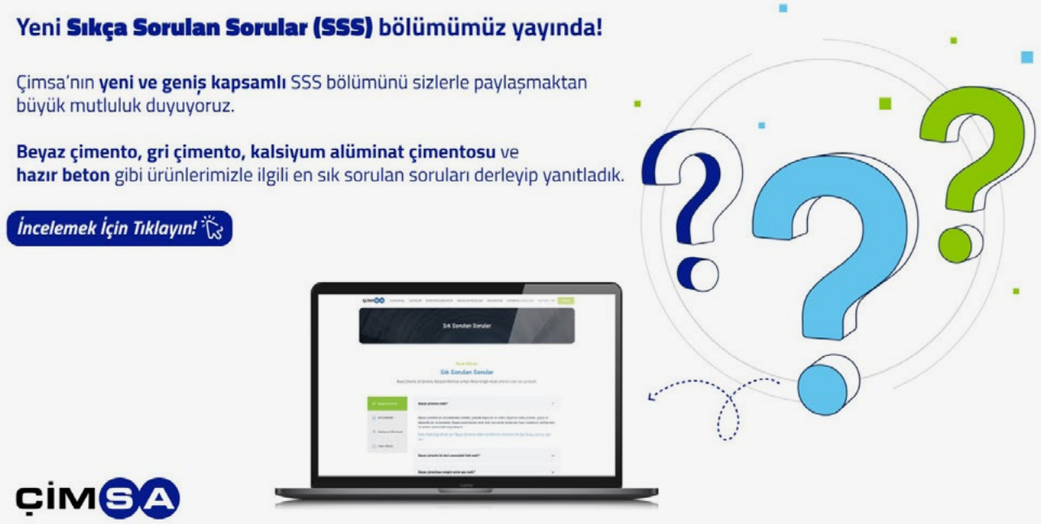
Çimsa Blog maintains its mission of being an important reference point in the industry by providing comprehensive content on white cement, grey cement, calcium aluminate cement and ready-mixed concrete product groups in Turkish and English. While supporting information sharing through technical bulletins and academic studies, Çimsa Blog continues to reflect the transformation in the industry by conveying current developments in sustainability issues.

Çimsa Blog played an important role in strengthening Çimsa's digital presence in 2024 and accounted for 59% of total website traffic. The content received more than 6 million views in Google searches. Blog clicks only in the English section grew by 428%, demonstrating Çimsa's global reach and effective content strategy.

Click here for Çimsa Blog.

Çimsa's New Frequently Asked Questions Section has Gone Live

The Frequently Asked Questions (FAQ) section added to the Çimsa's corporate website enables users to access quick and easy information about products and supports their decision-making processes with guidance on technical details that should be considered when choosing a product. Providing comprehensive answers to questions about the use of products, technical features and the industry, this section increases customer satisfaction and strengthens digital presence.



As Çimsa, acting with the mission of creating sustainable living spaces in the building materials industry, we integrate the most modern technologies into our business processes and offer solutions tailored to the needs and demands of our customers. We expanded our product portfolio, which can adapt to changing environmental conditions and different building requirements, in 2024, reinforcing our leading position in this area.

Transformation from Grey to Green with Value Added Cement Products

As Çimsa, we build sustainable living spaces by reducing the clinker usage rate in cement production and enriching the content with alternative raw materials. In line with our strategy to transition to a low carbon economy, we aim to reduce carbon intensity throughout the product life cycle and utilize the power of R&D.

For details, please refer to the **PRODUCT TRANSFORMATION WITH ALTERNATIVE RAW MATERIALS** section.

By defining our products with a clinker utilization rate below 80% as "sustainable products", we strengthened our targets in this category. We comply with global sustainability standards by using the European Union Taxonomy as a guide in the product transformation process.



Green Wave Program: Leading with Green and Value-Added Solutions

We launched the 'Green Wave' program within the scope of 'Transition from Grey to Green', one of the cornerstones of our main strategy. With this program, while gathering our next-generation of environmentally friendly products under a single roof, we strengthen our leadership in the market by continuously expanding our low-carbon product portfolio, the foundations of which we laid in 2023. Green Wave symbolizes Çimsa's proactive approach that anticipates and manages risks and opportunities against the climate crisis.

As a result of the comprehensive market analyses conducted by our sales and marketing teams, next-generation blended cement types with technical properties suitable for the increasing demand and needs for environmentally friendly cement solutions with a low carbon footprint were identified. Our CEM-II product portfolio, which is offered to the market with ideal recipes developed with the expertise of our R&D center, increases its strength in the market. Please click **here** for product video.

14.4%

The ratio of revenue from sustainable products to total revenue, which was 4.2% in 2023, was realized as 14.4% in 2024.



We Increase Our Competitiveness with Innovative Products

We are increasing our competitiveness in the Turkish market with our new Ecoshine (CEM II 52.5) white cement and Ecofort (CEM III 32.5) grey cement products developed under the Green Wave Program. These innovative products add value to environmentally friendly projects with their low carbon footprint and superior performance characteristics.

In 2024, 60% of our grey cement product portfolio production was composed of Izo Power, Master Power and Ecofort branded additive product group. In the grey cement category, we sold 2.1 million tons in total with Izo Power, Master Power and Ecofort brands.

Ecofort

The product offers high durability, environmental compatibility and energy efficiency solutions to the business partners for ready-mixed concrete applications in infrastructure and superstructure projects. Ecofort enables carbon emission reduction of up to **80%** compared to conventional Portland cement and is produced in compliance with the "significant contribution level" of the European Union Taxonomy.

Master Power

The product, which has low carbon footprint and helps to prevent efflorescence and cracks, reduces carbon emissions by up to **50%** compared to conventional Portland cement. It is produced in compliance with the "significant contribution level" of the European Union Taxonomy.

Izo Power 42.5

The product stands out with its low carbon footprint, controlled heat of hydration and high durability. It reduces carbon emissions by **15%** compared to conventional Portland cement.

Ecoshine

Çimsa EcoShine (CEM II A-LL 52.5 R) White Cement is a product that offers low carbon emissions while maintaining its high performance. Compared to Çimsa Super White Cement, it has a lower environmental impact and is ideal for preparing sustainable cement-based mixtures. The product provides superior performance without compromising strength, whiteness and quality values.

Please click here for detailed information about the products.

Green Cement Era in Public Tenders in Türkiye: Step into a Sustainable Future with Çimsa

Published on March 16, 2024 by the Ministry of Environment, Urbanization and Climate Change, the communiqué aims to expand the use of green cement with low carbon emissions in public tender contracts. With the communiqué, which supports environmental sustainability and encourages the use of green cements, that stand out with their technical superiority and have lower clinker ratio and carbon emissions, the clinker/cement ratio is expected to be at most 80% between January 1, 2025 and December 31, 2029 and at most 75% as of January 1, 2030.

As Çimsa, we organized a Customer Information Webinar on the Green Cement Requirement in Public Tenders in order to lead this transformation process and support our customers. In this event, we shared our contributions to the green transformation movement in Türkiye's public tenders and our sustainable product portfolio in detail.

ICONICRETE: Ready Mixed Concrete Special Product Family Digital Catalog

In recent years, sustainability and innovation are among the prioritized goals in the building materials industry. In this context, we reinforced our innovative approach in the market with the IconiCrete Ready Mixed Concrete Special Products Family and published a new product catalog accessible via digital platforms. This series consists of products developed with the principles of quality, consistency and reliability, meeting various structural needs. These products offer a wide range of applications from airport runways to architectural projects. Each IconiCrete product has been designed to adapt to the changing and evolving needs of the industry and is constantly renewed and improved.

Value Added Concrete Products in the IconiCrete Family

HyperCrete; stands out as a long-lasting, waterproof, eco-efficient and aesthetic building material.

ArteCrete, offers an ideal, aesthetic and decorative coating solution for outdoor spaces.

OpaCrete, is produced with cement with high whiteness value and light-colored raw materials, especially for architectural projects with white tones, providing an aesthetic appearance.

DareCrete, stands out with its abrasion resistance and impact resistance increased by using micro and macro fibers.

RangeCrete has been specially designed to meet the requirements of long distance transport and concrete pouring in hot weather conditions.

Sustainable Concrete Products in the IconiCrete Family

SubCrete, is a special concrete solution with increased impermeability for wet and humid areas.

PoroCrete is an ecosystem-friendly product that allows rainwater and runoff water to infiltrate underground.

NautiCrete, is a type of concrete developed for sustainable design-oriented structures, offering high strength and durability.

Our new product range offers our customers a wider range of solutions, enabling projects to meet a variety of challenges. These products have been integrated with modern construction techniques and environmentally friendly approaches, providing effective solutions for the building needs of the future.

Please click here for IconiCrete product family digital catalog.



Innovation Combining Architectural Aesthetics, Durability and Environmental Aspects with 3D Technology:

RapiDome

Çimsa combines its innovative and innovative approach with white concrete and 3D printer technology in the 3D Rapidome project. Thanks to this technology, it becomes possible to build the structures of the future in as little as 48 hours. The 3D concrete mortar, specially developed as a result of the work carried out by our R&D team, offers an economical, aesthetic and sustainable solution to the need for rapid shelter in emergencies.

3D Rapidome structures stand out with their 25% lower cost compared to conventional housing. The main advantages of these innovative structures are as follows:

Fast Production
Structures are completed within 48 hours.

Economic Solution
It provides economic advantage with low-cost production.

High Insulation Performance
Thanks to its natural insulation properties, it shows superior performance in heat and sound insulation compared to standard building materials.

Long Lasting and Aesthetic
It offers aesthetic and long-lasting solutions thanks to its durable structure and architectural design flexibility.

Energy Efficiency
Thanks to the solar panels integrated into the roof, 100% of the electricity needed by the building is provided by solar energy.

Groundbreaking Technology in Earthquake and Disaster Housing
3D Rapidome structures developed by Çimsa offer fast and sustainable solutions to post-disaster shelter needs. Fire resistance, enhanced acoustic performance and solar-powered systems against power outages improve the quality of life after disasters.

Flexible and Customizable Designs
3D Rapidome technology allows customization according to climatic conditions and user needs. For example, a different insulation thickness can be selected for warmer climates, while in colder climates the geometry of the walls can be changed according to the amount of insulation required. This flexibility makes the 3D Rapidome a more unique and innovative option than traditional construction methods.

A Greener and Sustainable Future
With 3D Rapidome, Çimsa contributes not only to the need for housing, but also to sustainability goals, while creating solutions for the management of the climate crisis. Leading the innovative construction approach with fast, economical and environmentally friendly buildings, Çimsa shapes the architecture of the future.

In order to inspire young generations and popularize advanced technology, Çimsa realized Türkiye's largest 3D structure at Eskişehir Technical University. Çimsa aims to demonstrate the potential of advanced construction technologies to both students and the industry through this structure built on the campus of Eskişehir Technical University with its own 3D concrete printer. This collaboration provides an inspiring environment for young engineers and architects to work on the building technologies of the future.



Please click here for product video.

To Our Sustainability-Oriented Customers: Environmental Product Declaration

An Environmental Product Declaration (EPD) is an independent verification and registration process that quantitatively assesses the environmental performance of products using the Life Cycle Assessment (LCA) method in accordance with the ISO 14025 standard. Thanks to EPD, the environmental impacts of products throughout their life cycle are transparently revealed. As Çimsa, we see transparency and verification efforts as an important tool in the fight against the climate crisis.

In this context, we updated the EPD certificates of our Recipro40 and Isıdaç40 products in 2024. We obtained EPD certificates for our Master Power 32.5, Izo Power 42.5 cement and C30/37 concrete products for the first time, providing an independent assessment that verifies the environmental performance of our products.

Mannok Holding operations have a total of 5 EPDs for aircrete, roof tiles, precast, EPS and PIR insulation products.

For detailed information please click here.

Exports to 70 countries

In the white cement category, we export to more than 70 countries with our EPD-certified Super White, Isıdaç 40 and Recipro 40 products.

In this category, we achieved total sales of 1 million tons and a turnover of TRY 4.7 billion.

Mersin Plant, Eskişehir Plant and Misis Ready-Mixed Concrete Station were awarded the “Gold” level “Responsible Use of Resources Sustainability Certificate” with their environmentalist practices by meeting all criteria as a result of the intensive audits of the Turkish Ready-Mixed Concrete Association (THBB) and the International Concrete Sustainability Council.



AGILE TRANSFORMATION

We strive to sustain a working environment where employee welfare is ensured by supporting the importance we attach to the development of our employees with modern practices.

In this Section:

Transformation with Strategic Workforce, Employee Experience and Engagement 89
Transformation in Occupational Health and Safety 104
Transformation with Social Contributions 109

Buñol Cement Production Facility (Spain)

WHY IS THIS IMPORTANT FOR US?

Our superior success and performance as a global player is only possible with our qualified human resources. With this understanding, we attach special importance to the development, safety and satisfaction of our employees. We believe that we can carry the added value we have created by developing together with our employees to higher levels.

HOW DO WE MANAGE?

In line with our Çimsa Values and Cultural Principles, we act with the mission of "creating the human resources infrastructure of the digital Çimsa of the future with our Human Resources (HR) systems which respect people and are transparent, innovative, reliable, sincere and open to development and improvement". We design and manage all our relevant human resources processes in line with this mission. We offer a creative and peaceful working environment where our employees can work in health and safety, employee welfare and happiness are considered and that is compatible with the next-generation working approach.

In our regions of operation, we implement projects to enhance the welfare of local people and protect the ecological balance. We see our projects in this area as an important component of our sustainability efforts, measure the benefits we provide through these projects and report the SDGs we contribute to.

RELEVANT STAKEHOLDERS

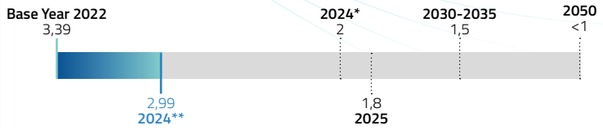
Employees
Subcontractors
Suppliers
Local Community and the Public

RELATED CAPITAL ELEMENTS

Human Capital
Social and Relational Capital

Performance Data

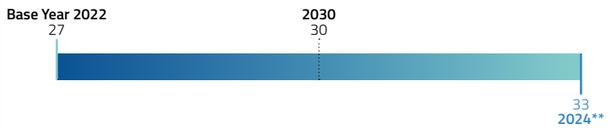
Reducing the Lost Time Injury Frequency Rate (LTI FR)
(Number of Lost-Days Accidentsx1 M / Working Hours)



Zero Occupational Disease* *(Number)***



Ratio of white collar female employees *(%)*



Ratio of female employee *(%)*



Number of vulnerable audiences (youth, women and disabled etc.) reached by inclusion programs *(Quantity)*



* Target ** Realized ***Direct Employment

TRANSFORMATION WITH STRATEGIC WORKFORCE, EMPLOYEE EXPERIENCE AND ENGAGEMENT

In line with our "continuous development" approach, we strengthen the competencies of our employees with the New Sabancı Leadership Model, Çimsa Values and Cultural Principles and the Human Resources practices we continuously develop, and we take it our most important responsibility to make this development sustainable. While increasing the satisfaction of our employees, who form the basis of our success, we also take decisive steps towards becoming the employer brand most preferred by qualified and potential human resources.

We continue our work in the field of HR around 5 main topics that we identified in our Strategic HR Roadmap.

Ensuring a Fast, Flexible and Agile Organizational Structure

With our efforts to have a fast, flexible and agile organizational structure, we strengthen our sustainable competitive advantage in the business environment and maintain our leadership in the industry.

Flexible Working

Prioritizing employee satisfaction, we offer our employees a pleasant experience with practices such as flexible fringe benefits, birthday and report card day leaves, casual clothing and flexible working hours. By constantly updating these models according to the needs of the business and our employees, we create a working environment suitable for the needs of each individual.



International Organizational Structuring

Çimsa's Globalization Strategy: From Local to Global

In order to adapt to changing business needs, we are reshaping our international organization with hybrid and matrix structures to create an agile and strong structure.

We increase our ability to make fast and effective decisions by managing our subsidiaries in line with local dynamics and without centralization. In line with our "From Local to Global" sustainable growth strategy, we align our global organizational growth with the cultural richness of the regions in which we operate, thus adding value to both society and our stakeholders by preserving local values.

With the acquisition of Mannok in October 2024, we have both strengthened our position in our industry and expanded our product range. Mannok's experience and strong marketing network have further strengthened our global organization, and with this strategic move, we have become more competitive in the areas in which we operate.

At the heart of globalization is strengthening the cultural integration of our employees and increasing their satisfaction. While respecting the cultural characteristics of each region in which we operate, we integrate these local values into our globalization process. This approach makes it possible to be not only a global player, but also a local business partner in every location. In addition, with our "We First" philosophy, we effectively use our internal recruitment platform to offer global career opportunities to our employees and support organizational growth through rotation and short-term assignments. With this strategy, we continued our growth in 2024 with 989 employees in our international locations together with Mannok.

All these activities contribute to our achieving results above the country average in employee engagement survey results in the geographies where we are located and enable us to reinforce our global success also in local markets by increasing the engagement and satisfaction of our employees.

Physical and Mental Well-being

As Çimsa, we make it our top priority to continuously improve the physical and mental health of our employees with the motto "A better life, a better you". With our ÇimsaLife mobile application, we guide all our employees at home and abroad to improve their health and help them improve their quality of life. In 2024, we ensured that 94% of our employees actively used the application, contributing to a healthier work environment.

We implemented various well-being practices to support the physical and mental well-being of our employees. At all our locations, we made arrangements to improve the physical health of our employees. We also supported the psychological well-being of our employees and their families by organizing a special webinar for them to help their children cope with exam anxiety.

Digital, Data-Driven and Agile Organization

We started our digital journey with our MyHR Portal application, where we combined Human Resources systems and applications under a single roof, and as of 2024, we continued our digital transformation by including our Announcement Management, Leave Management, Installment Advance Module, 2- and 6-Month Performance Assessment, Employee Information Screen and Termination Module processes on this platform. MyHR Portal received the Silver award in the "Best Business Automation Solution" category at the Brandon Hall Group Excellence Awards, one of the most prestigious awards in the world, where successful companies and teams are awarded every year.

In 2024, we deepened the HR analytics approach and practices that we launched in 2022 and moved on to the stages of creating a data bank, analyzing data, reporting and conducting statistical studies. In this scope, we measured and interpreted our data and started reporting the data we obtained to other business units. At the same time, the HR reporting systems we created within the scope of HR Analytics received the Bronze award in the "Best HR Data Analytics" category at the Brandon Hall Group Excellence Awards.

As of 2024, we took another important step to accelerate our Human Resources digital transformation process and transformed our organization by creating the HR Systems and Analytics team in our Human Resources team.

As of 2025, we will start designing a new Human Resources system with a global infrastructure. Through this portal, which will be used in all Çimsa locations, we aim to enhance employee experience, provide data for human resources analytics and create systemic integrity with artificial intelligence-supported applications. We thus plan to setup forecasting models using all the data we obtain with the HR Analytics team and provide faster and more effective service to our employees at all locations.

Creating a purpose-driven, high performance culture

As Çimsa, we believe that creating a purpose-driven and high-performance culture is of critical importance for sustainable success.

Next-Generation Performance Management System (Perf-x)

Thanks to the Next-Generation Performance Management System (Perf-x), the annual targets and performance processes of our employees are regularly monitored on a periodic basis. In both our Global and Türkiye operations, we strengthen performance management by implementing a bonus system in line with targets.

In 2024, we started to transform our performance management process into a structure compatible with the Sabancı of the Next-Generation competencies shaped around the themes of "Grow", "Transform" and "Connect".

In this scope, we realized the Mid-Term Evaluation process within the scope of our periodic performance management process. During the 2024 Mid-Term Evaluation process, we used the Mid-Term Assessment Form, which was developed based on the "Grow", "Transform" and "Connect" themes within the Sabancı of the Next-Generation Competency Model and prepared within the framework of a competency-oriented approach. While this form aims to guide the objective evaluation of targets and the process of achieving Çimsa's strategic targets, 88% of the participants in the survey conducted among employees and managers who used the form stated that this competency-based evaluation form provided a guiding and beneficial effect in the evaluation of objectives.

OKR (Objectives Key Result)

Launched in 2022, OKR (Objectives Key Results) pilot studies were implemented in human resources projects of strategic importance in 2023, and Çimsa became the pilot company in the OKR process among Sabancı Holding group companies in 2024. The OKR methodology started to be disseminated in all functions of the Company, and a total of 50 employees took an active role in 7 pilot project groups determined on the basis of processes that are critical in achieving strategic goals. Seven of these employees were assigned as OKR coaches and seven as substitute coaches; project topics and members were determined by senior management; coaching trainings were provided for OKR coaches and basic trainings on OKR methodology to all project members, enabling them to effectively apply the methodology and gain an OKR perspective.

By the end of 2024, we aimed to complete the work with the OKR methodology in projects and to disseminate this methodology throughout the Company. In this scope, we plan to deepen OKR practices by establishing new project groups in the new period.



Organizational Success Plan (OBP)

We continue to carry out our activities in 2024 within the scope of the Organizational Success Plan (OBP), which is a critical process for a company to maintain its competitive advantage, adapt to changing conditions and achieve sustainable success. Accordingly, in 2024, we continued to identify in advance gaps that might occur in critical positions in advance in line with our strategic roadmap and updated our strategic succession plans against these risks. In addition, within the scope of our Company's strategic goals, we restructured our action plans by taking into account the short and medium-term promotion and rotation processes of our human resources, organizational requirements and changing sector dynamics.

Acquiring and retaining the best talent

We aim to use the power of our employer brand as a strategic advantage in Çimsa's global leadership journey.

Strategic Workforce Planning

In 2024, within the scope of Strategic Workforce Planning, we implemented the processes of creating career roadmaps for expert and critical roles across the Company, evaluating skill sets for these roles through Assessment Center practices and updating recruitment process maps.

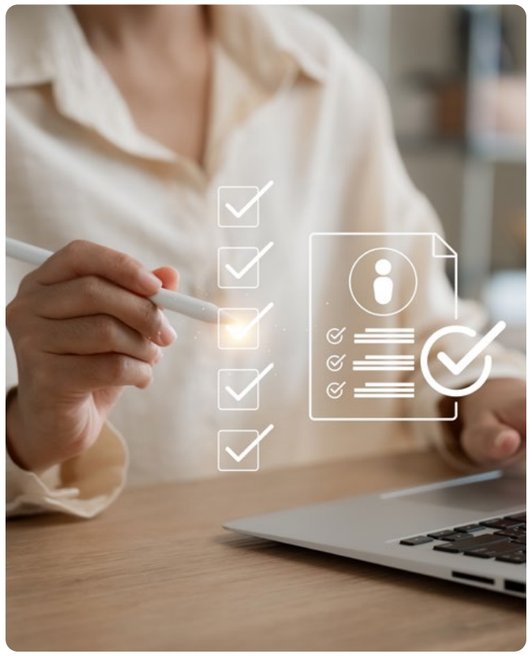
Career Development

In order to sustain Çimsa's future success, we aim to raise next-generations and strengthen the knowledge and skill sets of our existing employees within the framework of strategic workforce planning. To this end, we support our employees' career journeys by offering customized development paths and extensive career opportunities to them. Both in Türkiye and in our global operations, we encourage in-house recruitment and rotations and enable our employees to transform their competencies by enabling them to transition to new positions.

In addition, by offering career opportunities abroad, we provide our employees with international experience and contribute to their development on a global scale. As of 2024, our 26 employees benefited from career diversity opportunities by participating in the domestic and international in-house recruitment and rotation process. This process reinforced our organizational development and contributed significantly to increasing the competencies of our employees.

My Çimsa Career

A total of 57 advertisements were published and 1,600 applications were received through My Çimsa Career, which we use as an effective tool in our domestic and international operations in order to support our talent acquisition perspective, recruit talented individuals to Çimsa and contribute to the Company's future vision. We continue to bring the platform together with the next-generation within the framework of employer branding events (recruitment and internship, open position postings, employment fairs, university collaboration events).



Sprout Digital Onboarding

With the SPROUT Digital Onboarding program, which we expanded globally in 2024, we now include our new employees in our overseas locations in the onboarding process.

Our employees have the opportunity to get a quick start by accessing documents related to business processes and Buddy Program documents through the system. This global integration aims to provide a more inclusive and effective onboarding experience for our teams both in Türkiye and abroad. In this scope, our 82 new employees who started working in Türkiye and our global locations in 2024 successfully completed our digital onboarding process.

As of 2025, the Sprout Digital Onboarding program, which is provided to our white-collar employees, is being restructured to be offered to our blue-collar employees as well.

Future Shapers Management Trainee Program

In 2023, the candidate evaluation process for the Future Shapers Management Trainee Program, designed in line with the Sabancı of the Next-Generation Competencies, was completed. In this direction, the Future Shapers MT Program, which continued in 2024, was an important step in strengthening Çimsa's strategic vision and raising the leaders of the future. 12 young talents selected among 2,552 applicants stepped into their careers at Çimsa with promotion and rotation opportunities in Türkiye and abroad, while contributing to the Company's diversity and inclusion goals with a 45% female candidate placement rate. Within the scope of the program, the leadership competencies of young talents were developed, and their integration into our corporate culture was supported through practices such as Sprout Digital Onboarding, Buddy Program and Mentorship Program. Technical trainings, plant visits and rotation practices ensured that they had a command of the entire organization, and "Inspiration Talks" events allowed them to meet with executives and senior management to gain an in-depth understanding of vision and strategies. This program, which serves Çimsa's long-term goals, aims to make a strong contribution to the Company's global success journey by preparing young leadership candidates for critical roles as Assistant General Managers in charge of Enterprises, Supply Chain, White and Grey Cement Marketing and Sales, Finance and Financial Affairs.

Following its launch in Türkiye in 2023, we organized the Future Shapers Program abroad in 2024 and strengthened our organizational needs by bringing together students and recent graduates from different cultural backgrounds. Thanks to our collaborations with Valencia University and Valencia Polytechnic University in Spain and Munich Technical University in Germany, we had the opportunity to meet, collaborate and build a strong network with approximately 700 Future Shapers from different nationalities.

Within our collaboration with the Technical University of Munich, we organized an inspiring day at our Sabancı Global Technology Center in Munich for 30 young talents, 70% of whom were women, studying for their undergraduate and graduate degrees in Materials Engineering, Civil Engineering, Chemistry and Chemical Engineering.

At the event, we, as Çimsa, shared our knowledge and experience with our Future Shapers, while we enabled the students to develop projects by brainstorming through the workshops we designed. We also had the opportunity to welcome two new Future Shapers to our Company.





Womentoring2 Mentorship Program

The Womentoring2 Mentorship Program was launched to promote gender equality and women's leadership in the industry. The program aims to bring together experienced female mentors and male mentees under the age of 30 to support their professional development and contribute to overcoming gender barriers.

Within the scope of the program, 13 experienced female mentors were paired with 16 male mentees. At the beginning of the program, basic information and skills about the mentoring process were conveyed through one-day trainings organized for mentors and mentees. In addition, Çimsa senior management also participated in the program and directly contributed to the process of promoting women's leadership by mentoring 13 experienced female mentors.

The Womentoring2 Mentoring Program focused on the development of the participants, experience transfer and strong networking opportunities, having enabled the sharing of leadership experiences and supporting development from different perspectives. This process established strong collaborations between mentors and mentees, reinforcing a culture of collaboration.

W-Grow Digital

The candidate application and selection process of the W-Grow Digital Young Women Training and Development Program, which aims to improve the knowledge and skills of young women studying in the 4th grade or continuing their graduate studies in the science, technology, engineering and mathematics departments of universities and who want to shape their careers in digital technologies and to get to know the digital world in the industry, was completed in 2023.

50 young women who participated in the W-Grow Digital Young Women Training and Development Program in 2024 received training and produced projects in areas such as digital literacy, basic coding skills, cybersecurity, data science and leadership. At the end of the program, a 4th year Computer Engineering student shared her own experiences in Vodcast format, inspiring female engineer candidates in the industry. In line with Çimsa's digital transformation process, this project aims to expand the talent pool of the future in an inclusive manner and integrate gender equality into corporate strategies.

Developing an Understanding of Non-Hierarchical Leadership At All Levels That Empowers Teams

We consider strengthening our human resources by increasing the leadership qualities, knowledge and skill levels of employees in order to support our corporate strategies as a priority focus area in our human resources practices. In addition to the professional development trainings we offer to our employees, we provide management competency development programs, occupational health and safety trainings, foreign language, personal development and career development trainings.

Çimsa Academy

In the past period, within the scope of Strategic Workforce Planning, we designed competency-based learning journeys for Specialist and Manager positions on the Çimsa Academy training platform by focusing on the competencies needed on a position basis. In addition to these efforts, we continue to create new training programs at Çimsa Academy to improve the competencies of our employees and increase their awareness on industry-based topics. In 2024, a total of 1,365 hours of training was completed at Çimsa Academy. Competency-based trainings, leadership, professional development, personal development and gender equality trainings stood out among the completed trainings. Furthermore, focusing on sustainability and environment themes, 9 new trainings were integrated into the system and assigned to our employees. A 56% completion rate was achieved in the trainings assigned to our employees on topics such as environment, waste management, sustainability and climate change, thus increasing the awareness of our employees in these areas.

We actively use the Çimsa Academy online training platform, which is accessible to our employees in Türkiye and abroad, not only to enhance the competencies and awareness of our employees, but also in talent acquisition projects carried out at Çimsa and in programs designed for university students. Within the scope of our W-Grow Digital Young Women Training and Development Program realized in 2024, a total of 50 young women students had the opportunity to develop by accessing trainings on topics such as digital literacy, digital skills, coding, cybersecurity, data science, technological trends, finance, emotional resilience, agility, communication, time management, equality, diversity and inclusion.



1,365 hours

The time of trainings completed at Çimsa Academy in 2024

Senior Management Development Program

We encourage our senior management team to participate in leadership programs abroad in order to support them in learning about global leadership trends and business strategies and to strengthen their contribution to our Company's long-term growth targets. In 2024, we included 3 executives from our senior management team in high-level overseas training programs focusing on leading change and making strategic decisions.

Foreign Language Education Programs

In 2024, 67 of our employees had the opportunity to improve both their speaking and grammar skills with English Language Development Programs customized according to their level within the scope of the English Language Development Program, which we have been conducting for employees of all levels since 2021. At the end of the program, 28 of our participants took their English to the next level.

This year, for the first time, we offered Spanish, German and Italian language training opportunities to our employees and included more than 25 of our employees who need to learn these languages due to their positions and who were determined by the evaluations of our senior management team in these foreign language education programs. In our global journey, we aim to increase the foreign language competencies of our employees by initiating education support not only in English, but also in the languages of the countries in which we grow. This step contributes to our employees to communicate more effectively and efficiently in international markets, benefiting our Company's global journey.

In addition, by supporting our senior management team with one-to-one Spanish trainings in 2024, we contributed to the progress of our Çimsa leaders with even stronger steps in our global journey.

Speaking Club

Our 40 employees from all our locations participated in the Speaking Clubs program, which we, as Çimsa, launched to strengthen the learning culture among our employees, increase their language skills and reinforce global collaboration. Thanks to this program, our employees had the opportunity to improve their language skills by pairing up in different languages such as German, English, Spanish, Italian and Turkish, while at the same time getting to know different cultures more closely and creating a cultural interaction environment that strengthened global collaboration.

My Çimsa Professional BC Development Program

My Çimsa Professional Program that we launched in 2022 aims to improve the competencies of our new employees and facilitate their adaptation to work by enabling our experienced blue-collar professionals to transfer their knowledge and experience to our newly recruited blue-collar employees who want to master a specific field. We continue to offer development opportunities to our employees by continuing the program with 21 tutor professionals and 21 student professionals participating in the program in 2024. Thus, by transferring the knowledge of our experienced employees to our newly recruited blue-collar employees, we accelerate the orientation processes and contribute to the continuity of our business.

In addition, we ensured that a total of 344 of our employees benefited from the Mastery Compensation Program, which was implemented with the support of the Ministry of National Education in 2024, enabling employees to obtain a mastership certificate by improving their professional skills. We thus made a significant contribution to increasing the professional competencies of the participants.

Other Training and Development Programs

In line with the Postgraduate Education Support Procedure that we started to implement in 2023, we continue to offer our employees 50% support for Master's and Doctorate programs. In 2024, two of our employees were supported with Master's degree programs in this scope.

We included two of our employees in the 3rd term of the Cement Industry MBA Program in 2024, which organized in collaboration with ÇEİS, TÜRKÇİMENTO and MEF University, and a total of 8 employees from Enterprises, Human Resources and Sustainability, White Cement Marketing and Sales, Grey Cement Marketing and Sales functions, supporting their individual and career development.

In order to strengthen our Company's processes and ways of doing business, we organized Information Security training for our white-collar employees in 2024. The trainings were organized in 8 groups and more than 400 of our employees were included in the trainings.

In line with our operational excellence targets, we continued to strengthen compliance with standards through ISO Management Systems Certification Trainings. This process aims to help participants contribute to Çimsa's goals by performing internal audit processes in a stronger and more effective manner in collaboration with our Quality teams.

In addition, as every year, we completed our competition compliance trainings to help enhance our regulatory compliance and raise the efficiency of our business processes.



Empowering People for Sustainable Living

As Çimsa, we always prioritize our responsibility to respect universal human rights, embrace diversity and create an egalitarian and inclusive working culture. These values are fundamental principles that our Company has strongly adopted and continuously reinforced, aiming to provide a fairer and more supportive environment for all our employees.

Equality at Work

As Çimsa, we continuously take innovative steps to ensure gender equality in the workplace and support the development of our employees. We observe the principle of "Equality at Work" in all processes and provide equal opportunities to our female and male employees. We are transforming our organization while providing equal career opportunities for our male and female employees. The total reward packages, remuneration and fringe benefits of male and female employees working in similar positions at the same level are structured in accordance with the principle of Equality at Work and no gender-based discrimination is observed in remuneration. We perform Personal Performance Management assessments equally for male and female employees and reflect this equally in business results.

We implement the principles of equality, diversity and inclusion to ensure that our employees benefit equally from growth opportunities, contribute to transformation processes and achieve success together by building a strong bond with our employees.

A Commitment That Makes Çimsa Proud

As Çimsa, we are proud to be a signatory of the Women's Empowerment Principles (WEPs), which were established in partnership with the UN Global Compact and the UN Gender Equality and Women's Empowerment Unit, since 2016.

Our Work is Equality Bulletin

As Çimsa, we have been sharing the "Our Work is Equality" Bulletin with our employees at all our locations for the last two years in order to emphasize our strong commitment to gender equality, diversity and inclusion and to share our projects and best practices in this area with our employees. Our bulletins include interviews with our female employees, up-to-date information and developments regarding the projects carried out within the scope of gender equality. We also include our collaborations with NGOs, public institutions and associations to increase and support women's employment. In our 21st issue of the bulletin, we explain our projects to our employees in all our locations, contributing to creating a common awareness with the aim to promote gender equality.

Global DE&I Committee (Diversity, Equity and Inclusion Committee)

With the aim of strengthening the principles of Diversity, Equity and Inclusion (DE&I) and transforming our working environment into a fairer, more inclusive structure that offers equal opportunities to everyone, we continue our journey that we started in 2023 with the Our Work is Equality Employee Experience Group with stronger steps this year. Accordingly, we established the Global DE&I Committee to hear the voices of all our employees with different cultural, ethnic and social identities, to understand their needs and expectations and to better represent diversity.

In this committee, which includes at least one employee from each country and consists of 15 people in total, we determine our DE&I strategies and create our action plans on a country basis, taking into account the priorities of each country within the scope of DE&I. We continue to work with determination to ensure that DE&I principles are not only a goal but also an integral part of our corporate culture, and we take steps to create an inclusive culture.

Gender Equality Workshop

In February and November this year, Sabancı Holding Material Technologies Group organized Gender Equality Workshops in collaboration with Çimsa and Akçansa with the participation of Burak Orhun, Material Technologies Group President. In these workshops attended by approximately 100 employees from Çimsa and Akçansa teams, practices, invisible obstacles and steps to be taken regarding gender equality in working life were discussed in detail. In addition, the Keynote Speaker's speech titled "Gender Equality in Business Life" raised an important awareness among the participants.

As the Material Technologies Group, we raised awareness on gender equality through these workshops and determined our new roadmap. We aim to make gender equality an integral part of our corporate culture and to ensure our continuous development in this area by regularly monitoring our action plans in line with the roadmap we determined.



Empathy in Parenting Seminar

We organized "Empathy in Parenting Seminars" at all our locations to strengthen empathy in parenting, balance parent-child relationships and increase awareness of roles within the family. These seminars helped our employees establish a balance in the family and assume their parenting roles in a healthier way. Our female employees in the field who participated in the seminars proved that professions are not limited to gender with their success in the cement industry and played an important role in changing the perception of female employees in the industry. At the same time, by showing that it is possible to maintain a balanced work and family life, they contributed to the formation of a stronger support network in the working environment.

As Çimsa, We Stand by Disabled Individuals!

In collaboration with the Turkish Red Crescent Volunteer Services, we provided our employees with "Barrier-Free Living Culture Training" in order to raise awareness on effective communication with disabled individuals. This training focused on the basic principles of effective communication with disabled individuals, common communication mistakes and correct approaches. In addition, the difficulties faced by disabled individuals in daily life and the importance of a sensitive approach towards them were emphasized. With the training, we aimed to make our work environment more equal and inclusive by equipping our employees with the skills to communicate more consciously, sensitively and inclusively with disabled individuals.

We Take Steps Together for Zero Tolerance to Violence!

On November 25th, International Day for the Elimination of Violence against Women, a panel titled "Institutionalizing the Fight against Violence in Business World" was organized in collaboration with Sabancı University. In this panel, critical issues such as systematizing the fight against violence against women in the business world, the effects of violence on society and the business world, the role of the private sector and the importance of collaboration were discussed. As Çimsa, we supported this panel and participated in order to institutionalize the fight against violence in a more visible and effective way in the business world. With our zero-tolerance to violence approach, we continue to contribute to creating a safer and more equitable environment in the business world.

Increasing Women's Employment

We implement many projects to increase women's employment and take important steps in this area. In all our projects, we observe the principle of equality from the application stage and take the necessary measures to ensure gender equality at every stage. In this scope, we are proud to have reached our target of 30% female white-collar employees, which we set for 2030, by the end of 2024. Our ratio of 20% female white-collar employee in 2021 increased to 26.9% in 2022. And in 2023, this ratio was realized as 28% in the whole Çimsa and CBS BV organizations. In 2024, with the inclusion of Mannok, our total ratio of female white-collar employees reached 33%. This success is a reflection of our determination to support women's participation in the workforce. We will carry this goal even further and continue to strengthen the position of women in business life in the future as well.

Build-On Plus Long-Term Internship Program

During 2024, 75 students completed their internships, and 25 students continue their internships at Çimsa's Mersin, Afyon and Eskişehir plants, ready-mixed concrete stations and head offices within the scope of the Build-On Short-Term and Build-On Plus Long-Term Internship Programs. In 2024, one of the young talents who completed the Build-On Plus Long-Term Internship Program was hired as a Process Development Engineer at the Afyon Plant.

Within the Sabancı Group Next-Generation Career Experience Program, two students studying in the 3rd and 4th grades of the Faculty of Engineering completed their 8-week internships at Çimsa. Within the scope of Sabancı Group SEED Digital Young Talent Recruitment Program, three young talents were recruited.

University Collaborations

In line with supporting young talents, six technical trips were organized in the spring and fall semesters with universities in the regions where our plants are located. Nearly 300 students participated in the technical trips, and they had the opportunity to closely examine the production processes and gain detailed information about the industry.

These events contributed to the development of young talents interested in the industry and further strengthened collaboration ties with universities. In addition, our Company took an active role in a total of 21 events, including career summits, engineering days and various events organized by student clubs. At these events, our executives representing our Company communicated one-to-one with students and shared career opportunities and innovations in the industry.

Thanks to the protocol signed with Eskişehir Technical University Porsuk Vocational School, five students were included in the long-term internship process throughout 2024. This protocol strengthened Çimsa's collaboration with vocational schools and enabled students to gain experience in the industry. Furthermore, protocols were signed with two universities within the scope of the Business Development with Vocational Schools Project carried out at the Mersin plant, and a total of six students successfully completed their summer internships. These protocols provided students the opportunity to improve their professional skills and step into the business world.

İşKur Blue Collar Women Employment On-the-Job Training Program

The first group of our Blue Collar Women's Employment project, developed within the framework of İŞKUR On-the-Job Training Program, was successfully completed in our Mersin, Eskişehir and Afyon plants.

The project started with a total of 12 blue-collar female participants, and the participants were employed at Çimsa as Production/ Maintenance Assistance Worker, Chemistry Laborant, Electrical/ Electronics Maintenance Worker and Human Resources Office Staff.

Within the scope of the project, the number of participants recruited to Çimsa and their occupational branches are as follows: 4 Cement Production Personnel, 5 Chemistry Laborants, 1 Electrical/Electronic Maintenance Worker, 1 Human Resources Office Personnel and 1 Machine Maintenance Worker.



Young Women Building Their Future Project

Within the Young Women Establishing Their Future project supported by the Sabancı Foundation and launched for young women between the ages of 19 and 29 who are not in employment, education or training (NEET), we publish job postings for all our open positions on our digital portal Opportunities Map and prioritize recruitments from this pool. In addition, within the framework of the NEET program, we opened our online training platform Çimsa Academy to 370 women and our physical and mental health support program Çimsa Life to 100 women. We thus aim to add value to society by supporting the career and personal development of young women who are not in education and employment.

Our First Female Shuttle Driver

As Çimsa, we support efforts to increase blue-collar female employment in all areas and see our suppliers as part of this vision. Accordingly, our first female driver, who works for our supplier company that provides transportation services at the Çimsa Mersin Plant, joined us at the beginning of 2024. This step supports our aim to promote women's participation in the workforce, raise awareness on gender equality and eliminate sexist discourse in professions.

Employee Involvement

At Çimsa, we support our employees to participate in decision-making processes and share their ideas and suggestions through platforms that foster a participatory culture.

Employee Engagement and Employee Experience Groups

Since 2019, we have been regularly measuring and monitoring employee satisfaction and loyalty through an independent research organization. We share the results we obtain with our employees and receive feedback, and accordingly, we identify our development areas and make improvements. In order to ensure the active participation of our employees, we form voluntary Employee Experience Groups in the development areas we identify. As of 2024, we continue this process with 5 Employee Experience Groups in Türkiye and 3 Employee Experience Groups abroad, with a total of 72 volunteer employees. These groups continue to shape the future of Çimsa with the projects and suggestions they will develop in their areas of focus.

Involving our employees in this process allows us to build our organizational development on a stronger foundation. This involvement supports the personal development of our employees, strengthens our Company's transformation processes and strengthens the bonds between teams, based on the competencies of the Sabancı of the Next-Generation, which are shaped around the themes of "Grow", "Transform" and "Connect". We thus make our organization more efficient. The involvement of our employees in the processes not only increases satisfaction and loyalty rates, but also helps us produce more effective and innovative solutions. And this contributes to a strong culture of collaboration and reinforces our organizational success. Thus, by growing together with our employees, we make our transformation processes more effective and connect with each other with a strong commitment. This process also contributes significantly to the development of our organization's solution-oriented and results-oriented competencies.



The main focus areas that our employee experience groups in Türkiye worked on during 2024 are:

- Improving Shift Patterns
- Improving Physical Conditions of Women in the Field
- Developing Interdepartmental Collaboration
- Communication and Motivation
- Global DE&I (Equity, Diversity and Inclusion) Committee

The main focus areas that our employee experience groups abroad worked on during 2024 are:

- Developing Reward and Appreciation Systems
- Establishment of Blue Collar Performance Management System
- Planning Social Responsibility and Sustainability Activities

The fact that 70% of the actions proposed by our Employee Experience Groups have been implemented or are at the planning stage clearly demonstrates the importance of the active contribution of our employees in the realization of actions. With the feedback we receive from our employees and the projects we shape, we aim to continuously improve engagement and satisfaction rates. This year, we continue to further improve the employee experience at Çimsa through strategic steps and projects that are driven by the active participation of our employees.

Happy Days

Happy Days events, which we launched in 2023, aim to strengthen team bonds while offering our employees pleasant moments with fun activities we organize every month. Conducted simultaneously at all our locations across Türkiye, these events add positive energy to our working environment and increase the motivation of our employees. In our global operations, we reinforce employee engagement by integrating local events with cultural values at our Bunol Plant in Spain.

We design our events by taking local culture and dynamics into consideration. In Türkiye, we came together in all our locations to support our national volleyball team, while having had pleasant moments with salep and boza events in winter. In Spain, we were accompanied by local flavors such as chocolate and bunuelos at our "Fallas Festival" event and horchata and fartons at our summer event. These events not only provide happy moments for our employees, but also allow us to celebrate cultural richness. By shaping the content of events with the feedback of our employees, we increase participation and the efficiency of events.



Employee Representative Meetings

Employee Representative Meetings were held with active participation in 2024 as well. These meetings, organized four times a year, have become an important platform where employees can voice their expectations from the Company, exchange ideas and have their feedback evaluated. Within that period, 20 of the 24 requests received from representatives were successfully implemented. The meetings enabled us to create a more inclusive and solution-oriented working environment by making our employees' voices heard.

Çimsa Store

In addition to the economic and social support it offers to its employees, Çimsa makes their shopping experience more flexible and personalized with the Çimsa Store application. Within the application, we offer our employees the opportunity to exchange the rights they choose from their existing fringe benefits and to receive gift coupons from contracted brands for their needs. Thus, our employees have the opportunity to shape their shopping experience freely and according to their own needs.

Çimsa Whatsapp Dialog Line

Established in 2021 to enable our employees to share their ideas, questions and suggestions directly with the management, Çimsa WhatsApp Dialog Line was actively used in 2024 and continued to provide significant added value to our Company. This year, 232 issues were resolved through the platform.

"Ya Tutarsa" Suggestion System

With the "Ya Tutarsa (What If It Does)" suggestion system, 79 of the 221 ideas submitted by our employees in 2024 were deemed worthy of an award and 58 of them were put into practice. By the end of 2024, we implemented this system globally, enabling all our employees to access this platform and freely share their suggestions for improvement and development.

Rights to Collective Bargaining and Organization

As Çimsa, we care about a harmonious working environment that respects employees' rights to organize and collectively bargain. As of the end of 2024, 48.2% of our employees are unionized and 486 blue-collar employees are covered by collective bargaining agreements. This also includes our employees at Çimsa Cementos, our subsidiary in Spain. This commitment aims not only to ensure a productive working environment, but also to guarantee safe and fair working conditions for all employees.

TRANSFORMATION IN OCCUPATIONAL HEALTH AND SAFETY

Zero Tolerance in OHS

As Çimsa, we act with the principle of "Zero Tolerance" in Occupational Health and Safety (OHS) and adopt a safe working environment as our main priority. With this approach, we aim to effectively manage all risks and prevent violations.

The company-wide standards established within the framework of the "10 Golden Life-Saving Rules" provide a clear set of behaviors for all employees, temporary contractors, subcontractors and visitors. With this system that supports proactive occupational safety leadership and is based on continuous improvement:

- We do not start any work for which risks have not been assessed.
- All employees adopt OHS responsibility and take the initiative to reduce/prevent risks.
- Deviations/violations are managed through disciplinary processes.

The "Zero Tolerance approach" was introduced to our employees in 2024 with launches organized under the leadership of senior management in Türkiye and our global locations.

In order to ensure the effective implementation of this initiative, progress is monitored at the "Be Proactive!" meetings organized every month.

In this way, our employees are informed that deviations and violations will not be tolerated in the Çimsa OHS culture, but successful practices and individuals who contribute to the occupational safety culture are rewarded. Our aim is to provide an environment where everyone can work safely by strengthening the OHS culture day by day.

Zero Tolerance Launch - Mersin

Zero Tolerance Launch - Buñol



We see occupational health and safety practices as an integral part of our responsible business approach beyond legal obligations. "Zero Accidents" and "Zero Occupational Diseases" were the main topics we focused on in 2024 to achieve our goals.

Process and Machine Safety

We revised the explosion protection documentation for our Afyon, Mersin and Eskişehir plants, as well as ready-mixed concrete stations. We set equipment criteria for the identified potentially flammable and explosive areas and ensured that these areas are regularly inspected. In addition, we strengthened our employees' compliance with safety standards through machine safety trainings organized at our Afyon and Mersin plants.

Traffic Management

In 2024, we published the Traffic and Road Safety Policy covering all our stakeholders. Within the scope of the Traffic Risk Assessment conducted at our Mersin, Eskişehir and Afyon plants in compliance with ISO 39001 standards, we created traffic management plans and completed on-site pedestrian and vehicle arrangements. At our ready-mixed concrete stations, we managed heavy vehicle traffic through field traffic plans.

Please click here to access the Traffic and Road Safety Policy.

Hygiene, Health and Psychosocial Support

We conduct regular audits to ensure hygiene standards in our facilities and support our processes through supply chain control, employee training and awareness campaigns. These practices protect employee health and prevent potential health risks.

Our workplace physicians and health teams inform our employees about periodic diseases and workplace-related health risks, while ensuring the follow-up of chronic diseases and special conditions through periodic health examinations.

Within the healthy living programs, we support our employees' healthy weight management and quality of life by providing diet plans and physical activity recommendations from expert dietitians. We provide psychological support services in line with needs through regular psychosocial tests. These holistic approaches ensure the physical and mental health of our employees and create a working environment with high motivation and productivity.

Emergency and Disaster Management

In 2024, we created a sustainable infrastructure in disaster management by increasing safety through trainings, drills and technological investments.

In collaboration with AFAD, we provided a total of 2,600 hours training to 65 employees at our factory and other facilities. Comprehensive programs enhanced our employees' crisis management competencies, and drills with AFAD participation reinforced their experience and coordination skills.

Emergency Communication Systems

Communication is vital in times of disaster. Accordingly, an SMS-based emergency communication system was put into operation. The system, which was developed to ensure rapid access to our employees in the event of a disaster and to convey requests for assistance, offers the opportunity to inquire about well-being, request assistance and collect location information via SMS.

Earthquake Risk Reports and Effective Response Strategy

As Çimsa, we took important steps to minimize earthquake disaster and post-disaster risks in the regions where our employees live. The detailed earthquake risk reports we prepared in 2024 provide critical information for the safety of our employees and their families. These reports include information on gathering areas, fault lines, ground characteristics and communication with colleagues, increasing the individual mobility of our employees in the event of a disaster.

Fire Safety Investments

As of 2024, prioritizing employee safety, we have realized 22 fire safety investments amounting to USD 1.1 million. Equipped with new technologies, these investments aim to strengthen our facilities' fire safety infrastructure and increase our employees' preparedness for potential emergencies while minimizing risks.

Legal and Other Requirements

Successfully maintaining the ISO 45001 Occupational Health and Safety Management System certification process, Çimsa ensures legal compliance and health standards through regular environmental and exposure measurements.

We structured our occupational health and safety boards to create a protection network covering employees at all levels. Providing a safe working environment with the active participation of employee representatives, this structure encourages employee participation in occupational safety processes, identifies risks, creates prevention actions and produces quick solutions against occupational accidents.

As of 2024, there are a total of 84 members at our occupational health and safety boards across Çimsa, with 19 women and 65 men.

Occupational Health and Safety Trainings

As of 2024, we provided a total of 94,626 person x hours training to raise our employees' awareness and strengthen occupational safety culture. Along with the trainings, awareness-raising activities continued by using posters and banners as occupational health and safety communication materials.





Training Model of the Future: Smart Training Center

We are establishing the Smart Training Center to support the spread of our occupational health and safety culture among our employees and enhance their knowledge and skill level.

The innovative center with a technological training infrastructure will allow employees to experience field conditions using tools such as artificial intelligence (AI) and augmented reality in a fully digital environment. With the Center, which will be put into use in April 2025, we aim to ensure that our employees understand the size of risks and the necessary precautions before encountering field conditions, thereby increasing their awareness and consciousness to the highest level.



A Journey to Strengthen Safety Culture with Our Families: Çimsa Safety Fest

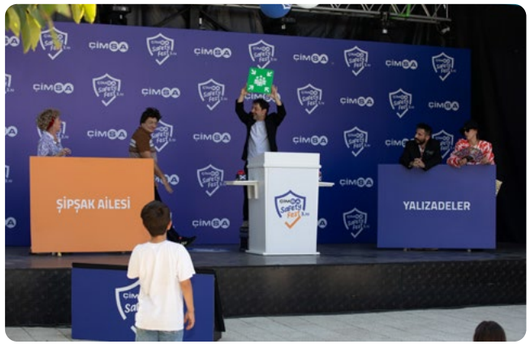
As Çimsa, we prioritize occupational health and safety and carry this culture beyond our work sites. With this approach, we organized the traditional Çimsa Safety Fest with the participation of our employees and their families in Eskişehir, Afyon and Mersin.

In addition to increasing awareness of occupational health and safety, the event included our employees' families in the process. Children learned about occupational safety as a way of life through educational and entertaining activities, and adults consolidated their knowledge through zero tolerance-themed theater performances, quiz competitions, machine safety, emergency scenarios and traffic safety simulations.

As Çimsa family, we know that our most important value is people. We continue to get stronger together on this path we set out with our families to build the future with confidence. Safe days to come!



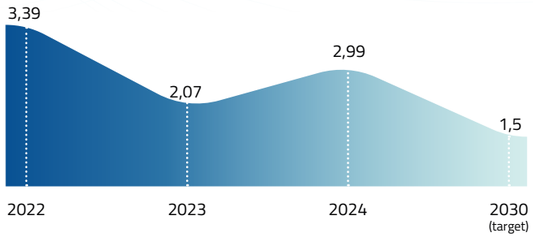






With the OHS developments in 2024, the number of accidents at our cement plants decreased. However, the increased number of new employees due to the organic growth in our ready-mixed concrete business line and the adaptation period to the OHS culture were the main reasons for a higher rate of accidents than planned. To achieve our 2025 and 2030 targets, our roadmap was discussed at annual OHS workshops, and detailed action plans to be implemented in 2025 were created.

Accident Frequency Rate (%)



A Safe Future with Artificial Intelligence in Occupational Health and Safety

As Çimsa, we make the most of the opportunities offered by technology to take occupational health and safety (OHS) one step further. We direct our goal of building a safe working environment using artificial intelligence-based analysis platforms and continue to make a difference in this field.

In 2024, we improved our OHS processes with the use of artificial intelligence, using data from 48 active cameras. In January, 6,957 alarms were detected, which then dropped to 1,269 at the end of the year, representing an 81.75% reduction. This outstanding accomplishment clearly demonstrates our facilities' risk detection and management processes.

We took actions based on analysis results and conducted awareness-raising activities under the premise of zero tolerance for unsafe behavior. By quickly resolving unsafe situations, we have made our workplaces safer.

Artificial intelligence technologies not only detect risks, but also provide a strong foundation for continuous improvement of our OHS processes. For a healthier, safer and more sustainable future, we resolutely continue our work supported by artificial intelligence.

Çimsafe Combines Çimsa's Safe Business Culture with Artificial Intelligence

Çimsafe is not just a chatbot, but an indispensable solution partner in building a safe working environment. This innovative artificial intelligence-powered guide, available 24/7, strengthens our safety culture by providing fast, accurate and effective solutions to our employees' OHS-related questions.

Çimsafe enables you to quickly access the right information about all the safety measures needed in the working environment, from emergency procedures to PPE use and equipment safety, risk analysis to legal requirements.

Seeing the Invisible: Safe Driving with Artificial Intelligence

Blind spot accidents, one of the biggest risks in the transportation process in the ready-mixed concrete industry, may lead to both financial losses and serious injuries or loss of life. As Çimsa, we apply innovative engineering methods to provide solutions to this critical problem.

Artificial Intelligence Supported Blind Spot Cameras

Although it is not possible to prevent all risks in traffic, we take vehicle safety to the next level with AI-supported blind spot cameras. With monitor support, wide-angle lenses detect moving objects such as pedestrians, bicycles, motorcycles or vehicles in blind spots, inform the driver with audible warnings and play a critical role in preventing accidents.

Effective Testing and Feedback

Demo tests showed that the audible warning system together with the 9-inch screen significantly increased blind spot control. The positive feedback received from drivers when deploying this system in all our vehicles confirms the impact of the technology.

Our aim is to set an example for the industry by minimizing blind spot accidents and to further advance safety standards by making them compatible with today's technology. As Çimsa, we are determined to build a safer future with the mission of "Seeing the Invisible".

TRANSFORMATION WITH SOCIAL CONTRIBUTIONS

Again as Çimsa, we aim to increase individual and social welfare through our social responsibility projects by valuing people and nature greatly in our operations. By continuously improving our projects, we aim to increase our positive impact and extend their contribution to broader audiences.

Sabancı Youth Mobilization: Çimsa Technology and Impact Center

Following the footsteps of the Great Leader Atatürk who said "All my hope lies in youth", Sabancı Group laid the foundations of a new social enterprise model across Türkiye. The Group launched the "Technology and Impact Center" in collaboration with universities in various cities of Türkiye on October 25, 2024 as part of the Sabancı Youth Mobilization. As Çimsa, we inaugurated the Çimsa Technology and Impact Center in Eskişehir, one of the cities with the highest density of university students in Türkiye, in collaboration with Eskişehir Technical University (ESTÜ). Built with 3D technology, the Çimsa Technology and Impact Center is the largest 3D structure in Türkiye. Out of 100 applications, we provided 6-week training programs for 20 students at the undergraduate, graduate and doctoral levels in the building materials industry, introducing them to the dynamics of the industry much more closely. At the end of 5 years, we aim for approximately 500 students to benefit from the Çimsa Technology and Impact Center Program. In addition to industry-specific trainings, we help students develop new skills and competencies to get prepared for the future, while providing personal development trainings such as communication skills and interview techniques. We equip young people not only with knowledge but also with the 'leadership set' they will need in the future. We will also offer 4-month internship programs for students who complete our program, where they will produce projects to address current problems in the industry.

As Çimsa, we will take bright ideas out of the four walls, transcend the boundaries of laboratories and create an impact power on the entire value chain. In today's world, when university-industry collaboration is highly valuable, the Çimsa Technology and Impact Center will be one of the symbolic platforms of this vision in Türkiye.

- Students who complete the Çimsa Technology and Impact Center Training Program will enhance their ability to think creatively, solve problems and develop innovative ideas through Ideathon activities, while creating a foundation for the development of entrepreneurship ideas connected to the industry.
- The establishment of sustainability-oriented startups will be encouraged. Entrepreneurs in the region will be able to transform their bright ideas into disruptive innovations while integrating into the Turkish startup ecosystem.
- Role model meetings and mentoring programs will be designed as powerful tools to support students' career planning and social solidarity.
- Through factory technical visits and role model meetings, students will have the opportunity to meet and connect with industry professionals.
- The activities within the Center will be expanded to include vocational high school and associate degree students as well. Activities at these centers will be supported by gender equality trainings and projects to increase women's employment. Thus, Çimsa Technology and Impact Center will serve as a bridge to strengthen women's employment in the industry.



İşimiz Eşitlik (Our Work is Equality)

With the "Our Work is Equality" project, we prepare vocational high school students for business life with trainings on sustainability, vocational introductions, interview techniques, resume preparation and gender equality in order to create qualified employees for the intermediate level in Türkiye and increase women's employment in industrial companies.

We met with 600 students in 2024 and 5,950 students in total within the project and continued our support for the Sustainable Development Goals of Quality Education and Gender Equality.

Battery Powered Wheelchair Support for Disabled Individuals

As part of the Disabled Week, our corporate social responsibility project, which we carried out in collaboration with Mersin Metropolitan Municipality with the aim of facilitating the inclusion of disabled individuals in social life and drawing attention to the problems they encounter in daily life, reached its 10th year.

With the support we provided to overcome obstacles, we delivered nearly 500 battery-powered wheelchairs to those in need. As Çimsa, we will continue to contribute to society to create a more accessible world.



Jr. Speaking Lab

We see the families and development of our employees as a part of our organization and implement various projects to keep this culture alive. In this context, in 2024, we launched the Jr. Speaking Lab Program, which was specially designed for the children of our employees aged 11-15. In the six-week program, 50 children of Çimsa employees had the opportunity to learn English with moderators around a new theme each week. They also had the opportunity to come together with Erasmus students and improve their cultural knowledge.

This program aimed to improve the language skills of the children of Çimsa employees, increase their intercultural awareness and strengthen employee engagement.

We Supported Girls' Education!

On Mother's Day, we made a meaningful donation to the Koruncuk Foundation on behalf of all our employees. This donation aims to support girls who have limited access to basic needs and education gain access to health and education opportunities. We help girls grow up as healthy, strong, self-confident and responsible individuals and support them to add value to society.

TOÇEV Scholarship Support

As Çimsa, we continue to support the families of our employees in every area. In the 2024-2025 academic year, we are providing scholarship support to our employees' children. Thanks to our collaboration with TOÇEV, we help our employees provide the necessary conditions for their children to focus on their academic success.

Volunteer Activities in the Flood Disaster in Valencia

As Çimsa, we operated as a relief center to provide support to people who suffered from the effects of the flood disaster in Valencia. During this time, we stood by the local communities to meet their urgent needs and demonstrated a solution-oriented approach to mitigate the effects of the disaster by providing financial support to local authorities. In line with our sustainability and social responsibility approach, we contributed to the recovery process by providing morale to individuals in the disaster region.

Sports Games

As Çimsa, we took part in the Sabancı Group Sports Games, organized by Sabancı Group for the first time this year to play sports, have fun and win together, with 37 athletes and 52 spectators in 7 branches: football, basketball, table tennis, volleyball, backgammon, chess and tennis. During the 2-day events, our employees strengthened team spirit and contributed to the spread of healthy living habits.



Contribution to Sports and Cultural Life

"La Tomatina" Festival Sponsorship

Çimsa Cementos sponsored the "La Tomatina" festival, which drew 20 thousand people from all around the world this year, as it had the year before.

Buñol Football Club Sponsorship

Çimsa Cementos, the subsidiary of Çimsa in Spain, continued to be the jersey sponsor of Valencia Buñol Football Club.

Academic Support

Çimsa Continues University-Industry Collaborations without Slowing Down.

Çimsa organized a technical trip for students from Tarsus University in Mersin. The event, which was heavily attended by female students, included a presentation on Çimsa, OHS training, a visit to Formülhane and a field tour. The event was completed with internship and job applications. Çimsa contributed to the professional development of young people and strengthening of university-industry collaborations.



Çimsa Attended the Civil Engineering Convention 2024 Organized by Istanbul Technical University (ITU).

Çimsa met with university students at the "Civil Engineering Convention 2024" organized by ITU for the 19th time this year. At the event, attended by the Talent Management, Marketing and Sales Teams, Çimsa shared its presentation on "Flycrete: Infrastructure Repairs with Fast and Strong Concrete" with university students and answered questions about internship and young talent programs.



Çimsa Mersin CAC Plant Manager Sezin Kansav, the Youngest Female Plant Manager in the Industry, Shared Her Engineering Career with Young People and Gave Advice.

Çimsa met with university students at the "Civil Engineering Convention 2024" organized by ITU for the 19th time this year. At the event, attended by the Talent Management, Marketing and Sales Teams, Çimsa shared its presentation on "Flycrete: Infrastructure Repairs with Fast and Strong Concrete" with university students and answered questions about internship and young talent programs.



Çimsa Met with Çukurova Students.

Çimsa met with university students at Çukurova University's Career Fair. At the event where Çimsa Human Resources team informed students about internship and young talent programs, Çimsa's Mersin CAC Plant Manager Sezin Kansav, the youngest female plant manager in the cement industry, gave information about Çimsa's global journey and shared her career life.



Çimsa Met with Çukurova University Students.

Tuğba Çörtelekoğlu, Deputy General Manager for Human Resources and Sustainability, Barış Karahüseyin, Deputy General Manager for Grey Cement Marketing and Sales and Erdal Araç, Deputy General Manager for Supply Chain, met with students at the Çukurova University Industry Meetings Event. An inspiring talk about career and leadership was held with more than 200 students attending the event.



Çimsa Attended the ÇEİS' Virtual Career Fair.

Çimsa attended the virtual career fair organized by the Cement Industry Employers' Association (ÇEİS) in collaboration with İşkur. Tuğba Çörtelekoğlu, Deputy General Manager for Human Resources and Sustainability at Çimsa, took part as a moderator in the "Sustainability" panel at the event attended by approximately 500 university students.



Çimsa Met with Students at Valencia University's Career Day Event.

Çimsa attended the career day event at Valencia University. Çimsa Human Resources team, which met with students in Spain, informed Valencia University's students about new graduate internship programs and opportunities at Çimsa and answered their questions.



Çimsa Met with the Students of Technical University of Munich at Sabancı Technology Center.

Çimsa hosted students from the Technical University of Munich at the Sabancı Technology Center as part of the "Future Shapers" talent program. At the event, which was attended by undergraduate and graduate students of civil, materials and chemical engineering, Çimsa teams made presentations and explained Çimsa's global journey and career opportunities. In the workshop that followed, students in groups presented their ideas on the material technology of the future to the jury through presentations.

TUM IKOM Career Days: During the career days organized at the Technical University of Munich campus, Çimsa had the opportunity to meet with students and introduce Çimsa and Sabancı Technology Center.



Çimsa Attended the Webinar Organized in Collaboration with Istanbul Chamber of Industry and TÜBİTAK MAM as a Speaker.

Çimsa took part as a speaker in the webinar titled "Communication Dimension of Adaptation to Climate Change from the Industry Perspective" organized in collaboration with ISO and TÜBİTAK MAM. In the webinar organized within the "ClimaTech 4 Industry" project funded by the European Union and the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change, Neslihan Ergüven, Çimsa Sustainability, OHS and Environment Group Manager, discussed the importance of the climate change adaptation process in the building materials industry.



Çimsa Cementos Continues to Organize Architectural Design Training Programs.

This year, more than 300 architecture students attended the training program organized by Çimsa Cementos in collaboration with the Architecture Schools of Polytechnic Universities in Madrid, Barcelona and Valencia, which are preferred by students from many countries around the world. In the training program, which consisted of activities such as workshops, conferences, competitions and visits to architectural buildings, students had their first experience in the use of materials with Çimsa's white cement.



Çimsa attended the Sustainability Conference 2024 Organized by the Green Business Platform.

Çimsa was the session sponsor of the Sustainability Conference 2024, organized by the Green Business Platform, bringing together business leaders and experts from the field of sustainability. At the event, where participants shared their important opinions on the necessity of green transformation and the strategies to be adopted in this process, Çimsa shared environmentally friendly business models and innovative approaches in the industry with its speech in the 3rd session.



Çimsa attended the CEO Gathering and Leaders Conference Program Organized by the Global Cement and Concrete Association in Bangkok.

Çimsa met with industry leaders at the CEO Gathering and Leaders Conference Program organized by GCCA in Bangkok. In the program, which focused on the decarbonization mission, Umut Zenar was interviewed and asked about the steps taken by Çimsa within the scope of its decarbonization journey and his thoughts on the future of the industry.



Çimsa was a Speaker at the Cement Industry MBA Program Organized in Collaboration with the Cement Industry Employers' Association (ÇEİS), TürkÇimento and MEF University.

Onur Yazgan, Deputy General Manager for Marketing & Sales of White Cement and Special Products at Çimsa, took part as a speaker at the Cement Industry MBA Program organized in collaboration with ÇEİS, TürkÇimento and MEF University. Participating in the "Marketing Management in a Changing World Course", Yazgan delivered his speech on "Developing a Customer Focused Marketing Vision in the Building Materials Industry" to the program participants.

Çimsa Attended the Innovation Summit Istanbul Organized by HBR Türkiye as a Speaker.

Tuğba Çörtelekoğlu, Deputy General Manager for Human Resources and Sustainability at Çimsa, attended the HBR Innovation Summit Istanbul as a speaker.

Çimsa Attended the 14th Türkiye Energy Summit as a Speaker.

Çimsa attended the 14th Türkiye Energy Summit, one of the biggest gatherings of the Turkish energy market, as a speaker. At the event where the effects of the transformation process on Turkish and global energy markets and future trends were discussed, Çimsa discussed the effect of this transformation on the cement industry.

CORPORATE TRANSFORMATION

Corporate governance practices guide the way we do business. We act by prioritizing corporate governance principles in all our processes.

In this Section:

Corporate Governance	119
Risk and Opportunity Management	123
Ethics and Compliance	126
Human Rights	128
Business Continuity	130
Anti-Bribery and Anti-Corruption	131
ESG Rating Systematics	132
Integrated Management Systems	134
Awards	136

Mersin Cement Production Facility (Türkiye)

WHY IS THIS IMPORTANT FOR US?

We believe that sustaining the operational success we have achieved is possible through transparent and good management, and we work with this understanding.

HOW DO WE MANAGE?

We put the principles of fairness, transparency and accountability in all our activities at the center of our business. We manage financial and non-financial risks and opportunities proactively with our corporate governance approach that does not compromise ethical values and is committed to ethical values.

Our corporate governance has been structured in line with the Corporate Governance Principles set by the Capital Markets Board (CMB), and full compliance with these principles is observed. All developments and related practices realized in this scope are included in the Corporate Governance and Sustainability Principles Compliance Report.

RELEVANT STAKEHOLDERS

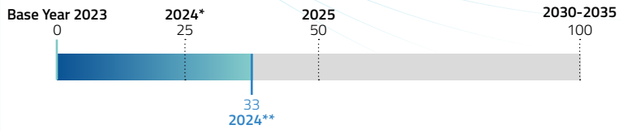
Employees
Customers
Shareholders and Investors
Public Institutions

RELATED CAPITAL ELEMENTS

Social and Relational Capital

Performance Data

Ratio of location-based implementation of environmental and social complaint / feedback mechanism *(%)*



Ratio of completion of Human Rights risk assessment *(%)*



ESG Rating Score *(%)*



* Target ** Realized

CORPORATE GOVERNANCE

At Çimsa, we carry out our corporate governance practices, which are shaped within the framework of transparency and accountability principles, with an ethical, balanced, fair and risk-based approach in line with our internal control mechanisms, with a focus on creating long-term value together with our stakeholders.

Corporate Governance at Çimsa

Gökhan EYİGÜN
Deputy Chairman of the Board of Directors

Demet Özdemir
Board Member (Independent)

Seval KOR
Board Member



Yetik Kadri MERT
Board Member (Independent)

Şerafettin KARAKIŞ
Board Member

Burak ORHUN
Chairperson of the Board

TSRS 1/27-30-32, TSRS 2/6
GRI 2-9, 2-12, 2-14

Board of Directors

Our Company's corporate governance approach is shaped based on the principles of transparency and accountability in strategic decision-making processes through a strong board of directors including independent members. Our Company aims to fully comply with the Corporate Governance Principles set by the Capital Markets Board (CMB) and accepts these principles as the basic guide in all business processes.

The Board of Directors and senior management, who lead and guide our Company, are composed of people appointed according to their duties, competencies and experience. The Board of Directors consists of a total of 6 members, including 2 members who fully meet the independence criteria set by the CMB. All Board of Directors members have non-executive member status according to the definitions published by the CMB. While the positions of Chair of the Board of Directors and General Manager are held by different people, there are 2 female members on the Board of Directors.

Sabancı Holding's Material Technologies Group President, who sits on Çimsa's Board of Directors, acts as the Chair of the Board of Directors. The chair is also responsible for managing sustainability-related risks and evaluating opportunities. In this way, the chair ensures that the Company's sustainability strategies are embraced at the highest level and that these issues are integrated into long-term business goals and strategic decision-making processes.

The Number, Structure and Independence of Board Committees

Reporting to the Çimsa Board of Directors are the Corporate Governance Committee, Early Detection of Risk Committee and Audit Committee, which are composed of members elected from among the independent non-executive Board members.

The Committees have been established in accordance with the provisions of the Turkish Commercial Code and the Capital Markets Board's (CMB) Communiqué on the Determination and Implementation of Corporate Governance Principles. All committees carry out their activities by following their own Meeting and Operating Principles Charter.

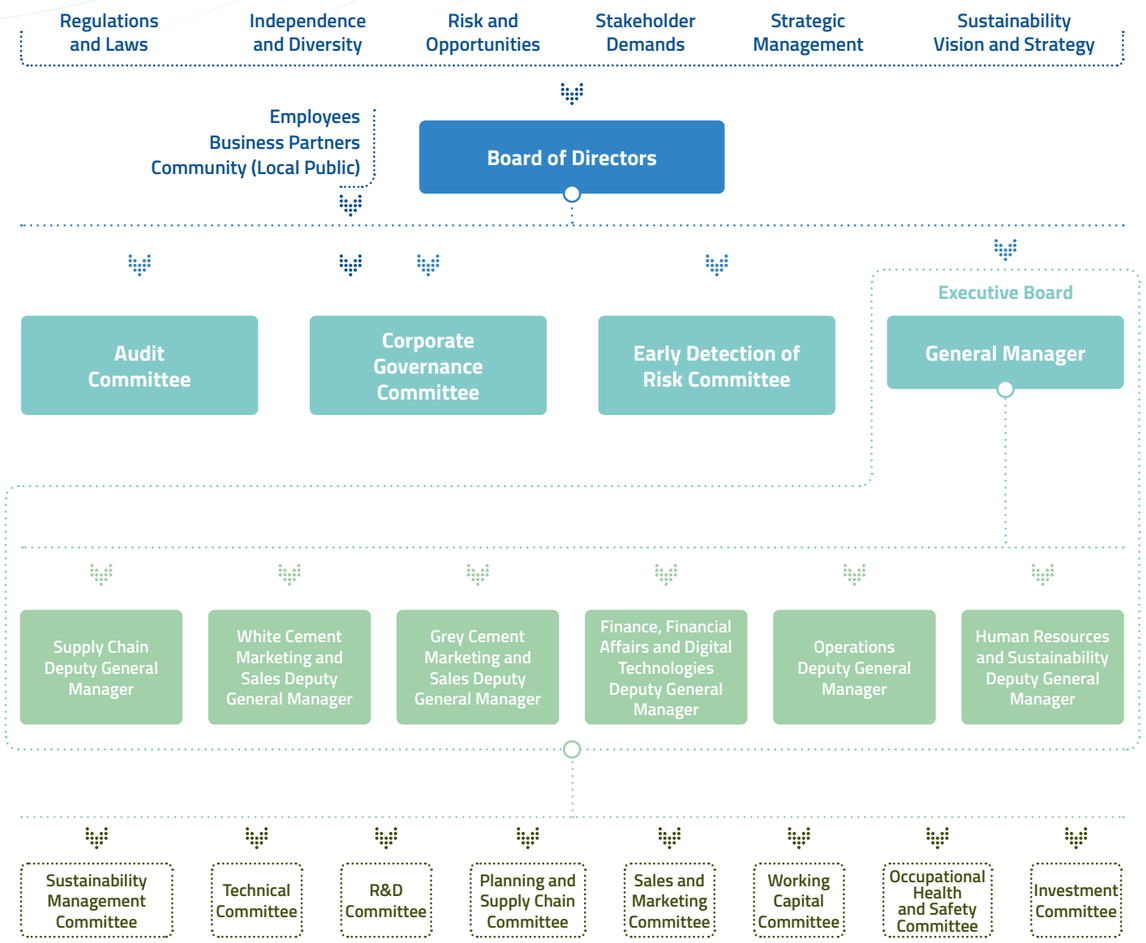
The main corporate governance activities managed by the Board of Directors are as follows:

- Developing a culture of corporate risk, compliance and ethics, creating and approving strategy and target sets, then executing and monitoring them
- Defining, eliminating, and systematically observing risks that may affect the business, in line with regulations and laws,
- Considering all stakeholder requests, incorporating the principles of independence and diversity,
- Approving, executing, and monitoring sustainability targets and actions.

The Board of Directors regularly reviews and, if necessary, updates our governance practices in order to adapt to changing legal regulations and evolving global and national market conditions with a sustainable corporate governance approach. The interests of all shareholders and stakeholders are best protected through corporate governance based on transparency and ethical values.

	Corporate Governance Committee	Early Detection of Risk Committee	Audit Committee
Meeting Scope	Corporate Governance practices are evaluated. Board of Directors revision needs are evaluated. Investor Relations activities are presented. Remuneration principles of managers in the Board of Directors and Executive Board are evaluated. Sustainability strategies and practices are evaluated.	Establishes systems for the management of risks, develops processes and reviews them annually. Defines Company risks within the scope of specified processes.	Monitors the effectiveness of the Company's internal control and internal audit system. Presents its proposals for the election of the Independent Audit Board
Meeting Frequency	4 times a year (At least once every 3 months)	6 times a year (At least once every 2 months)	4 times a year (At least once every 3 months)
Members	Chair: Yetik Kadri Mert Member: Demet Özdemir Member: Mustafa Aydın	Chair: Demet Özdemir Member: Yetik Kadri Mert	Chair: Demet Özdemir Member: Yetik Kadri Mert

Çimsa Organizational Structure



Board of Directors
6 Members
Different Citizenship Representation
1 Member
Number of Women
2 Member

Different Citizenship Representation
1 Member
Number of Women
1 Member
Executive Board
7 Members

TSRS 1/27-30-32, TSRS 2/6

Executive Board

Çimsa performs its business cycles under the executive function configured in the presence of 5 corporate values and 2 strategic foundations. Our activities are carried out under the leadership of the General Manager by targeting the highest standards through the work of Deputy General Managers and unit managers and in line with the duties and responsibilities of all departments.

Our business cycle is based on the understanding of creating value on the basis of sustainability while meeting the expectations of customers, human resources, suppliers and shareholders with an ethical, transparent and fair approach.

Onur YAZGAN
Deputy General Manager
White Cement Marketing and Sales

Erdal ARAÇ
Deputy General Manager
Supply Chain

Tuğba ÇÖRTELEKOĞLU
Deputy General Manager
Human Resources and Sustainability

Umut ZENAR
CEO



Barış KARAHÜSEYİN
Deputy General Manager
Grey Cement Marketing and Sales

Ozan Keskin
Deputy General Manager
Operations

Mustafa AYDIN
Deputy General Manager
Finance, Financial Affairs and Digital Technologies

Click **HERE** for the suitability status of the Board of Directors and senior management with the identified competency list.

TSRS 1/30-34-35-40-44, TSRS 2/25

RISK AND OPPORTUNITY MANAGEMENT

As we transform into the global Çimsa, we see risk management not only as an obligation but also as a fundamental element of creating sustainable value for our stakeholders. In order to turn uncertainties into opportunities in dynamic business processes, we continuously develop our risk management policies and generate proactive solutions by predicting potential risks.

General Risk Management Approach

Çimsa's risk management framework is based on a strategy that aims to ensure the sustainability of the Company. The Early Detection of Risk Committee, which plays an important role within this framework, operates within the Board of Directors and convenes regularly every two months and 6 times a year, aiming to early identify risks that may threaten the future and continuity of Çimsa, to take measures against identified risks and to develop an effective risk management strategy.

As the authority responsible for risk management, the Board of Directors determines the Company's risk appetite and regularly monitors risk developments. It also provides guidance on risk management policies and decisions through the Early Detection of Risk Committee.

In order to create a strong risk management culture within the Company, employees are provided with continuous training and capacity building opportunities, thus supporting the comprehension and effective management of risks.

The Impact of Risks and Their Probability

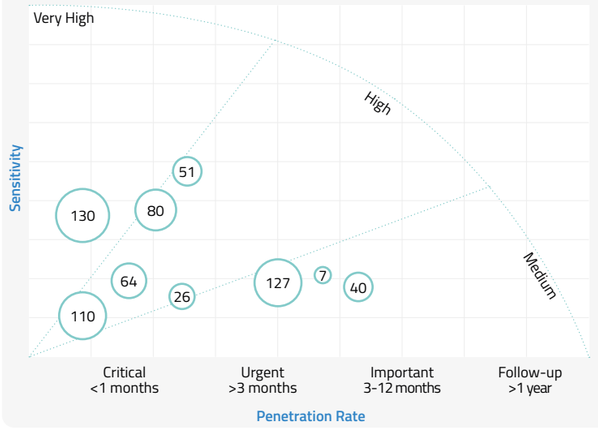
Çimsa uses a "risk radar" to assess the effectiveness of its operational controls by identifying and rating risks and focusing on these risks.

In the first stage of this methodology, potential risks that the Company may face are identified and categorized. Then, probability and impact assessments are made for each risk; these assessments are used to determine the significance of the risks and placed on the appropriate axes on the risk radar. This method enables Çimsa to focus on more important risks and direct its resources efficiently.

In addition, the risk radar goes beyond the traditional risk mapping approach and provides a more comprehensive assessment that includes measurements such as the speed at which risks occur and the level of readiness of the internal control environment against critical risks. The risk radar rating allows Çimsa to regularly update its risk profiles and revise them according to changing conditions, while also helping to establish effective communication among stakeholders.

Within the scope of the risk radar rating, key risk indicators reported in certain periods are evaluated together with senior management. This process allows the Company to maintain control at levels appropriate to the risk appetite and, if necessary, to revise the position on the risk radar with senior management. If risks, especially those with increased priority, exceed tolerance levels, additional measures are taken to control risks in collaboration with operational units.

Reporting Period Risk Radar Rating



Risk Radar Rating

Risk Code	Risk Name
130	Economic Slowdown Risk
110	Business Continuity Risk
69	Investment Management Risk
80	International Receivables Risk
51	Sustainability Risk
26	Cyber Risks
127	Compliance Risk
7	Working Capital Risk
40	Supply Chain Disruption Risk

Corporate Risk and Opportunity Assessment for 2024

Financial Risks

International Credit Risk

Risk Definition	Çimsa's Approach	Our Strategy
International receivables risk refers to the possibility that a business may not be able to collect its receivables from a foreign buyer in exchange for a sale. This risk may arise from commercial, political, economic and legal reasons. Commercial risks include situations such as bankruptcy, insolvency or refusal to pay by the buyer. Political risks may arise from factors such as war, change of government or currency restrictions in the country where the buyer is located. Economic risks such as economic crises, exchange rate fluctuations and depreciation of the local currency also play an important role. Legal and regulatory risks include uncertainties in the interpretation of international agreements and the complexity of judicial processes in different countries.	Managing international receivables risk requires businesses to take strategic measures to prevent financial losses by protecting their receivables. In this process, various methods are used to minimize the possibility of uncollectibility of receivables and to ensure financial stability. Çimsa ensures that the risk already incurred through cash collateral is secured by an insurance company. With the acquisition of Mannok Holding, the scope of receivables insurance was expanded.	Cash Management, Operational and Technical Discipline

Change in Interest Rates and Liquidity Risk in Global and Domestic Markets

Risk Definition	Çimsa's Approach	Our Strategy
Interest rate risk refers to the likelihood that the value of an investment will vary in unexpected ways due to changes in interest rates. Interest rates have a significant impact on financial markets because they directly affect borrowing costs, investment decisions and overall economic activity. Factors such as changes in interest rates by central banks, inflation expectations, changes in the rate of economic growth and international market conditions lead to interest rate risk. Liquidity risk is the inability to convert an asset or investment into cash when needed at an appropriate price. Deterioration in market conditions, changes in interest rates, economic crises or political uncertainties may adversely affect liquidity.	In 2024, interest rate risk and liquidity risk in global and domestic markets had significant consequences for Çimsa, especially on cost structures, investment decisions and cash flows. Since the industry in general requires large capital investments and long-term projects, changes in interest rates and fluctuations in liquidity conditions may directly affect the financial situation. Çimsa minimizes these risks through effective funding and hedging strategies.	Dynamic Financing Management, Effective Working Capital Management

External Environmental Risks

Cyber Risks

Risk Definition	Çimsa's Approach	Our Strategy
Cyber risks refer to the possibility of harm or loss resulting from digital threats to the information systems for individuals, organizations or governments. These risks often target the key elements of information security: confidentiality, integrity and accessibility. Threats such as data breaches, ransomware, phishing attacks and system outages are primary cyber risk examples. In addition, internal threats, such as employees damaging systems intentionally or by mistake, and compliance issues arising from non-compliance with legal regulations are also part of cyber risks. These risks may lead to financial losses, reputational damage, operational disruptions and legal issues. To minimize the impact of cyber risks, it is important to adopt a proactive approach with strong security measures, regular monitoring, employee training programs and cyber insurance.	Çimsa's approach to prevent cyber risks is based on a multi-layered strategy that includes technological measures and human factor-oriented practices. First, a strong cyber security infrastructure is established and tools such as firewalls, antivirus software, encryption technologies and access control systems are used. Employees are trained on cybersecurity and their awareness is raised on key issues such as phishing emails and the use of strong passwords. It is also important to establish comprehensive security policies and procedures, as well as to audit and continuously improve these processes. This holistic approach increases resilience against cyber risks and ensures security for Çimsa, which has experienced rapid growth with the acquisition of Mannok Holding.	Digital and Cultural Transformation

Economic and Political Risk

Risk Definition	Çimsa's Approach	Our Strategy
Economic risk refers to uncertainties arising from economic factors that may adversely affect the financial health of an organization. These risks are related to economic variables such as inflation, interest rates and exchange rate fluctuations. Political risk is the negative impact of changes in a country's political environment on the operations of businesses. Factors such as government changes, legislation, tax policies and geopolitical tensions may create such risks. Global economic uncertainty, access to energy resources, price fluctuations and geopolitical tensions are factors that affect economic and political risk.	With its rich product range and flexible marketing approach, Çimsa takes important steps to minimize the global impacts of economic and political risks on the markets and the Company. As a global player with significant investments abroad, Çimsa closely monitors compliance with regulations and sanction violations, especially due to its terminals in Europe and the United States. Hedging strategies are used against financial risks such as exchange rate fluctuations and interest rate changes in order to ensure protection against economic risks.	Cash Management, Operational and Technical Discipline

Operational Risks

Business Continuity Risk

Risk Definition	Çimsa's Approach	Our Strategy
Business continuity risk is the threat to an organization's ability to continue its operations in the event of an interruption or complete cessation of activities. This risk may arise from a variety of factors; for example, events such as natural disasters, cyber-attacks, supply chain disruptions, health crises (e.g. pandemics), technological failures or human errors can jeopardize business continuity. Business continuity risk may directly affect the financial health of the business, its reputation and customer trust. Therefore, advance planning and establishing risk management strategies help ensure minimal damage from such interruptions.	Çimsa's approach to dealing with business continuity risk is characterized by advance planning, preparation and continuous monitoring. This approach includes taking strategic steps to ensure that Çimsa, which has grown by acquiring Mannok Holding, can recover quickly and continue its operations when faced with operational interruptions. Approaches such as business continuity planning, risk assessment and prioritization as well as cybersecurity provide an effective strategy to minimize the Company's business continuity risks and ensure operational continuity in the face of unexpected situations.	Digital and Cultural Transformation

Sustainability Risk

Risk Definition	Çimsa's Approach	Our Strategy
Sustainability risk refers to potential threats that may result in the failure of an organization, business or society to achieve its sustainability goals. These risks may arise from environmental, social and governance (ESG) factors and may lead to financial, operational or reputational losses. Environmental risks include issues such as climate change, depletion of natural resources and pollution, while social risks include violations of labor rights, negative impacts on society and human rights violations. Governance risks include threats such as lack of transparency, unethical management practices and corruption. Sustainability risks may jeopardize the long-term growth and resilience of organizations, cause reputational damage in the eyes of investors and customers and lead to legal sanctions.	Çimsa continues its efforts to reduce carbon emissions in line with the Science Based Targets Initiative (SBTi) target. Efforts to transition to low clinker products for both Grey Cement and White Cement are ongoing. Within the scope of sustainable product transformation, the rate of transition to low clinker cement is gradually increasing, and emission intensity is decreasing. Efforts in sustainability continue with projects such as Waste Heat Recovery, solar energy infrastructure, strategic water management, biodiversity and dust management. Çimsa works within the framework of climate change risk and opportunity management. In addition, as per TSRS, Çimsa carries out studies to identify risks and their financial impacts.	Dynamic Financing Management, Effective Working Capital Management

Investment Management Risk

Risk Definition	Çimsa's Approach	Our Strategy
Investment management risk refers to financial threats arising from the possibility that an investment may lose value or fail to deliver the expected return. This risk may cause investors' capital or investments to underperform. Investment management risk may be affected by a number of factors, such as market fluctuations, economic conditions, interest rates, exchange rate changes, company performance and external events (natural disasters, political crises, etc.). Investors may develop various strategies to minimize risks, but there is always uncertainty inherent in investing. Investment management risk is usually managed through portfolio diversification, risk analysis and appropriate strategic planning.	Having made a major investment with the acquisition of Mannok Holding, Çimsa aims to minimize investment management risk by overcoming market crises through risk analysis, strategic planning, hedging, effective funding and a long-term perspective. Our investment management strategy focuses on maximizing our foreign exchange-based revenues by diversifying our production, asset portfolio and revenue sources. This approach makes us more resilient against potential country-specific and cyclical risks, while strengthening our financial sustainability. In this sense, Çimsa manages its investment appetite at an optimum level and offers its stakeholders maximum sustainable value with optimum risk.	Digital and Cultural Transformation

GRI 2-15, 2-16, 2-27

ETHICS AND COMPLIANCE

Full compliance with ethical and legal requirements is an integral part of our business conduct approach.

Ethics

Çimsa Code of Business Ethics, based on the principles of truth and honesty, is one of the most important elements of our business manner. These rules, which are determined in compliance with the Sabancı Holding Code of Business Ethics, are publicly disclosed on our Company's corporate website, and all our stakeholders are expected to show sensitivity in this regard.

Please click here for Çimsa Code of Business Ethics.

The contact information on the ethics hotline established at Çimsa to receive notifications about unethical and illegal behaviors is published on the Company's corporate website and is open to public access for all stakeholders to notify. In addition to the ethics hotline, the Ethics Compliance Officer affiliated to the Sabancı Holding Ethics Committee was announced as the contact person for ethical issues on behalf of our Company.

In line with the notifications received from the ethics hotline, the relevant investigation activities are examined and investigated by the Çimsa Internal Audit Department in accordance with the principles of independence and impartiality. The results of the examination and investigation activities carried out are reported. The report prepared by the Internal Audit Department is presented for evaluation at the meetings of the Disciplinary Board, which consists of Çimsa's senior management.

Following the evaluation, necessary decisions are taken and implemented in accordance with the Çimsa Disciplinary Regulation. In this whole process, the confidentiality of the person making the notification is ensured. In addition, Sabancı Holding Audit Department is also informed about the actions taken.

Both Company employees and all other stakeholders can instantly send their notifications to the Company via a separate ethics hotline within Sabancı Holding. The person who reports to the ethics hotline is kept confidential and is under the protection of the Ethics Committee, ensuring that he/she will not be subjected to any pressure, coercion or criminal sanctions.

Employees are informed about the ethics rules and operating principles through online trainings organized by the Human Resources Department on an annual basis and through the internal communication portal, after which all employees confirm that they have read the said ethics rules and operating principles and agree to comply with the provisions.

All our employees in the Internal Audit Department are members of TIDE (The Institute of Internal Auditing - Türkiye) and participate in professional trainings, best practice workshops and annual TIDE congresses organized by TIDE and other organizations. Compliance of internal audit activities with the Global Internal Audit Standards is ensured through independent reviews.

586 hours
Duration of Ethics Training organized in 2024.



Internal Audit

As an indicator of Çimsa's strong corporate governance structure, the Internal Audit Department reports to the Audit Committee, which consists of independent members of the Board of Directors. As the third line of defense in the internal control system, the Internal Audit function regularly reviews potential risks in processes and the effectiveness of first and second level controls while performing risk-focused process audits. The primary objective of these audits is to add value to the organization's operations and to improve risk management, control and governance processes. In this context, regular meetings are held to receive the expectations and suggestions of the Senior Management and to share the results of the audit activities.

In Çimsa's global organization, all operations in different countries are included in risk-focused audit plans. Audit activities focus on the principles of Human Rights, Equality, Diversity, Inclusion, Social Responsibility and Sustainability, and these values are always observed. In addition, by conducting focused audits related to these policies, compliance with Company policies is regularly reviewed, with the aim to implement remedial actions.

Compliance

In order to adapt to changing regulations on a local and global scale, regulations are periodically monitored, and compliance efforts are maintained. Locally, all legal regulations such as communiqués, circulars and standards published by regulatory bodies that are relevant to the industry are meticulously monitored and opinions on regulations presented to the public before they are enacted are provided.
The practices, decisions and administrative procedures of these organizations regarding the changing legislation are followed, and our activities are managed in accordance with the regulations.

In order to comply with international regulations such as the OECD Guidelines, United Nations (UN) Global Compact and International Labor Organization (ILO) Labor Principles, third parties are examined on issues such as human rights, corruption and environmental impacts, and third party compliance assessments are conducted. Changes in legislation and international standards are regularly monitored.

Within the scope of the European Union Green Deal, our companies operating in Europe comprehensively understand sustainability-oriented regulations and plan the transition process within the framework of these regulations. In Türkiye, on the other hand, necessary steps are taken to comply with local regulations, taking into account the impact of the Green Deal.

In line with Türkiye's strategic plans, efforts are being carried out in areas such as energy efficiency, reduction of carbon emissions and circular economy. In addition, administrative and technical measures are taken in accordance with personal data protection and information security legislation, and these measures are regularly audited.

In this scope, strategic plans are created and implemented in our operations in Türkiye to comply with the European Union Green Deal. In this way, we aim to achieve our sustainability goals both in Europe and in Türkiye.

Training activities are organized to raise employee awareness in other compliance areas such as competition legislation. In order to comply with international sanctions and global corruption regulations, risk assessments are carried out in the screening programs of third parties and a commitment to compliance with relevant laws is obtained from third parties within the scope of the contractual relationship.

Policies Applied at Çimsa

At Çimsa, many policies identified to guide our production, trade and stakeholder relations are implemented. Please click **here** for details on these policies.

HUMAN RIGHTS

At Çimsa, our human rights practices are managed in accordance with the United Nations Global Compact, which we are a signatory of and follow, relevant International Labor Organization (ILO) declarations, OECD Guidelines for Multinational Enterprises, Universal Declaration of Human Rights and UN Sustainable Development Goals.

All matters related to employee rights are monitored by the Human Resources Department, the Ethics Committee and, when necessary, the Disciplinary Committee. Implemented in 2022, our Human Rights Policy is regularly reviewed every two years, and the practices within the scope of the policy are monitored. Feedback on the content of the policy or reports of violations can be submitted directly to the Company Ethics Committee or sent to the e-mail address etik@cimsa.com.tr (ethics hotline). It is essential that the identity of the person reporting is kept confidential, and zero tolerance is shown for the risk of retaliation. Within the scope of human rights, the fundamental rights of our employees are secured, while organization and collective bargaining practices are supported. Not only at Çimsa, but also in our entire value chain, opposing forced labor and child labor issues are sensitively monitored, and discrimination is not compromised. In line with our principles of the "right person for the right job", "equal pay for equal work", "competence and equal opportunities for all", all our employees are evaluated fairly and impartially. Taking into account the negative impacts of the climate crisis, risks that may arise in terms of working conditions and human rights are continuously assessed with a proactive approach, and risk-focused adaptation efforts are prioritized.

All stakeholders involved in our supply chain are expected to approach our principles with the same rigor, and regular supplier audits are conducted within the scope of our Responsible Supply Chain Policy. In 2024, no complaints of human rights violations were received and no investigations were opened.

Sustainability and Human Rights Sensitive Supply Chain Management

We adopt a human rights-oriented business model in all processes from raw material production to recycling. In collaboration with our suppliers:

- Risk Management: We identify risks of human rights violations and take measures to minimize them.
- Fair Working Conditions: We demand that they implement ethical labor standards and provide a safe, healthy and equitable working environment.
- Critical Topics: We expect commitments on preventing child labor, ending forced labor, gender equality and work-life balance.

Collaborations Strengthened by Ethics and Transparency

We consider it a priority requirement for our suppliers to extend these principles to their subcontractors and business partners. In this context:

- Spread of Responsibility: We carry out continuous improvement processes to ensure that transparency and ethical values prevail in every link of the supply chain.
- Protection of Community and Employee Rights: We prioritize employee welfare and social benefit through practices that secure human rights.
- Transparency and Traceability: By making our supply chain processes more transparent, we encourage the commitment of all our stakeholders to these standards.

Within the scope of human rights, the fundamental rights of our employees are secured, while organization and collective bargaining practices are supported. Not only at Çimsa, but also in our entire value chain, opposing forced labor and child labor issues are sensitively monitored, and discrimination is not compromised. In line with the principles of the right person for the right job, equal pay for equal work, competence and equal opportunities for all, our employees are evaluated fairly and impartially. We started our efforts to assess and eliminate the risks that may arise from the negative impacts of the climate crisis from the perspective of working conditions and human rights, and we are determining our reduction and adaptation actions.

We expect our entire supply chain to approach our principles with the same rigor, and we conduct supplier audits within the scope of our Responsible Supply Chain Policy.

In 2024, the Human Rights Sub-Working Group was established under the People and Society Oriented Positive Impact Focus Group. The group aims to evaluate the current situation of Çimsa in terms of human rights throughout the entire value chain according to the expectations of global standards and to reflect the correction and development actions taken in line with the needs to business processes.

While the coordination of the working group is provided by the Sustainability, OHS and Environment Directorate, the Internal Audit Department is responsible for integration into audit processes. The outputs generated with the contributions of Human Resources, Risk and Internal Control, Compliance, Occupational Health and Safety and Supply Chain representatives are reported to the Sustainability Management Committee.

Human Rights Material Risk Headings	Definition for Çimsa	Çimsa's Actions
Occupational Health and Safety	Occupational health and safety is a fundamental responsibility for every organization. Protecting the health and safety of employees is not only a legal requirement but also an ethical responsibility. This principle aims to prevent all kinds of accidents and injuries.	We continue our campaigns to prevent accidents and occupational diseases with the zero-tolerance principle and to make the 10 Golden Rules an integral part of operations.
Working Conditions in Our Operations and Supply Chain	We aim to create and sustain decent working conditions throughout all our operations and activities in our supply chain.	We take many different actions to improve working conditions throughout our operations and spread them in the supply chain network as well. We aim to provide appropriate working environments and guidance in our Company by sharing internal practices supported by human resources policies with the companies found in our supply chain. We conduct risk assessments before entering the working environment and implement the necessary training and measures. We provide the necessary communication through our Responsible Procurement Policy.
Compliance with Labor Rights in the Supply Chain	We aim to ensure that our business partners in our supply chain fully comply with legal rights and regulations regarding employee's employment.	We conduct comprehensive contract processes with companies in the supply chain network and communicate all our expectations and demands regarding employee rights. We implement assessment and control systematics seeking to prevent inappropriate situations related to child labor, forced labor, weekends and overtime.
Air Emissions	We aim to manage pollutant air emissions arising during our operations and to comply with limits that will protect public/ human health.	We monitor and report dust emissions arising from our production processes in our facilities through continuous measurement systems and submit them to local authorities. We identify long-term development pathways through our dust management plans. We continuously improve all our facilities to protect local populace and minimize impacts on neighboring communities.
Climate Change and its Impacts	We aim to manage the negative impacts that occur within the scope of climate change scenarios.	Within the scope of the Science Based Targets Initiative (SBTi), we continue reduction efforts in line with our target commitment to reduce carbon emissions. We take steps that encourage decarbonization and move forward in this direction together with our business partners. We work in collaboration with our customers in the light of R&D in the fields of building and construction for sustainable cities. We evaluate the impacts of adverse conditions created by climate conditions on our operations and employees through scenario-based studies and monitor the financial consequences of these impacts. We carry out actions to create appropriate working environments (air conditioning, rotation, working hour arrangement, food arrangement, etc.) for our facilities and operations with high exposure to heat stress.

BUSINESS CONTINUITY

At Çimsa, business continuity is monitored within the framework of a comprehensive Business Continuity Plan that identifies potential risks in advance and develops effective response mechanisms in line with the implementation principles set forth in ISO 22301 Business Continuity Management Standard.

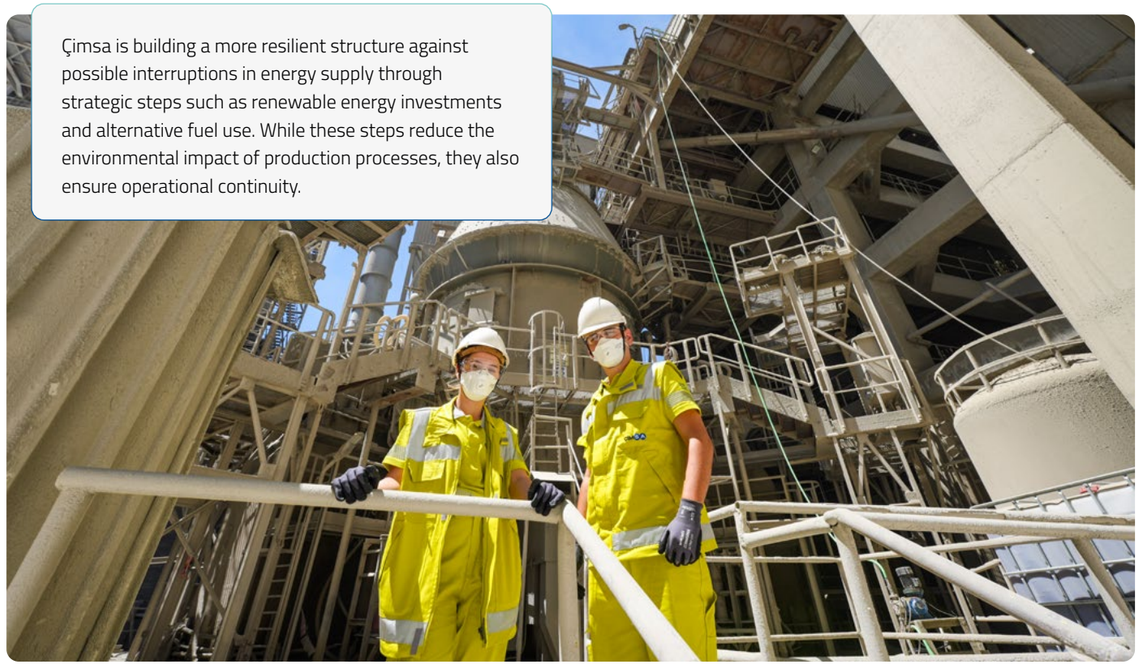
The Business Continuity Plan, which was prepared in order to ensure that a possible disruption or interruption can be surmounted in the shortest possible time and with minimum impact for previously identified critical processes, defines in detail the actions to be taken by Çimsa in the event of any potential extraordinary situation that prevents the continuity of the basic services provided by the Company to its customers, disrupts investor expectations and makes it difficult to comply with laws and regulations.

Çimsa creates a resilient structure against natural disasters, interruptions in the energy and supply chain and other potential threats by adopting a risk-based thinking approach at every stage of its operations. Çimsa utilizes digital monitoring and control systems to ensure sustainability and continuity especially in raw material procurement, production processes, logistics networks and customer delivery processes.

With its Zero Tolerance approach, Çimsa prioritizes the health and safety of its employees, conducts regular trainings and drills to raise their awareness and integrates occupational health and safety standards with its business continuity strategy. In this way, Çimsa not only minimizes potential interruptions, but also continuously increases operational efficiency by preventing loss of workforce.

This structure aims to ensure that Çimsa not only maintains its strong position in the industry by creating a solid foundation for the future, but also fulfills its commitments to its business partners and stakeholders in full by securing its operational continuity in any extraordinary situation.

Çimsa is building a more resilient structure against possible interruptions in energy supply through strategic steps such as renewable energy investments and alternative fuel use. While these steps reduce the environmental impact of production processes, they also ensure operational continuity.



ANTI-BRIBERY AND ANTI-CORRUPTION

At Çimsa, bribery and corruption are addressed with a "zero tolerance" approach throughout the entire value chain, in parallel with international standards, managed in line with Sabancı Holding's Anti-Bribery and Anti-Corruption Policy, as well as Çimsa's Anti-Bribery and Anti-Corruption Policy, and included in reporting, risk assessment, internal controls and legal compliance processes.

Click here for Çimsa Anti-Bribery and Anti-Corruption Policy.

Çimsa Anti-Bribery and Anti-Corruption Policy is reviewed regularly and annually and updated with new practices and new rules when necessary, taking into account international standards such as the United Nations Global Compact (UNGC), OECD Guidelines for Multinational Enterprises and International Labor Organization (ILO) Labor Principles. Çimsa employees have instant access to the most up-to-date version of the Policy through the document management system. The Policy has been published on the Company website and made available to all external stakeholders. Bribery and corruption notifications are meticulously examined by the Internal Audit Department. If a violation is detected, an investigation report including internal control deficiencies and disciplinary recommendations is prepared and submitted to the Disciplinary Board. The Disciplinary Board evaluates the report within the scope of the Disciplinary Regulation and decides on the application of sanctions. The goal is to identify points for improvement in the processes examined and to strengthen the internal control system, thus preventing future misconduct.

The Internal Audit and Compliance departments meticulously conduct necessary controls as part of the fight against bribery and corruption and closely collaborate with the Information Technologies Department to strengthen the IT infrastructure. Through this collaboration, data analytics tools that enable the execution of audit tests on big data are effectively utilized.

In addition, many preventive business controls based on the separation of duties and The Four Eyes Principle have been digitalized in the Enterprise Resource Planning (ERP) system. In this way, the transparency and reliability of processes are increased and potential misconduct is prevented.

Our third-party risk scanning program checks all third parties, including foreign subsidiaries, for compliance with national and international anti-corruption regulations such as the Foreign Corrupt Practices Act (FCPA) and UK Bribery Act. The program investigates whether third parties have a history of investigations or criminal proceedings related to crimes such as bribery, fraud and insider trading. In addition, whether third parties are state-owned companies or politically exposed persons is assessed for compliance with Anti-Corruption and Anti-Money Laundering (AML) regulations.

Furthermore, the compliance of all our business partners with legal and ethical standards is meticulously monitored by analyzing negative media news reports as well.

During the reporting period, we provided all our senior management and white-collar employees with information and training on bribery and corruption risks.

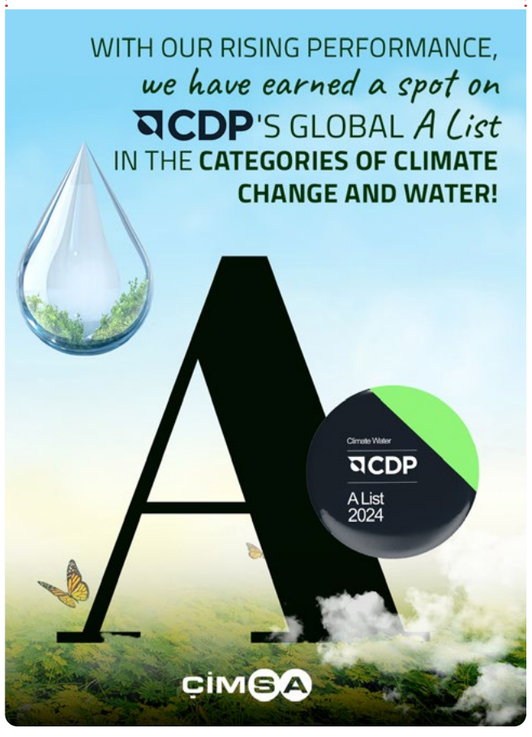


ESG RATING SYSTEMATICS

Carbon Disclosure Project (CDP)

Çimsa has been publishing the CDP Climate Change Report every year since 2014, in which its Climate Change Strategy and the results of the actions taken during the year are shared with the public and investors, and the CDP Water Report every year since 2015, in which water use data and impacts on water resources are transparently disclosed. With the 2024 assessment, in which we confirmed our proactive leadership in the risk and opportunity management of our strategy, in which we created a holistic approach to Climate Change and Water, we rose 2 ranks and took our place among the global leaders in both categories.

A **2024 CDP Climate Change Report Score: A**
2024 CDP Water Report Score: A



EcoVadis

At EcoVadis, an international platform that measures and evaluates the sustainability performance of companies under the headings of environment, labor and human rights, ethics and sustainable procurement, Çimsa was rated Gold level by increasing its score compared to the previous year and rose to the top 5% among global companies.



FTSE4Good Emerging Markets Index

Çimsa has been included in the Emerging Markets Index in the Building Materials category of FTSE4Good, which is designed to measure the performance of companies in emerging markets within the scope of global environmental, social and governance standards. Through the FTSE4Good sustainability indices, companies transparently demonstrate their sustainability commitments and achievements to investors and stakeholders.



BIST Sustainability Index

Since 2017, Çimsa has been included in the BIST Sustainability Index offered by Borsa Istanbul. As a result of the evaluations made with 2023 data, Çimsa managed to maintain its ESG overall score at A- level in 2024. Çimsa, the first cement company to be included in the BIST 25 Sustainability Index as of October 2022, maintained its presence in the index in 2024 as well.

Equileap Gender Equality Rating

Çimsa has been included in the Equileap Gender Equality Rating, which evaluates companies' policies and practices on gender equality and diversity on a global scale. In this scope, Çimsa strengthens its commitment to gender equality and aims to maintain its position in similar rating mechanisms by expanding its practices to enhance the representation of women in business life.

Fortune Synesgy Sustainability Research

Çimsa continued to maintain its success in the sustainability research conducted through the next-generation digital sustainability platform, which includes Türkiye's largest companies. Çimsa ranked 2nd in its sector in the Fortune 500 Türkiye list, while climbing 55 places compared to last year to rank 100th in the overall ranking. Çimsa was one of the few companies to receive an award for its efforts in the Synesgy Sustainability Survey organized by Fortune Türkiye and CRIF Türkiye.

Responsible Use of Resources Certificate

The Responsible Use of Resources Certificate is awarded by the **Concrete Sustainability Council (CSC)** to certify that natural resources in the construction industry are managed in line with environmental, social and ethical responsibilities and to promote sustainability standards in the industry. During the reporting year, Çimsa's **Mersin Plant, Eskişehir Plant and Misis Ready-Mixed Concrete Station** were certified with the **Gold Certificate**.

United Nations Global Compact Communication on Progress (UNGC-CoP)

Focusing on environment, human rights and ethics, the UN Global Compact is the world's largest corporate sustainability initiative. Çimsa fulfills its commitments by maintaining its adherence to the UN Global Compact (UNGC).

As of 2025, UNGC Communication on Progress (CoP) notifications will be presented with detailed content through a customized digital system. This new system encourages companies to report their progress in sustainability and corporate social responsibility in a more transparent and detailed manner.

INTEGRATED MANAGEMENT SYSTEMS

Çimsa effectively implements common goals and policies across the Company through integrated management systems. Thus, cement and concrete production is realized within the framework of an integrated approach covering critical management areas such as quality, procurement, production, environment, human resources, occupational health and safety and sales. The risk-based thinking methodology adopted in this process, which is one of the principles of management systems, prioritizes sustainability standards while increasing the efficiency of business processes.

Within Çimsa, continuity for certificates was ensured through surveillance audits provided by the certification body in 2024. In 2024, the number and awareness level of internal auditors was increased through internal auditor and management system standards certification trainings.

The scope of Çimsa's management systems is as follows:

Cement Production Facilities Scope	Integrated Management System; TS EN ISO 9001 Quality TS ISO 45001 Occupational Health and Safety TS EN ISO 14001 Environment TS EN ISO 50001 Energy TS ISO 10002 Customer Satisfaction
Ready-Mixed Concrete Stations Scope	TS EN ISO 9001 Quality TS ISO 45001 Occupational Health and Safety TS EN ISO 14001 Environment TS ISO 10002 Customer Satisfaction
Çimsa All Operations	TS ISO 27001 Information Security TS ISO 27701 Personal Data TS ISO 22301 Business Continuity

	System			
Business Line	**ISO 9001 Quality Management System**	**ISO 45001 Occupational Health and Safety Management System**	**ISO 14001 Environmental Management System**	**ISO 50001 Energy Management System**
Cement	✓	✓	✓	✓
Ready-Mixed Concrete	✓	✓	✓	
Packaging	✓	✓	✓	✓
Insulation	✓	✓	✓	✓
Other Business Lines	✓	✓	✓	
Central Management	✓	✓	✓	✓

*Table is based on production facilities.

Climate Change Additions to Integrated Management System Standards

In line with the London Declaration, as part of the climate change action commitment accepted by all ISO member organizations, some of the Management System Standards have been amended to include climate change issues. New additions to be made by companies within the scope of Integrated Management Systems in line with these changes will ensure that climate change is periodically monitored in relation to each subject of the system standards in audits and inspections.

In this scope, Çimsa monitors the risks and opportunities focused on climate change and shares them with the public. It already complies with future additions for the standards related to climate change.



AWARDS

Çimsa Received the International Great Place To Work Award.

Çimsa was entitled to receive an award by being included once again this year in the global "Great Place to Work" list, which helps organizations build a strong workplace culture.

Çimsa was named the Happiest Workplace in the Building Materials Industry Again in 2024.

Çimsa ranked 1st in the "Building Materials" industry again this year in the survey conducted in collaboration with Capital Magazine and Happy Place to Work. Çimsa received 81 points from the average of the Wellbeing Index survey and HR Check Form and was awarded the Outstanding Employee Experience Certificate and Award.



Çimsa was Included in the "Best Companies to Work For September 2024" List with its Exemplary Human Resources Practices and Successful Score.

Çimsa was listed among the "Best Companies to Work For" in the "Top Companies To Work" survey organized by Toptalent.co to measure, evaluate and reward the human resources effectiveness of companies.



12 Awards, including 5 Gold Awards, from Brandon Hall for Çimsa's Human Resources Projects.

Having received 5 separate gold awards in different categories from Brandon Hall for its internship program Build On Plus, Management Trainee Program Future Shapers, mentoring program "Tomorrow is Possible with You" organized for female earthquake victims, Field Leaders Academy and "Our Work is Equality" project where the principle of equality at work is adopted, Çimsa was entitled to get a total of 12 awards with its HR Projects implemented in its globalization journey, "W-GROW" contributing to the development of female engineering students and projects involving HR analytics.

Çimsa received an award from the Turkish Confederation of Employer Associations (TİSK) for its Glocalization Project developed for approximately 2000 employees from 15 different nationalities.

Taking care to protect local dynamics and cultural values in every location and to keep employee happiness at the highest levels with the G-Localization project it developed for nearly 2000 employees from 15 different nationalities, Çimsa received an award for its G-Localization project in the "İşimizin Yarını (Future of Our Business)" category at the TİSK-Joint Future Award Program with this strategy.



Çimsa's "Future Shapers" Talent Program was selected as the 2nd Most Admired Talent Program in Türkiye.

Çimsa's "Future Shapers" talent program was awarded 2nd place in the Engineering (Production) sector in the "Top 100 Talent Program 2024" award program organized by Toptalent.co, the Career Platform for the Best Talents, and attended by Türkiye's leading companies.



Çimsa received an award in the "Sustainability Management" category at the ISO Green Transformation Awards.

Çimsa received an award in the "Sustainability Management" category at the 2024 ISO Green Transformation Awards Ceremony. With this award, ISO recognized that Çimsa addresses sustainability practices at all management levels and develops policies, targets and strategies on sustainability, and that sustainability has an impact on Çimsa's decision-making processes.





Award for Çimsa's Integrated Annual Report 2023 at the 2024 STEVIE International Business Awards.

Çimsa's Integrated Annual Report 2023 received an award in the "Best Annual Report - Privately-Owned Companies" category at the 2024 STEVIE International Business Awards.

Çimsa's Integrated Annual Report 2023 received an award from The International Annual Report Design Awards (IADA).

Çimsa's Integrated Annual Report 2023 received an award from the UK-based "International Annual Report Design Awards IADA", which evaluates and awards annual reports around the world in terms of aesthetics and creativity.

Çimsa received the **"Bronze" award with the "The Future is Possible with You" Project** in the Most Admired Social Responsibility Project category at the **Youth Awards 2024**.

ACHIEVEMENTS

Çimsa's Innovative Product Flycrete Received an Award at Sabancı Scientists & Designers of Sabancı Award Ceremony.

The R&D team that developed Flycrete, Çimsa's innovative product developed as a result of intensive R&D efforts and patented in 2023, received an award at the Sabancı Scientists & Designers of Sabancı Award Ceremony.



Çimsa's Innovative Product Flycrete Received the "Star of Construction Sites" Award.

Çimsa's innovative product Flycrete was selected as the "Star of Construction Sites" at the 4th Star of Construction Sites and Green Construction Material & Technology of the Year Awards, as a result of voting by Şantiye Magazine and its digital platforms.



With our Çimsa 3D Rapidome project, we became the champion of the "Scalable Customer Experience" category at the 15th Sabancı Holding Golden Collar Awards.

At the Golden Collar Award Ceremony, where employees from different countries, different companies, different specialties and different generations came together for the 15th time this year, Çimsa was awarded for the 3D Rapidome in the Scalable Customer Experience Category.



An Award for Çimsa, which Exports to More Than 70 Countries, from the Cement, Glass, Ceramics and Soil Products Exporters' Association.

Çimsa received an award from the Cement, Glass, Ceramics and Soil Products Exporters' Association at the award ceremony organized for companies that made significant contributions to the country's exports.



Çimsa Once Again Became the Champion in White Cement Exports.

Çimsa once again proved its leadership in exports by winning a total of five awards at the "6th Champions of Export Awards Ceremony" organized by the Cement, Glass, Ceramics and Soil Products Exporters' Association. The Company won the first prize in the white cement industry "Company with the Most Exports" category and the grey cement industry in the "Company with the Highest Increase in Exports" category.

Çimsa Climbed 55 Places at a Time to the Top 100 in the Fortune 500 Türkiye List.

The "Fortune 500 Türkiye's Largest Companies" survey prepared by Fortune Türkiye, one of the most respected magazines of the business world, was announced.



Çimsa Rose 44 Ranks at a Time in Capital500, Strengthening Its Continuously Accelerating Success.

Çimsa rose 44 places at a time in the "Türkiye's 500 Largest Companies" survey, in which Capital Magazine, the prestigious publication of the economy and business world, rewards companies that stand out with their successful performance.



Onur Yazgan, Deputy General Manager for Marketing & Sales of Çimsa White Cement and Special Products, was included in the 'Türkiye's 50 Most Effective CMOs' list.

Onur Yazgan, Deputy General Manager for Marketing & Sales of Çimsa White Cement and Special Products, took his place in the "Türkiye's 50 Most Effective CMOs" list of the "50 Most Effective CMOs" survey conducted for the 6th time this year by BMI Business School in collaboration with DataExpert.



New Incentive Support for Çimsa from Turquality.

Çimsa, the first cement company to be accepted to Turquality, received 50% state support for process optimization investment projects from Turquality, the world's first and most comprehensive state-sponsored brand development program created to brand Turkish products abroad and establish the image of Turkish production.



ANNEXES

In this Section:

TSRS 1 and 2 Risk and Opportunity Descriptions	142
TSRS 1 and 2 Compliance Assessment Tables	163
Competence Sets	168
Sustainability Related Incentives	170
Sustainability Management Committee Focus Groups Performance Outputs	172
Contributed SDGs	174
Relation of Material Topics to Reporting Frameworks	176
Our Stakeholder Relations	177
Corporate Memberships	180
Sustainability Target Tables	182
Sustainability Performance Indicators	186
Board of Directors Annual Report	200
Financial Tables and Independent Auditor's Report	232
Reporting Guide	318
Limited Assurance Report	330
GRI Content Index	334
SASB Reference Table	342
Abbreviations and Technical Glossary	344
Contact	348

Afyon Cement Production Facility (Türkiye)

TSRS 1 AND 2 RISK AND OPPORTUNITY DESCRIPTIONS

1. Sustainability and Climate Related Risks and Opportunities Assessment Methodology

In efforts to identify and harmonize sustainability and climate-related risks and opportunities, a methodology in line with the Company's strategy and corporate risk management principles was followed.

A. **Scenario Identification Studies:** A scenario identification study was conducted to understand uncertainties and identify trends that may affect Çimsa within the scope of driving forces. In order to assess climate-related risks and opportunities, 2 different scenarios were identified under 2 temperature trajectories: <2°C and 3.5-4 °C. The following steps were followed in scenario selection: For other topics within the scope of sustainability, conditions were evaluated on a topic basis.

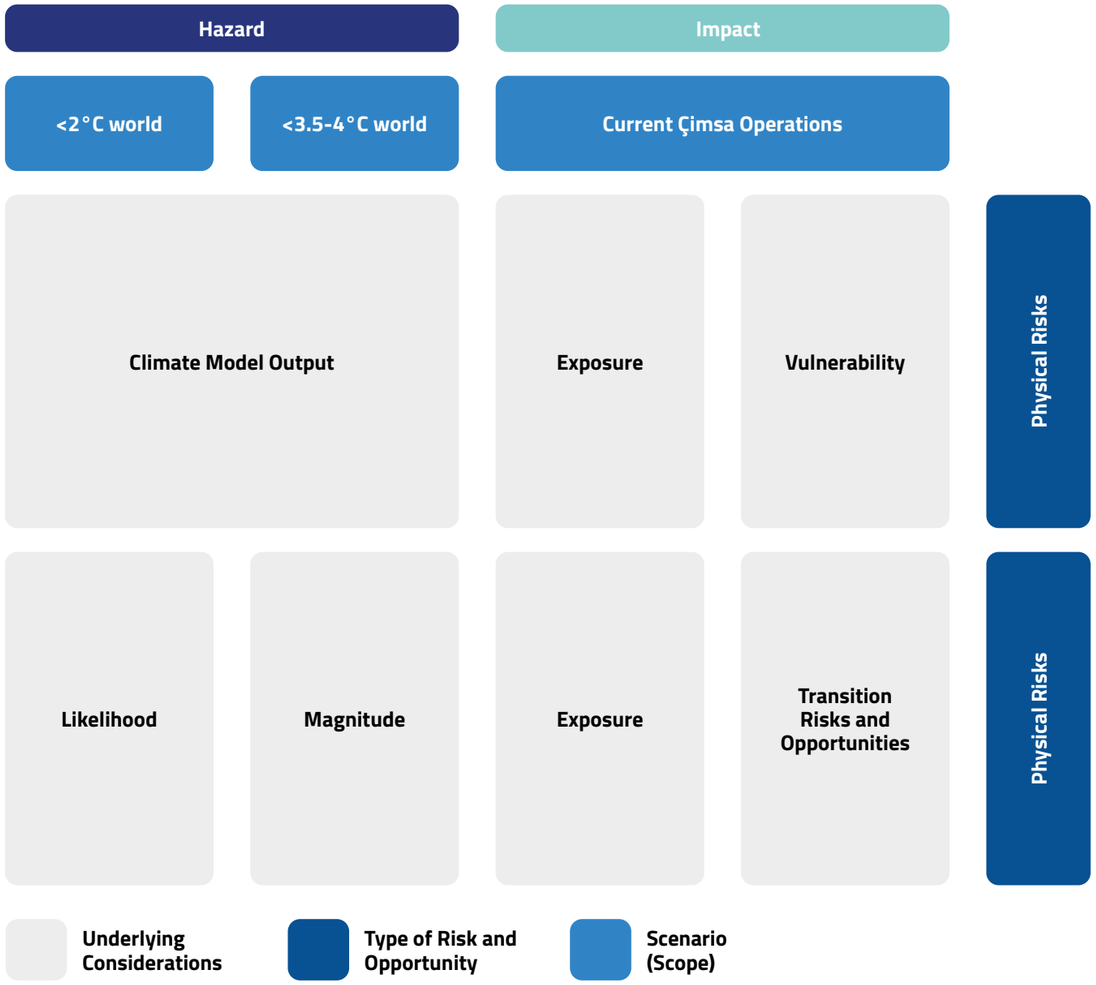
1. Currently identified past and present climate risks
2. Determining how physical and transition risks will affect the Company in the short-medium-long term
3. Determining social, technological, economic, environmental and political/legal (STEEP) driving forces
4. Creating draft scenario types (global, local and country based / our own operations and supply chain)
5. Digitalization of scenario content

The terms of sustainability and climate-related risks and opportunities were selected as follows:

Short-Term	Medium-Term	Long-Term
0-5 years	5-10 years	10 years and above

	Driving Force	<2C	3,5-4 C	Key Takeaways
Social	1. Demographics/Urbanization 2. Demands and needs of stakeholders	✓✓	✓	Population growth and urbanization, on top of societal pressure and stakeholder expectation, affect sustainable practices, resource efficiency and demand for cement.
Technology	1. Renewable energy and breakthrough technologies including Carbon Capture, Utilization and Storage (CCUS) 2. Circular economy and sustainable construction practices 3. Rate of progress in renewable energy technologies	✓✓	✓	Pace of developments in renewable energy, resource efficient technologies, CCS and circular construction remain highly dependent on policy support.
Economy	1. Management and availability of raw materials 2. Carbon pricing 3. Economic growth/decline, including disposable income	✓✓	✓✓✓	Different economic forces work in opposite directions in either scenario, resulting in varying responses to demand for cement.
Environmental	1. Extreme weather events 2. Changes in weather patterns and sea level rise 3. Access to water	✓	✓✓	Adverse chronic and acute impacts of climate change increase regardless of scenario, albeit at higher degrees for a 3.5-4 °C world, with variations on region and time-scale.
Political	1. Domestic and international climate change policy, including pollution regulations	✓✓	✓	Climate change and policy are closely interlinked and may have significant impact on industries and manufacturing processes.

B. **Assessment of Risks and Opportunities:** Çimsa approached the risk and opportunity assessment study from the perspective of "hazard" and "impact". It scored the hazards that may occur in 2°C and 3.5-4°C temperature conditions as "probability" and "magnitude." IT evaluated the impact under the headings of "exposure" and "vulnerability" for physical risks and "exposure" and "preparation" for transition risks and opportunities.



TSRS 1/30-34-35-40-41-44, TSRS 2/10-13-14-15-16-21-22-25

2. Scenario Plans

In the scenario plans prepared within Çimsa, the conditions exposed were evaluated by considering short-, medium- and long-term trends, some fundamental assumptions and the diversity of countries where our facilities are located.

Carbon Credit Utilization: Çimsa's Buñol Plant in Spain and the Ireland-based Mannok cement plant, which joined Çimsa in October 2024, are covered by the European Union (EU) Emissions Trading System (ETS). Free allowances, which are calculated annually based on historical activity data and EU ETS benchmark values, are allocated to the plants, and the amount of excess/deficit carbon is determined according to the actual emission amount. Within the scope of our long-term carbon management strategies, while banking the excess carbon amount, we offset the deficient carbon amount with carbon purchase or payment from the EU ETS market. While Çimsa prioritizes emission reduction investments to restrict EU ETS free collections, it also considers carbon credit banking as an option. With this perspective, 20,000 tons of carbon credits were purchased from the EU ETS market in 2024. Since there is not yet an emissions trading system in Türkiye, no carbon credit purchases were made for our facilities located in this region. We will evaluate the offset mechanisms expected to be introduced in Türkiye with the Climate Law according to our emission results.

On the other hand, we plan to use voluntary carbon markets to offset the balance emissions in the long-term after achieving emission reductions through our decarbonization investments and projects.

Internal Carbon Pricing: In order to measure the flexibility of our Company against climate risks, we use shadow internal pricing method in all investment feasibility studies and decision processes of projects that may have carbon impact. For our subsidiaries covered under the EU ETS, the annual average of current carbon prices is taken into account, while for long-term planning, averages of key data references are included in the calculations. Under the national emissions trading system expected to be implemented in Türkiye, a price range between 8 Euro/tCO_2 and 16.23 Euro/tCO_2 has been used as a reference for the period between 2028 and 2035.

At the stage of incorporating the carbon price impact into decision-making processes, we evaluate the impact based on EBITDA.

Below, an overview of the main scenarios used as reference to compile scenario narratives.

Source	Temperature Trajectory (<2°C)	Temperature Trajectory (3.5-4°C)
IPCC*	SSP1-2.6 (radiative forcing, analogous to RCP)	SSP3-7.0
RCP	RCP2.6; RCP4.5 (only in combination)	RCP7.0; RCP8.5 (not in combination with highest SSP)
SSP	SSP1, SSP2	SSP3; SSP4; SSP5 (SSP 5 only in combination with lower RCPs)
IEA	NZE	STEPS (associated with a "high" SSP)
NGFS	Below 2°C	Current policies

Disorganized urbanization in a 3.5-4°C scenario results in reduced resource efficiency and limited development of sustainable policies and measures.

Driving Force		In a Paris Agreement aligned, <2°C world...	In a hot house 3.5-4°C world...
Social (S, T, E, Ç, P)	Demographics/ Urbanization	**Urbanization is well-managed** ▪ Relatively low to medium population growth across the globe ▪ Medium/high social cohesion and social participation ▪ High and well managed urbanization or medium levels of urbanization in line with historical patterns, which may result in increased construction of infrastructure and housing, increasing demand for cement. ▪ Urbanization creates enormous social, economic and environmental changes, which provide an opportunity to use resources more efficiently.	**SDGs on urbanization are not met** ▪ Low growth of population in rich/OECD countries ▪ Low/stratified social cohesion and participation ▪ Mixed, low to medium levels of poorly managed urbanization across and within cities may result in lower levels of construction and demand for cement. ▪ Disorganized urbanization leaves little space to resource efficiency and development of sustainability policies and actions.
	Quantitative Metrics	**Urbanization (%):** Between 80-92% of the global population will live in cities by the end of the century and most of the increase will occur in developing countries (Asia and Africa). **Global population:** 2030: up to 8.5 billion	**Urbanization (%):** Between 60-92% of the global population will live in cities by the end of the century and urbanization according to Sustainable Development Goal 11 (SDG) will fail **Global population:** 2030: up to 8.5 billion 2050: exceeds 10 billion
	Sources	O'Neil, et al. (2017) International Institute for Applied Systems Analysis, SSP. (2023)	

TSRS 1/30-34-35-40-41-44, TSRS 2/10-13-14-15-16-21-22-25

Stakeholder demands lead to mitigation in the <2°C scenario, while negative impacts increase the pressure in the 3.5-4°C scenario.

Driving Force		In a Paris Agreement aligned, <2°C world...	In a hot house 3.5-4°C world...
Social	Demands and Needs of Stakeholders	**Pressure from stakeholders grows and has increasing effect on the cement industry** ▪ Societal pressure on business across sectors, including the building and construction sector, to reduce impact on climate (in 2030) towards no negative impact or a positive impact in 2050. Activists less present than in a 4°C scenario as the need for this will be less. ▪ The efforts of stakeholders, such as NGOs active in awareness raising in Türkiye, will be listened to and stricter policies around sustainable practices and impact will be put in place to move towards a lower carbon cement industry ▪ Investors increasingly consider climate related risks and opportunities in the evaluation of their portfolios, and companies align their financial strategy to their corporate sustainability commitments.	**Pressure from stakeholders against companies increase, with fewer results** ▪ Climate urgency is on the agenda of many organizations within the cement and wider building and construction industry, but actual actions have not emerged. Multiple activist movements have increased compared to 2020, and some have emerged leading to additional pressure and actions against companies, governments and consumers not following their requirements on climate action. ▪ Unless demands by stakeholders, such as NGOs, are reflected in policies and actions, more civil unrest and public pressure may be expected. ▪ Investors increasingly consider climate related risks and opportunities in the evaluation of their portfolios, but companies fail to align their financial strategies to their corporate sustainability commitments.
	Quantitative Metrics	N/A	N/A
	Sources	International Institute for Applied Systems Analysis,SSP (2023) IEA (2016) Expert elaboration	

Resource-efficient technologies and CCUS account for a significant proportion of emission reductions in a <2°C scenario

Driving Force		In a Paris Agreement aligned, <2°C world...	In a hot house 3.5-4°C world...
Technology	Renewable energy and breakthrough technologies including Carbon Capture, Utilization and Storage (CCUS)	**High rate of progress in renewable energy, re-source efficient technologies and CCUS** ▪ Increased investment, financial incentives and policy support spur technological advancements that play a key role in decarbonizing the world ▪ Increased use of alternative fuels, electric kilns and hydrogen in production processes as well as reduced use of clinker enabled by technological progress and developments in supplementary cementitious materials (SCMs) reduce the emissions intensity of cement prod-ucts ▪ A significant proportion of CO_2 captured is in heavy industry, where mitigating emissions proves challenging, and in the case of process emissions in cement, where alternative solutions are limited	**Development of energy and resource efficient technologies and CCUS is not enough to limit global warming** ▪ As governments are slow to implement the necessary policies, investments in technological development, such as CCUS, do not spread at a high pace ▪ Technology development is high in the high-tech economy and sectors; however, it does not necessari-ly focus on emissions reductions technologies ▪ Less CO_2 is captured in the heavy industry, including the cement industry, when compared to a <2°C world

		Global CO_2 sequestration from CCUS		Global CO_2 sequestration from CCUS
Quantitative Metrics	**min 2030**	305.46 Mt CO_2/year	**min 2030**	0 Mt CO_2/yr
	max 2030	579.26 Mt CO_2/year	**max 2030**	78.05 Mt CO_2/yr
	min 2050	4,406.33 Mt CO_2/year	**min 2050**	0 Mt CO_2/yr
	max 2050	5,599.15 Mt CO_2/year	**max 2050**	247,ì53 Mt CO_2/yr
Sources	IEA(2021) NGFS (2023) IEA(2023) Expert Elaboration			

Coal is completely phased out and renewables account for the majority of the primary energy supply by 2050 in a <2 °C scenario

Driving Force		In a Paris Agreement aligned, <2°C world...	In a hot house 3.5-4°C world...
Technology	Rate of progress in renewable energy technologies	**High rate of progress in renewable or energy efficient technologies** ▪ Resource efficient technology plays a key role in decarbonizing the world, reducing energy and re-source use ▪ By 2050, renewables and biomass would deliver 70% of global primary energy needs ▪ In the cement industry, efforts to reduce carbon emissions incentivized by regulatory pressure and investments in renewable energies lead to in-creased adoption of alternative fuels and a pro-gressive phase out of coal and other fossil fuels	**Innovation and adoption of energy technology is not enough to limit global warming.** ▪ Investments in decarbonization technology are not focused towards reducing emissions, instead focus is shifted towards adaptation ▪ Technology development is high in the high tech economy and sectors, however it does not focus on emissions reductions necessarily ▪ Fossil fuels continue to be the dominant source of primary energy, even after accounting for current technology trends ▪ Limited policy pressure and moderate adoption of alternative fuels leads to a continued reliance of the cement industry on fossil fuels for its energy needs

		Primary energy mix (%)				Primary energy mix (%)		
		2021	**2030**	2050		2021	**2030**	2050
Quantitative Metrics	Oil	29	26-38	7-18.5	Oil	29	29-34.5	21-27
	Nuclear	5	2.5-8	3.5-12	**Nuclear**	5	2-5	5-6
	Gas	23	17,.5-19	3-7	**Gas**	23	22-24	20-23
	Coal	26	8.15	0	**Coal**	26	22-26.5	15-26
	Renewables	12	31.34	70-71	**Renewables**	12	17-26.5	12-29
Sources	IEA (2023) International Institute for Applied Systems Analysis, NGFS IRENA (2022)							

TSRS 1/30-34-35-40-41-44, TSRS 2/10-13-14-15-16-21-22-25

In a 3.5-4°C world, fewer regulatory incentives lead to less circular construction compared to a <2°C world

Driving Force	In a Paris Agreement aligned, <2°C world...	In a hot house 3.5-4°C world...
Technology — Circular and Sustainable Construction	**High rate of progress in circular and sustainable construction** ▪ Rapid innovation in design-for-recycling, whereby circular products become the norm in industrialized regions, which may result in lower demand for and emissions from cement ▪ As the construction value chain advances in decarbonization, there is a growing emphasis on minimizing operational emissions within the built environment ▪ Circular construction is progressively endorsed by norms and regulations, leading to a heightened need for building materials that are low-carbon, such as ground limestone and calcined clay, and circular in nature ▪ By the progressive transition to greener energy sources, the cement industry's dependency on fossil fuels decreases	**Innovation and adoption of circular and sustainable construction is not enough to limit global warming** ▪ Circularity is not mainstreamed, failed change of paradigm and reputation as an "extra cost". ▪ Due to the lack of regulatory incentives to use low carbon products and to recycle, the growth of low carbon cement and concrete remains constrained. ▪ Demand for circular materials and products is driven by urbanization, the imperative to conserve natural resources and elevated fossil fuel prices. ▪ With the slower transition to greener energy sources by the cement industry, the demand for fossil fuels remains strong

Quantitative Metrics	Emissions from cement industry		Emissions from cement industry	
	min 2030	565.01 Mt CO_2/year	**min 2030**	1,000.78 Mt CO_2/year
	max 2030	862.06 Mt CO_2/year	**max 2030**	1,219.91 Mt CO_2/year
	Clinker to Cement Ratio			
	2030	0.65		
	2050	0.57		
	*Note that expected emissions from the cement industry for 2050 are not reported as scenario models contribute a significant proportion of emission reductions in the cement industry to CCUS, which is not representative for this driving force			
Sources	Circularity Gap Reporting Initiative (2021) Circular futures (2020)		NGFS (2023) IPCC (2021) IEA (2023) Expert elaboration	

Management of raw materials in a <2°C world results in fair distribution across sectors and allows transition to sustainable energy systems

Driving Force	In a Paris Agreement aligned, <2°C world...	In a hot house 3.5-4°C world...
Economy — Management and availability of raw materials	**Increased focus on raw materials and a just value chain** ▪ Increased importance of (critical) raw materials, regional political policies for raw materials ▪ Regions and sectors collaborate in raw material trade, knowledge and know how, a global transparent and just value chain of raw materials is established ▪ Raw materials are not a bottleneck in transitioning to production with sustainable energy systems and more sustainable practices ▪ As the cement industry decarbonizes, the availability of supplementary materials such as fly ash or slag decrease ▪ Instead, cementitious material is substituted with materials such as limestone and calcined clay, which can reduce process calcination emissions up to 50%.	**Sektörler arasında ham maddelere dair rekabet artışı** ▪ (Critical) raw materials is a political "house of cards", regions use it as a leverage tool in diplomatic negotiations ▪ Regional disparity in transition to sustainable energy systems and more sustainable practices because of unmet raw material demand Competition across sectors, limitation for innovation and fair distribution ▪ Large differences in material costs across regions due to depletion of primary resources ▪ Lack of commercialized alternative materials for cement with lower GHG emissions
Quantitative Metrics	N/A	N/A
Sources	Joint Research Committee (2020) IPCC (2021)	

In a <2°C world increased climate ambition will drive up carbon prices, whereas prices remain at lower levels in a 3.5-4°C world

Driving Force	In a Paris Agreement aligned, <2°C world...	In a hot house 3.5-4°C world...
Economy — Carbon Pricing	**Stricter quotas and higher ambition drive carbon prices upwards** ▪ Carbon pricing mechanisms cover all regions and prices rise rapidly in emerging economies with Net Zero pledges ▪ Carbon prices vary greatly depending on the exact emissions pathway. In a Paris aligned scenario, price levels increase rapidly ▪ High carbon prices would lead to increased production costs for carbon intensive industries such as cement, and act as an incentive to invest in technologies such as CCUS	**Slow growth in carbon prices** ▪ In a high emissions, hot house scenario, existing carbon prices follow a more linear path, while prices in novel carbon pricing schemes, such as the national ETS in Türkiye, remain at lower levels ▪ Carbon pricing remains too low to significantly incentivize drastic reductions of the cement's industry manufacturing processes

Quantitative Metrics	Carbon Pricing			Carbon Pricing		
		IEA	**SSP**	**NGFS**	**IEA**	**SSP**	**NGFS**
	2030	$90	$33	$64	$90	$19	$0.3
	2050	$200	$100	$248	$113	$36	$4.4
	Location	Emerging Markets	OECD Countries	Türkiye	EU ETS	OECD Countries	Türkiye
	Unit	US$(2021)	US$(2005)	US$(2010)	US$(2021)	US$(2005)	US$(2010)
Sources	IEA(2021) International Institute for Applied Systems Analysis, SSP (2023) International Institute for Applied Systems Analysis, NGFS (2023)						

Difference in economic growth between world regions, which is affected by political stability and multilateral trade

Driving Force	In a Paris Agreement aligned, <2°C world...	In a hot house 3.5-4°C world...
Economy — Economic growth and/or decline, including disposable income	**Well functioning global trade shifting views on economic growth** ▪ De-emphasis of economic growth becomes a goal in and of itself in high income countries ▪ Development and income growth proceeds unevenly, however economic growth is more prevalent in developing economies, resulting in increased demand for cement ▪ Most economies are politically stable, and global trade within and between competitive markets and developing economies function fairly well ▪ In a <2°C world scenario within Türkiye, initial costs related to innovation, energy transition, climate mitigation etc. may hamper economic growth related indicators (GDP; disposable income) in the short term before contributing to their maintenance/ improvement over the mid to long term	**Projections on economic growth vary, but reducing emissions is not the priority** ▪ Economic development varies per country, with consumption remaining relatively material intensive ▪ Economic woes in major economies could spark increasing discontent with globalization and spur protectionist instincts ▪ Economic growth is moderate to high in industrialized and middle income countries, fueled by fossil fuel use ▪ Fewer economic opportunities, especially for developing countries ▪ In a 3.5-4°C Türkiye, green investments are negligible in the short term; however, the economic burden of escalating costs linked to climate change related events leads to effects on the economy mid to long term, potentially affecting disposable income amongst others

Quantitative Metrics	Türkiye's Projected GDP		Türkiye's Projected GDP	
	min 2030	2,154.99 US Dollars (US$ thousand 2010/yr)	**min 2030**	2,159.68 US Dollars (US$ thousand 2010/yr)
	max 2050	3,379.62 US Dollars (US$ thousand 2010/yr)	**max 2050**	3,363.37 US Dollars (US$ thousand 2010/yr)
Sources	O'Neil, et al. (2017) International Institute for Applied Systems Analysis, NGFS (2023) Expert elaboration			

TSRS 1/30-34-35-40-41-44, TSRS 2/10-13-14-15-16-21-22-25

Drought events occur more frequently and last longer all over Türkiye, while flood frequency is region dependent

S Social | T Technology | E Economy | Ç Environmental | P Policy and Regulation — Environmental

Extreme Weather Events

Driving Force	In a Paris Agreement aligned, <2°C world...	In a hot house 3.5-4°C world...
	Chronic shortage of water, accompanied by acute changes in the weather... ▪ Likelihood of single year extreme (agricultural) drought events are expected to almost triple by the last quarter of the century in the Southeast Anatolia and Black Sea regions ▪ Rainfall events are expected to change slightly in either direction ▪ Median change in land fraction annually exposed to acute climate risks in percentage points (reference period 1986 2006, Türkiye)	**...albeit in different directions depending on the region** ▪ Flood frequency is expected to increase in the Black Sea region, while flooding is expected to significantly decrease in the Central and Southeast Anatolian regions, owing to reduced water availability ▪ Likelihood of extreme drought events in the Mediterranean increase by over 200% ▪ Median change in land fraction annually exposed to acute climate risks in percentage points (reference period 1986 2006, Türkiye)

Quantitative Metrics

Median change in land fraction annually exposed to acute climate risks in percentage points (reference period 1986 2006, Türkiye)

	Flood	Heatwave	Wildfire
2030	-0.03pp	0.3pp	0.2pp
2050	-0.03pp	0.4pp	0.2pp
Scenario		RCP2.6	

Median change in land fraction annually exposed to acute climate risks in percentage points (reference period 1986 2006, Türkiye)

	Flood	Heatwave	Wildfire
2030	-0.03pp	0.3pp	0.2pp
2050	-0.04pp	0.8pp	0.3pp
Scenario		RCP8.5	

Sources

IPCC(2021)
Climate Analytics (2023)

Total precipitation and surface wind speeds decrease in the Mediterranean regardless of warming levels, albeit at varying degrees

S Social | T Technology | E Economy | Ç Environmental | P Policy and Regulation — Environmental

Changes in weather patterns and sea level rise

Driving Force	In a Paris Agreement aligned, <2°C world...	In a hot house 3.5-4°C world...
	Decreased precipitation and wind speeds... ▪ The ranges of increase (in the Black Sea region) or decrease (in the rest of Türkiye) in total precipitation are projected to be relatively small for <2°C of warming, while for higher levels of warming the ranges are wider, with significant reductions in the Mediterranean region ▪ Increase in median temperatures decelerate after mid century, reaching 1.5°C by 2050.	**...regardless of scenario** ▪ Total precipitation decreases significantly across Southern Anatolia and the Aegean, while the Black Sea region is more scenario dependent, with total precipitation either decreasing or increasing slightly ▪ Increase in mean temperatures accelerate significantly after mid century

Quantitative Metrics

Mean percentage change for several climate variables in the Mediterranean (%, reference period 1981-2010; under SSP1 RCP2.6 scenario):

	2021-2040	2041-2060
Total Precipitation	-1.5	-2.8
Mean Temperature	1.4	1.7
Sea Level Rise		4.8

Mean percentage change for several climate variables in the Mediterranean (%, reference period 1981-2010; under SSP1 RCP2.6 scenario):

	2021-2040	2041-2060
Total Precipitation	-3.3	-5.9
Mean Temperature	1.3	2.2
Sea Level Rise		6.4

Sources

IPCC(2023)
IPCC(2021)
IPCC WGI Interactive Atlas (2023)

Water stress is expected to have an impact on the cement industry in a <2°C world, albeit significantly less than in a 3.5-4°C world

S Social | T Technology | E Economy | Ç Environmental | P Policy and Regulation — Environmental

Access to water

Driving Force	In a Paris Agreement aligned, <2°C world...	In a hot house 3.5-4°C world...
	Punctual water stress situations depending on location ▪ Climate change induced changes in precipitation patterns, increasing temperatures and increased demand for water lead to an overall higher demand for freshwater ▪ Water stress is location specific; some areas might see a decrease of water stress in the future, whereas others will face an increased risk ▪ For Çimsa's production sites in Türkiye, <2°C projections forecast varying levels of exposure to water stress depending on location	**Chronic droughts intensify overall risk of water** ▪ On a global level, higher temperatures exacerbate the factors leading to increased water stress levels. In water stressed areas, competition for water resources between individuals, agricultural sector and industries intensifies ▪ Compared to 2°C projections, short/mid term water stress forecasts for Çimsa's production sites in Türkiye follow a similar trajectory, albeit with slightly higher values

Quantitative Metrics

Water stress is defined as a situation in which the water resources in a location are insufficient for its needs.
The water stress indicator shows the relationship between water supply and demand: e.g. if the water stress is 2, it means that the location is highly water stressed; water demand is twice as high as the water availability.

	Mersin	Eskişehir	Afyon
Current water stress indicator	0.9	1.4	1.2
2030	1.8	1	1

	Mersin	Eskişehir	Afyon
Current water stress indicator	0.9	1.4	1.2
2030	1.9	1.1	1.1

Sources

WRI Water Risk Atlas (2023)
IPCC(2023)
Expert Elaboration

Climate ambition drives growth in renewables in a <2°C scenario, while energy security is emphasized in a 3.5-4°C world

S Social | T Technology | E Economy | Ç Environmental | P Policy and Regulation — Policy and Regulation

Domestic and international climate change policy

Driving Force	In a Paris Agreement aligned, <2°C world...	In a hot house 3.5-4°C world...
	Policies foster rapid energy transition and environmental protection ▪ Investments in, and policy incentives for renewable energy scale up and greatly outweigh those in fossil fuels ▪ Regulations on fossil fuel importers become more stringent ▪ Environmental policies, focused on pollution reduction (similar to Industrial Air Pollution Control Regulation), accelerate in a medium to strong way ▪ Accelerated and expanded regulations around land use cause a decline in the rate of deforestation, and an improved protection of biodiversity allowing for Global Biodiversity Targets to be achieved in, or just beyond, 2030	**High focus on national issues does not promote efficient sustainability policies** ▪ Advanced economies will increasingly implement standards which will require industries to implement economically feasible energy efficiency improvements. This will not happen structurally for emerging economies ▪ Environmental policies focus on local issues around middle and high income areas, and focus specifically around pollution and (local) emissions ▪ Land use regulations are less strict than in a <2°C world, wherewith a halt to biodiversity loss cannot be achieved and Global Biodiversity Framework targets will not be met

Quantitative Metrics

	Energy related CO_2 Emissions in Türkiye (mt CO_2year)	Energy related CO_2 Emissions in Türkiye (mt CO_2year)
	NGFS Below 2°C	NGFS Below 2°C
2030	346.89	441.39
2040	272.96	457.39
2050	191.07	466.75

Sources

O'Neil, et al. (2017)
International Institute for Applied Systems Analysis, NGFS.

TSRS 1/30-34-35-40-41-44, TSRS 2/10-13-14-15-16-21-22-25

3. Climate Related Risk and Opportunity Descriptions

Sustainability and Climate Related Risk Descriptions (High Impact)

Risk Title	Risk Definition	Hazard <2°C 2050 World	Hazard 3,5-4°C 2050 World	Impact Exposure	Impact Vulnerability	Business implication per value chain element: Upstream	Direct Operations	Downstream	The Impact of Risk on Financial Planning and Company Performance	Calculation Method	Our Actions
Risk Type: Transition Risk Increased pricing of GHG emissions **Term:** Short, Medium, Long **Impact Magnitude:** High **Financial Impact:** Increased Production Costs	Emissions Trading System (ETS) risk and pricing risks during the export phase of the Carbon Border Adjustment Mechanism (CBAM) may lead to additional costs on the company by levying a carbon tax on GHG emissions for companies operating in certain sectors, including construction and building materials	High	Medium	High	High	✓✓✓	✓✓✓	✓✓	When calculating the financial impact of the risk, three separate impacts were included. The financial impact that will occur at our facilities in the EU ETS, the ETS system to be established in Türkiye and the tax impact that the products exported from Türkiye to the EU will be exposed to within the scope of the CBAM were included. In this context, no turnover loss is expected in 2028 within the scope of the EU ETS and Türkiye ETS system, and the impact level within the scope of the CBAM is <0.3% of our current turnover.	A calculation was made based on the amount of carbon credits needed for the amount based on the difference between the amount of emissions that our facilities within the scope of EU ETS will emit considering the emission reduction initiatives within the scope of future production projections and the amount of free allowance to be given within the scope of EU ETS. For our facilities that will be included in the Turkish ETS system, the average clinker emission value published by Türkçimento was accepted as the benchmark, and the calculation was made with the amount of free allowance, the amount of emission and the carbon need based on the difference between them. Within the scope of the CBAM, the calculation was made based on the current export volumes by considering the EU benchmark value and the gradual transition process of the CBAM.	Assessment of products affected by CBAM and ETS, Ensuring compliance with emission reduction plans aligned with EU for harmonizing carbon emissions, Advantages of being a global player and the ability to sell products to the EU, Product transformation goals and R&D projects (CCUS, hydrogen, etc.) parallel to SBTi targets, Internal dynamic ETS monitoring mechanism, tracking ETS price forecasts to establish a new market position. Inclusion of carbon pricing strategy in daily S&OP decisions.
Risk Type: Transition Risk Disruptions in the raw materials supply chain **Term:** Medium, Long **Impact Magnitude:** High **Financial Impact:** Increased operating and/or capital costs, Reduced revenue from lower sales/output	The possibility that increased demand for cementitious materials needed for the transition to low emissions cause an increase in price of raw materials and/ or slowdowns and interruptions to the raw materials supply chain within the cement industry	Medium	Medium	Medium-High	Medium	✓✓✓	✓✓		There is a potential for our turnover to be affected by <0.3% due to loss of market and decrease in sustainable product revenues within the supply chain interruptions that may occur for alternative additives.	Cementitious materials used for low emission cement production include by-products or wastes from other industries such as fly ash and slag. The calculation was based on a 5% decrease in sustainable product revenues in the scenario where sustainable products are produced with alternative additives due to the discontinuation of the supply of such materials.	Implementing long-term contract management for alternative raw material sourcing, Conducting scenario studies to explore alternatives for raw materials with potential price increases, undertaking R&D projects for these alternatives, considering financial flexibility, Continuing R&D studies for new cementitious materials, Implementing industrial applications of alternative materials such as construction and demolition waste and calcined clay.
Risk Type: Physical-Chronic Drought/Water stress **Term:** Medium, Long **Impact Magnitude:** High **Financial Impact:**Reduced revenue from decreased production capacity, Increased operating costs	The fact that increasing intensity and frequency of droughts due to climate change lead to disruptions in activities	Medium	High	Medium-High	Medium-High	✓✓	✓✓✓	✓	We estimate an impact of <0.3% of our turnover within water costs based on increased water charges due to water scarcity and access to alternative water sources. In addition, technological investments in water harvesting and reuse of treated water or in reducing water consumption, especially in white cement production, will impact capital expenditures, and we expect an impact of <0.3% on our turnover.	Calculations were made by determining the increase in water fees due to water scarcity, investment needs for efficient use of water and the creation of alternative water resources.	Installation of water meters in all facilities to accurately measure our water usage, Project studies on water efficiency, grey water usage, increasing wastewater reuse, rainwater harvesting, etc., Conducting forward-looking analyses of water availability to inform future investments and location diversification, Initiating efforts to optimize water consumption through reducing leaks and usage inefficiencies, and reducing specific water consumption per unit of production.

TSRS 1/30-34-35-40-41-44, TSRS 2/10-13-14-15-16-21-22-25

Risk Title	Risk Definition	Hazard		Impact		Business implication per value chain element			Our Actions	Potential Financial Impact
		<2°C 2050 World	3.5-4°C 2050 World	Exposure	Vulnerability	Upstream	Direct Operations	Downstream		
Policies and Legal Processes										
Enhanced emissions reporting obligations **Term:** Short, Medium	The risk that lawmakers, regulators and increasing climate ambition lead to additional, mandatory reporting obligations with the purpose of informing capital allocation decisions	Medium-Low	Medium-Low	Medium	Medium	✓	✓✓	✓	Türkiye's non-financial reporting requirements are following global trends. Given Çimsa's size, industry, and scope of activities, it may fall within both domestic and international mandatory non-financial disclosure frameworks. In this scope, all reporting trends are being monitored, and compliance processes are being planned through relevant analyses.	Increased operating costs and/or capital costs
Enhanced environmental mandates and regulations on existing products and services **Term:** Short, Medium, Long	Lawmakers implementing stricter environmental regulations on existing products and services aimed at reducing greenhouse gas emissions	Medium-High	Medium	Medium	Medium	✓✓	✓✓	✓	The alignment and regulatory risks in global operations are monitored through the compliance department established within the company. Necessary action plans are developed and incorporated into the compliance inventory. Acceleration of solution processes with the R&D Center established to track global trends in our products and services. Creation of new products based on future availability constraints of existing cementitious materials to comply with global standards (such as Slag, Ash), and adaptation of new business lines (such as CDW aggregates).	Increased operating and/or capital costs Reduced revenue
Technology										
New technologies in the sector **Term:** Short, Medium, Long	Increased investment and policy support spurring new and emerging technologies that are resource efficient or enable mitigation of emissions Increased investment, market developments and policy support spurring developments within the building and construction industry, whereby circular and sustainable construction is progressively endorsed The cement industry facing a proliferation risk of new technologies to such an extent that selecting the most suitable solution becomes difficult	Medium-High	Medium	Medium	Medium	✓	✓		The return on investments is being analyzed through scenario studies conducted within the scope of our new technology investments. Establishment of the Sabancı Technology Center and monitoring new technologies in line with EU developments Budgeting work for the industrialization of new technology R&D studies. Ensuring access to financing programs and implementation of groundbreaking technologies through the utilization of R&D capabilities and knowledge.	Re-pricing of assets Increased R&D costs Increased operating and/or Capital Costs Reduced Liquidity
Market										
Changing stakeholder habits/ behaviors **Term:** Short, Medium, Long	Investors turning away from products dependent on non renewables such as natural gas and coal in their production	Medium	Medium-Low	Medium-Low	Medium		✓✓		Portfolio adjustments to increase the number and proportion of low-carbon/sustainable products. Ensuring product diversity in company portfolios. Conducting interactive workshops to educate stakeholders and understand their concerns. Sharing the results of Life Cycle Assessment (LCA) studies that measure emissions and/or water footprints (comparatively).	Reduced capital inflow Reduced revenues from lower sales/output
Uncertainties in market and changes in market dynamics **Term:** Short, Medium, Long	Rapid and diverse developments aimed to reduce greenhouse gas emissions in the cement industry resulting in uncertainties for market actors The possibility that volatility and uncertainty lead to reduced forecasting ability, difficulties in financial planning and increased costs	Medium	Medium	Medium	Medium-Low		✓✓		Active monitoring of all investment technologies and suppliers. Regular feasibility studies conducted on the feasibility of technologies. Capacity-building efforts for technology and R&D development for the company.	Increased operating and/or capital costs Reduced Liquidity Reduced revenues from lower sales/output
Reputation										
Changing customer behaviors/ preferences **Term:** Medium, Long	Consumers not preferring products dependent on non-renewables such as natural gas and coal in their production Changing consumer preferences increasing the demand for transition to low carbon cement	Medium	Medium-Low	Medium-High	Medium		✓		Portfolio adjustments to increase the number and proportion of low-carbon/sustainable products. Conducting interactive workshops to educate stakeholders and understand their concerns. Publishing the results of Life Cycle Assessment (LCA) studies that measure emissions and/or water footprints (comparatively). Increasing product diversity in the Company's portfolio.	Reduced revenue from decreased demand for goods/services
Stigmatization of the sector **Term:** Medium, Long	Public activisms and NGOs creating negative perception of the cement industry The possibility that public activism give the industry a negative reputation. The fact that this situation leads to difficulties in attracting and retaining talent, and consequent litigation by the public if the company fails to meet carbon reduction plans and/or fails to meet public expectations	Medium	Medium-Low	Medium-Low	Medium		✓✓✓		Adopting transparent communication through all publicly conducted reporting and decarbonization efforts in conjunction with the SBTi commitment. Collaborative efforts with non-governmental organizations (NGOs) and sectoral associations.	Reduced revenue from decreased demand for goods/services Reduced capital inflow

TSRS 1/30-34-35-40-41-44, TSRS 2/10-13-14-15-16-21-22-25

Risk Title	Risk Definition	Hazard		Impact		Değer Zinciri'ndeki Yeri			Our Actions	Potential Financial Impact
		<2°C 2050 World	3,5-4°C 2050 World	Exposure	Vulnerability	Upstream	Direct Operations	Downstream		
Physical Risks										
Acute										
Landslide **Term:** Long	Increase/change in the frequency and geographical distribution of landslides due to climate change and consequent disruptions in Çimsa operations	Low	Medium-Low	Medium	Medium-Low	✓	✓	✓	Managing vegetation cover and distribution paths around plants to minimize soil erosion. Risk exposure assessments including climate model outputs per scenario along with sensitivity evaluations. Insurance contracts covering adverse effects stemming from natural disasters and weather events	Write-offs and early retirement of existing assets Reduced revenue from decreased production capacity, Increased capital costs, Increased insurance premiums and potential for reduced availability of insurance on assets in "high risk" locations
River floods **Term:** Medium, Long	Increased severity and frequency of floods due to climate change, causing disruptions in Çimsa's operations	Medium-Low	Medium	Low	Medium	✓	✓	✓	Under the insurance program, assessments of river flooding are conducted based on the locations of the facilities. The locations of our factories are currently not in high-risk areas. Long-term risk exposure assessments combining climate model outputs with sensitivity evaluations for future climate events according to climate scenarios. Diversification of the distribution network, evaluation of investment needs for storage areas, focusing on preventing environmental damage due to material displacement in the event of flooding. Implementing rainwater harvesting systems to control water resources within the facility.	Write-offs and early retirement of existing assets Reduced revenue from decreased production capacity, Increased capital costs, Increased insurance premiums and potential for reduced availability of insurance on assets in "high risk" locations
Severe changes in temperatures **Term:** Medium, Long	Increased magnitude, frequency and variability of sudden changes in temperature due to climate change, leading to disruptions in activities	Low	Medium	Medium-Low	Medium	✓✓	✓✓		Incorporating heatwaves into production planning, for example, adjusting working hours in the summer months to adapt to increasing heat stress. Risk exposure assessments including climate model outputs per scenario along with security gap evaluations. Replacing equipment with more heat-resistant alternatives	Reduced revenue from decreased production capacity, Increased operating costs, Reduced revenue from negative impacts on production planning
Wildfire **Term:** Short, Medium, Long	An increase or change in the frequency and geographical distribution of fires due to climate change, leading to disruptions in operations	Medium-Low	Medium	Medium-Low	Medium	✓✓	✓✓✓	✓	Risk exposure assessments combining climate model outputs with sensitivity evaluations for each scenario Insurance contracts covering adverse effects stemming from natural disasters and weather events	Reduced revenue from decreased production capacity Increased capital costs Increased insurance premiums and potential for reduced availabil-ity of insurance on assets in "high risk" locations
Chronic										
Rising sea levels **Term:** Medium, Long	Rising sea levels, flooding, erosion due to rising temperatures and consequent damage to infrastructure and nature	Low	Low	Medium-Low	Medium-High	✓	✓		Risk exposure assessments combining climate model outputs with sensitivity evaluations for each scenario Insurance contracts covering adverse effects stemming from natural disasters and weather events	Reduced revenue from decreased production capacity Depreciation of assets
Rise in mean temperatures **Term:** Medium, Long	Increase in average of observed temperatures leading to disruptions in operations	Medium-Low	Medium-High	Medium-High	Medium	✓	✓		Adjusting working hours in the summer months to adapt to increasing heat stress Replacing equipment with more heat-resistant alternatives	Reduced revenue from negative impacts on workforce manage-ment and planning, Reduced revenue from negative impacts on production planning, Increased operating costs

TSRS 1/30-34-35-40-41-44, TSRS 2/10-13-14-15-16-21-22-25

Sustainability and Climate Related Opportunity Descriptions (High Impact)

Opportunity Title	Opportunity Definition	Hazard		Impact		Business implication per value chain element			The Impact of Risk on Financial Planning and Company Performance	Calculation Method	Our Actions
		<2°C 2050 World	3,5-4°C 2050 World	Exposure	Vulnerability	Upstream	Direct Operations	Downstream			
Opportunity Type: Energy Source Use of alternative fuels **Term:** Short, Medium, Long **Impact Magnitude:** High **Financial Impact:** Low carbon cost exposure, Reduced indirect (operating) costs	Opportunity in substituting traditional fossil based fuels with more sustainable and lower carbon alternatives in the cement manufacturing process, opportunity to contribute to low carbon products	High	Medium-High	High	Medium-Low	✓	✓✓✓		Emission reduction due to the use of low emission fuels will contribute to a more efficient use of free allowances in the emission trading system in our regions and to a reduction in the difference between the amount of emissions and free allowances. Accordingly, it will provide a financial contribution of <0.3% of our turnover under the 8 Euro/t CO_2 price assumption in Türkiye and >1% of our turnover for EU ETS.	No calculation was made on the carbon market value of carbon emissions reduced according to the scenario where alternative fuels with a low emission content of biomass (at least 30%) replace fossil fuels by an increase of 30% in 2028 compared to the amounts used today.	Alternative usage is available in all facilities and new investment plans are in place to increase the proportion of alternative fuels. Trials on the use of hydrogen as a fuel have been conducted at the Buñol plant.
Opportunity Type: Products and services Increased need for construction materials due to climate change mitigation & adaptation measures and damage repairment **Term:** Medium, Long **Impact Magnitude:** Medium-High **Financial Impact:** Increased revenues due to increased demand	Opportunity of increase in demand for cementitious products due to climate change: Either due to mitiga-tion and adaptation measures or due to climate change induced damage repairment, leading to in-creased sales and revenue	Medium-High	High	Medium-High	Medium		✓✓	✓✓✓	The amount of impact could not be calculated for the rationale given in the methodology section.	Demand for cementitious products is expected to increase due to climate change. No calculation could be made due to the lack of market research on the rate of increase in the market due to both mitigation and adaptation measures and climate change-induced damage repairs, which can be included in scenario analyses.	Cement producers play an important role in supporting green infrastructure projects aimed at mitigating the impacts of climate change. Studies to assess demand for construction materials to build sustainable transportation systems, renewable energy facilities and climate-resilient structures Long-term market needs analysis studies
Opportunity Type: Markets Shift in consumer/business partner preferences **Term:** Medium, Long **Impact Magnitude:** Medium-High **Financial Impact:** Increased revenues due to increased demand	Opportunity of increased sales and revenue with the shift in preferences of Çimsa's customers and business partners due to growing awareness of climate change and a desire for products and partner-ships that align with sustain-ability goals	High	Medium-High	Medium-High	Medium-Low	✓	✓	✓✓✓	Çimsa generated 14,4% of its total revenues from sustainable products in 2024. By 2030, the target is to increase revenues from sustainable products to 25% of total revenues. There is no market research on the amount of increase in the market, thus the impact could not be calculated.	Demand for sustainable products is expected to increase due to climate change. Since there is no market research that we can include in scenario analyses regarding the sustainable growth rate in the market, calculations were made based on Company targets.	Çimsa adapts to evolving preferences by offering low-carbon products, adopting circular economy principles and communicating transparently about its sustainability steps, which reflects positively on changing consumer preferences

TSRS 1/30-34-35-40-41-44, TSRS 2/10-13-14-15-16-21-22-25

		Hazard		Impact		Business implication per value chain element				
Opportunity Title	**Opportunity Definition**	**<2°C 2050 World**	**3,5-4°C 2050 World**	**Exposure**	**Vulnerability**	**Upstream**	**Direct Operations**	**Downstream**	**Our Actions**	**Potential Financial Impact**
Resource Efficiency										
Use of alternative materials and new cement blends **Term:** Short, Medium, Long	Opportunity for Çimsa to open to the market of low carbon cementitious products, and innovation to reduce its carbon footprint through alternative/supplementary cementitious materials and innovative blends in the composition of cement	Medium-High	Medium-Low	Medium	Medium-High	✓	✓✓		Çimsa's investment in R&D, close monitoring of trends and collaboration with other industry players discover future opportunities.	Reduced exposure to greenhouse gas emissions, thus less sensitivity to changes in carbon costs Reduced indirect (operating) costs
Energy Source										
Use of renewable energy **Term:** Short, Medium, Long	Opportunity in transitioning from traditional fossil fuel based energy sources to sustainable and low carbon alternatives in the cement manufacturing process, reducing exposure to increased carbon pricing	Medium-High	Medium-Low	Medium	Medium		✓✓		The use of solar energy through roof and ground-mounted systems is employed to meet the energy needs of production facilities By providing lower emissions intensity in cement and concrete products, it helps to eliminate Scope 2 emissions. This in turn reduces carbon tax obligations and potentially lowers energy costs. Çimsa created detailed investment plans for the use of renewable energy sources in all its facilities and put them into operation in Afyon and Buñol plants.	Reduced exposure to greenhouse gas emissions, thus less vulnerability to changes in carbon costs Reduced indirect (operating) costs
EU Emissions Trading System (EU ETS) **Term:** Short, Medium, Long	A potential additional revenue stream resulting from the beneficial side effects of decarbonization measures and/or investments in low emissions/carbon capture technologies, with regards to the European Union's EU Emissions Trading System (EU ETS)	Medium-High	Medium-Low	Medium-Low	Medium-High		✓✓		Through its pioneering decarbonization actions and its experience with the EU Emissions Trading System (ETS) via the Bunol plant, Çimsa ensures efficient allocation management. This largely depends on the impact of Çimsa's free allocations and potential future changes in the EU ETS.	Reduced exposure to greenhouse gas emissions, thus less vulnerability to changes in carbon costs
Durability										
Carbon Capture Utilization and Storage (CCUS) **Term:** Medium, Long	Karbondioksit emisyonlarının kaynağında yakalanması, yakalanan karbondioksitin taşınması ve ardından atmosfere salınımı önlemek için yeraltında depolanmasıyla ilgili teknolojiyle sağlanan fırsat, artan karbon fiyatlarına maruziyeti azaltır ve karbon kredilerinin satışı aracılığıyla potansiyel yeni bir gelir akışı açabilir.	Medium-High	Medium-Low	Medium	Medium		✓	✓	Çimsa closely monitors CCUS (Carbon Capture, Utilization, and Storage) technologies and includes the transition to industrial-scale implementation steps in its reduction projections. Currently, R&D studies are being conducted.	Reduced exposure to greenhouse gas emissions, thus less sensitivity to changes in carbon costs Returns on investment in low emission technology
Adoption of water efficient technologies and practices **Term:** Short, Medium, Long	Opportunity through implementation of measures to minimize water consumption and enhance water management throughout the cement production process, reducing exposure to water scarcity related disruptions and potential future water price increases	High	Medium-High	High	Medium-Low	✓	✓✓✓		Projects for the renewal of water meters for measurement reliability in our facilities and regular measurement monitoring, Implementation of projects to reduce water usage Grey water usage projects	Reduced indirect (operating) costs

Financial Statement Section	Financial Planning and Performance Impact
Revenues	There is potential to generate different revenues from climate-related issues in different regions. While our plants in the European Union (EU) region realize positive revenue impact based on alternative fuel utilization, Türkiye does not have the same advantage in accessing ready-to-use refuse-derived fuel and waste with high biomass content. As the pace of transition to a low carbon economy accelerates, we expect these balances to improve positively in line with market developments. On the other hand, we expect an increase in revenues from sustainable products as demand for low-carbon premium cement and concrete products increases.
Direct Costs	Reducing the use of fossil fuels by using alternative fuels, especially for our facilities located in the EU region, has a positive impact on our direct costs. Reduced energy dependency due to our renewable energy investments and the use of self-generated renewable energy resources also contribute to the reduction of direct costs and strengthen the sustainability of the Company's financials.
Indirect Costs	The use of low-cost alternative fuels at our plants in the EU region is lowering indirect operating costs. Volatile prices in Türkiye have the potential to negatively affect indirect costs. With the Emissions Trading System (ETS) that will come into effect in Türkiye, there may be indirect cost increases at some of our facilities. In this scope, investment planning and energy optimization are our main agenda items.
Capital Expenditures	Within the scope of our decarbonization strategy, investment plans are being made to develop our facility infrastructures for the use of alternative fuels, especially biomass. In addition, investment plans to reduce the use of clinker and increase the use of cementitious materials are probable. Our planned capital expenditures in the short- and medium-term may include energy efficiency and renewable energy investments, as well as new technology investments to be determined by our R&D teams.
Capital Allocation	With the transition to alternative fuel and renewable energy, our cash flow strengthens, strengthening our capital allocation. With these benefits that the low carbon economy will provide, the rate at which we realize investment items in our future plans increases.
Assets	We make plans to make all assets under our ownership more resilient against climate-related physical risks. In addition, we ensure the creation of appropriate policies by activating our insurance processes.
Access to Capital	Our decarbonization strategies and relevant concrete steps are facilitating access to sustainability-linked green financing sources with lower interest rates. The fact that we have started to implement our decarbonization investments with these financial instruments brings future opportunities closer. On the other hand, our plans also account for the possible additional costs of the Carbon Border Adjustment Mechanism (CBAM) burden that our plants exporting from Türkiye to the EU may face, as well as the carbon market burden that our plants covered by the EU ETS may face.

TSRS 1 AND 2 COMPLIANCE ASSESSMENT TABLES

TSRS 1 Compliance Assessment

Relevant Section	Relevant Standard Article	Relevant Standard Description	Çimsa's Response / Relevant Section
Governance	TSRS 1 /27.a.i TSRS 1 / 27.a.ii TSRS 1 / 27.a.iii TSRS 1 / 27.a.iv TSRS 1 / 27.a.v	a) Governance body(s) (which may include a board, committee or equivalent body responsible for senior management) or person(s) responsible for oversight of sustainability-related risks and opportunities	Sustainability Management/Corporate Governance
	TSRS 1 / 27.b.i TSRS 1 / 27.b.ii	b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities	Sustainability Management/Corporate Governance
Strateji	TSRS-1 / 30.a TSRS-1 / 30.b TSRS-1 / 30.c	Sustainability related risks and opportunities	Sustainability Management Corporate Governance Sustainable Transformation Risk and Opportunity Management TSRS 1 and 2 Risks and Opportunity Descriptions
	TSRS-1 / 32.a TSRS-1 / 32.b	Business model and value chain	Business Model and Strategy Sustainability Management Corporate Governance Sustainable Transformation
	TSRS-1 / 33.a TSRS-1 / 33.b TSRS-1 / 33.c	Strategy and decision-making	Business Model and Strategy Sustainability Strategy Sustainability Priorities Sustainable Transformation Sustainability Target Tables Sustainability Management
	TSRS-1 / 34.a TSRS-1 / 34.b TSRS-1 / 35.a TSRS-1 / 35.b TSRS-1 / 35.c.i TSRS-1 / 35.c.ii TSRS-1 / 35.d TSRS-1 40.a TSRS-1 40.b TSRS-1 40.c	Financial position, financial performance and cash flows	Risk and Opportunity Management TSRS 1 and 2 Risks and Opportunity Descriptions Sustainable Transformation
	TSRS-1 / 41	Flexibility	TSRS 1 and 2 Risks and Opportunity Descriptions Sustainable Transformation
Risk management	TSRS-1 / 44.a.i TSRS-1 / 44.a.ii TSRS-1 / 44.a.iii TSRS-1 / 44.a.iv TSRS-1 / 44.a.v TSRS-1 /44.a.vi	a) The processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks	Risk and Opportunity Management TSRS 1 and 2 Risks and Opportunity Descriptions Sustainable Transformation
Metrics and Targets	TSRS-1 / 46.a	a) Metrics required by the TSRS	Explained in the TSRS 2 Compliance Table. Sustainability Target Tables
	TSRS-1 / 49		Sustainable Transformation Transformation with Innovative and Sustainable Products
	TSRS-1 / 51.a TSRS-1 / 51.b TSRS-1 / 51.c TSRS-1 / 51.d TSRS-1 / 51.e TSRS-1 / 51.f TSRS-1 / 51.g	c) The entity's performance related to the identified sustainability risk or opportunity, including progress toward its self-determined targets and those required by regulations	Sustainability Target Tables Sustainable Transformation Transformation with Innovative and Sustainable Products

TSRS 2 Compliance Assessment

Relevant Section	Relevant Standard Article	Relevant Standard Description	Çimsa's Response / Relevant Section
Governance	TSRS-2/ 6.a.i TSRS-2 6.a.ii TSRS-2 6.a.iii TSRS-2 6.a.iv TSRS-2 6.a.v	a) Governance body(s) (which may include a board, committee or equivalent body responsible for senior management) or person(s) responsible for oversight of sustainability-related risks and opportunities	Sustainability Management Corporate Governance Sustainable Transformation Performance Outputs of Sustainability Management Committee Focus Groups
	TSRS-2 6.b.i TSRS-2 6.b.ii	b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Sustainability Management Corporate Governance Sustainable Transformation Performance Outputs of Sustainability Management Committee Focus Groups
Strategy	TSRS-2 10.a TSRS-2 10.b TSRS-2 10.c TSRS-2 10.d	Climate related risks and opportunities	Transformation in a Climate Change Environment Decarbonization Transition Plan Climate Related Risk and Opportunity Descriptions TSRS 1 and 2 Risks and Opportunity Descriptions
	TSRS-2 13.a TSRS-2 13.b	Business model and value chain	Transformation in a Climate Change Environment Decarbonization Transition Plan Climate Related Risk and Opportunity Descriptions TSRS 1 and 2 Risks and Opportunity Descriptions Business Model and Strategy
	TSRS-2 14.a.i TSRS-2 14.a.ii TSRS-2 14.a.iii TSRS-2 14.a.iv TSRS-2 14.a.v TSRS-2 14.b TSRS-2 14.c	Strategy and decision-making	Transformation in a Climate Change Environment Decarbonization Transition Plan Climate Related Risk and Opportunity Descriptions TSRS 1 and 2 Risks and Opportunity Descriptions Sustainability Target Tables Transformation with Responsible Investments
	TSRS-2 15.a TSRS-2 15.b TSRS-2 16.a TSRS-2 16.b TSRS-2 16.c.i TSRS-2 16.c.ii TSRS-2 16.d	Financial position, financial performance and cash flows	Transformation in a Climate Change Environment TSRS 1 and 2 Risks and Opportunity Descriptions
	TSRS-2 21.a		Transformation in a Climate Change Environment TSRS 1 and 2 Risks and Opportunity Descriptions Risk and Opportunity Management
	TSRS-2 22.a.i TSRS-2 22.a.ii TSRS-2 22.a.iii(1) TSRS-2 22.a.iii(2) TSRS-2 22.a.iii(3) TSRS-2 22.b.i(1) TSRS-2 22.b.i(2) TSRS-2 22.b.i(3) TSRS-2 22.b.i(4) TSRS-2 22.b.i(5) TSRS-2 22.b.i(6) TSRS-2 22.b.i(7) TSRS-2 22.b.ii(1) TSRS-2 22.b.ii(2) TSRS-2 22.b.ii(3) TSRS-2 22.b.ii(4) TSRS-2 22.b.ii(5) TSRS-2 22.b.iii	Climate flexibility	TSRS 1 and 2 Risks and Opportunity Descriptions Transformation in a Climate Change Environment

Relevant Section	Relevant Standard Article	Relevant Standard Description	Çimsa's Response / Relevant Section
Risk management	TSRS-2 25.a.i TSRS-2 25.a.ii TSRS-2 25.a.iii TSRS-2 25.a.iv TSRS-2 25.a.v TSRS-2 25.a.vi	a) The processes and related policies the entity uses to identify, assess, prioritize and monitor climate-related risks	Risk and Opportunity Management TSRS 1 and 2 Risks and Opportunity Descriptions Sustainable Transformation
	TSRS-2 25.b	b) The processes the entity uses to identify and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analyses	Risk and Opportunity Management TSRS 1 and 2 Risks and Opportunity Descriptions Sustainable Transformation
	TSRS-2 25.c	c) The extent to which, and how, the processes for climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	Risk and Opportunity Management TSRS 1 and 2 Risks and Opportunity Descriptions Transformation in a Climate Change Environment
Metrics and Targets	TSRS-2 29.a TSRS-2 29.b TSRS-2 29.c TSRS-2 29.d TSRS-2 29.e TSRS-2 29.f TSRS-2 29.g	a) Climate-related metrics	Sustainability Performance Indicators Sustainability Target Tables Transformation in a Climate Change Environment Transformation with Innovative and Sustainable Products
	TSRS-2 32	b) Sector-based metrics that are associated with particular business models, activities or other common features that characterize participation in an industry (Guidelines for the Sector-Specific Application of TSRS-2)	Explanations on the Guidelines for the Sector-Specific Application of TSRS 2 Climate-related Disclosures
	TSRS-2 33.a TSRS-2 33.b TSRS-2 33.c TSRS-2 33.d TSRS-2 33.e TSRS-2 33.f TSRS-2 33.g TSRS-2 33.h TSRS-2 34.a TSRS-2 34.b TSRS-2 34.c TSRS-2 34.d TSRS-2 35 TSRS-2 36.a TSRS-2 36.b TSRS-2 36.c TSRS-2 36.d TSRS-2 36.e.i TSRS-2 36.e.ii TSRS-2 36.e.iii TSRS-2 36.e.iv	c) Climate-related targets	Sustainability Performance Indicators Sustainability Target Tables Transformation in a Climate Change Environment Science-based Carbon Emission Reduction Target

TSRS 2/32

Explanations on the Guidelines for the Sector-Specific Application of TSRS 2 Climate-related Disclosures

Topic Scope	Topic	Metric	Code	Relevant Report Section
Sustainability Disclosure Topics and Metrics	Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	EM-CM-110a.1	Sustainability Target Tables Transformation in a Climate Change Environment
Sustainability Disclosure Topics and Metrics	Greenhouse Gas Emissions	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets and an analysis of performance against those targets	EM-CM-110a.2	Transformation in a Climate Change Environment
Sustainability Disclosure Topics and Metrics	Air Quality	**Air emissions of the following pollutants:** (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs) and (7) heavy metals	EM-CM-120a.1	Sustainability Target Tables Transformation with Environmental Excellence
Sustainability Disclosure Topics and Metrics	Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative energy and (4) percentage renewable energy	EM-CM-130a.1	Sustainability Target Tables Energy Transformation with Alternative Fuels Energy Efficiency and Renewable Energy
Sustainability Disclosure Topics and Metrics	Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	EM-CM-140a.1	Sustainability Target Tables Transformation in Water Management
Sustainability Disclosure Topics and Metrics	Waste Management	Amount of waste generated, percentage hazardous and percentage recycled	EM-CM-150a.1	Sustainability Target Tables Transformation with Environmental Excellence
Sustainability Disclosure Topics and Metrics	Product Innovation	Percentage of products that qualify for credits in sustainable building design and construction certifications	EM-CM-410a.1	The percentage of our products that qualify for credits in sustainable building design and construction certifications has not yet been determined. The industry is being supported with our products that have Environmental Product Declaration (EPD) certificates.
Sustainability Disclosure Topics and Metrics	Product Innovation	Total accessible market and market share for products that reduce energy, water or material impacts during usage or production	EM-CM-410a.2	While we cannot yet determine the total accessible market share for products that reduce energy, water or material impacts during usage or production, sustainable product revenues are being tracked.
Activity Metrics	Activity Metrics	Production by major product group	EM-CM-000.A	Economic Performance Tables

COMPETENCE SETS

Board of Directors Skills Matrix

	Burak Orhun	Gökhan Eyigün	Şerafettin Karakış	Seval Kor	Yetik Kadri Mert	Demet Özdemir
Gender	Male	Male	Male	Female	Male	Female
Citizenship	Turkish and American	Turkish	Turkish	Turkish	Turkish	Turkish
Executive Committee or Board Member	Board Member	Board Member	Board Member	Board Member	Board Member	Board Member
Type of Board Member	Non-Independent	Non-Independent	Non-Independent	Non-Independent	Independent	Independent
Accounting and Auditing		✓	✓		✓	✓
Administration and Risk Management		✓	✓		✓	✓
Branding and Marketing					✓	
Business Strategy	✓	✓	✓		✓	✓
Construction and Building Materials					✓	
Corporate Governance	✓	✓	✓	✓	✓	✓
Corporate Communications					✓	
Data Privacy Management	✓	✓	✓	✓	✓	✓
Diversity Strategies	✓			✓	✓	✓
Economics and Finance	✓	✓	✓		✓	✓
Energy					✓	
Entrepreneurship	✓	✓			✓	✓
Environmental, Climate Change, and Sustainability			✓		✓	✓
Ethics and Compliance			✓	✓	✓	
Global Affairs	✓		✓		✓	✓
Health and Safety					✓	
Human Resources / Labor Matters				✓	✓	✓
Human Rights				✓		
Information Technology, Cybersecurity and Telecommunications					✓	
Investor Relations	✓		✓		✓	
Logistics and Supply Chain					✓	
Manufacturing					✓	
Mergers and Acquisitions	✓	✓	✓		✓	✓
Other Board of Directors Experience	✓	✓		✓	✓	✓
Public Affairs			✓			
Real Estate		✓	✓			
Research and Development	✓	✓	✓	✓	✓	✓
Regulatory and Legal Matters			✓		✓	
Sales						
Social Impact and Work			✓	✓	✓	
Supply System	✓					

Executive Committee Skills Matrix

	Umut Zenar	Ozan Keskin	Mustafa Aydın	Erdal Araç	Tuğba Çörtelekoğlu	Onur Yazgan	Barış Karahüseyin
Gender	Male	Male	Male	Male	Female	Male	Male
Citizenship	Turkish	Turkish	Turkish	Turkish	Turkish	Turkish	Turkish and Italian
Executive Committee or Board Member	Executive Committee Member	Executive Committee Member	Executive Committee Member	Executive Committee Member	Executive Committee Member	Executive Committee Member	Executive Committee Member
Accounting and Auditing			✓				
Administration and Risk Management	✓	✓	✓	✓	✓	✓	✓
Branding and Marketing	✓			✓		✓	✓
Business Strategy	✓	✓	✓	✓	✓	✓	✓
Construction and Building Materials	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓
Corporate Communications	✓				✓	✓	✓
Data Privacy Management	✓	✓	✓	✓	✓	✓	✓
Diversity Strategies					✓		
Economics and Finance	✓		✓	✓		✓	✓
Energy	✓	✓	✓	✓		✓	✓
Entrepreneurship	✓			✓		✓	✓
Environmental, Climate Change and Sustainability	✓	✓	✓	✓	✓	✓	✓
Ethics and Compliance	✓	✓	✓	✓	✓	✓	✓
Global Affairs	✓	✓	✓	✓	✓	✓	✓
Health and Safety	✓	✓		✓	✓	✓	✓
Human Resources / Labor Matters	✓				✓		
Human Rights	✓	✓	✓	✓	✓	✓	✓
Information Technology, Cybersecurity and Telecommunications			✓				
Investor Relations	✓		✓				
Logistics and Supply Chain	✓			✓			
Manufacturing		✓				✓	✓
Mergers and Acquisitions	✓	✓	✓			✓	✓
Other Board of Directors Experience	✓						
Public Affairs	✓	✓	✓		✓		
Real Estate	✓		✓				✓
Research and Development		✓					
Regulatory and Legal Matters	✓		✓	✓	✓		
Sales	✓			✓		✓	✓
Social Impact and Work	✓	✓	✓	✓	✓	✓	✓
Supply System		✓		✓			

SUSTAINABILITY RELATED INCENTIVES

In order to ensure the effective and efficient implementation of the Company's sustainability strategy, key performance indicators (KPIs), which were determined by taking into account Çimsa's material sustainability topics, were integrated into the annual performance evaluation processes of relevant business unit managers and expert employees, starting with senior management. These indicators are used as an important tool in achieving sustainability targets and directly associated with the annual remuneration and performance incentives of employees. Thus, sustainability commitment is supported throughout the entire organization, and sustainable value creation is encouraged within the performance culture. At Çimsa, the ratio of employees with sustainability-oriented targets among all employees included in the annual performance evaluation in 2024 was 70%.

Material Topic	KPI	CEO	Finance and Accounting VP	Operations VP	Human Resources and Sustainability VP	Supply Chain VP	White Cement and Special Products Marketing & Sales VP	Grey Cement Marketing & Sales VP	Other Roles Receiving Incentives
R&D, Innovation and Technology	Execution of R&D Projects			✓			✓		Technical
Digitalization	Transition to Digitalization Process and Artificial Intelligence Projects	✓	✓						Digital Technologies Directorate, RMC and Aggregate Türkiye Sales Directorate, Sales Operations Directorate, Logistics Purchasing and Operations Directorate, Sustainability, OHS and Environment Directorate
Managing the Sustainability Risks and Opportunities	Human Rights Assessment for Key Stakeholders	✓							Logistics Purchasing and Operations Directorate, Sustainability, OHS and Environment Directorate
Managing Risks and Opportunities of the Climate Crisis	Sustainability-Based Financial Resources		✓		✓				Financial Planning Analysis & Investor Relations Directorate, Sustainability, OHS and Environment Directorate, Financial Affairs and Accounting Directorate, Treasury and Financial Risk Department
Greenhouse Gas Emissions Management and Net-Zero Target	Scope 1 and Scope 2 Emission Reduction	✓	✓		✓			✓	Sustainability, OHS and Environment Directorate, Plant Directorates, Risk and Internal Control Department, Sales Operations Department
Sustainable Products and Product Quality Customer Focus and Experience	Transition to Additive Product Portfolio	✓	✓		✓			✓	Cement Türkiye Sales Directorate, Sales Operations Department, Plant Directorates, RMC and Aggregate Türkiye Sales Directorate, Sustainability, OHS and Environment Directorate, Technical
Renewable Energy and Energy Efficiency	Renewable Energy Production Investments	✓	✓	✓	✓	✓		✓	Investments and Maintenance Directorate, Strategic Planning & PMO Directorate, Plant Directorates, Logistics Purchasing and Operations Directorate, Financial Affairs and Accounting Directorate, RMC and Aggregate Türkiye Sales Directorate, Sustainability, OHS and Environment Directorate, Treasury and Financial Risk Department
Alternative Fuels and Raw Materials	Alternative Fuel Use	✓	✓		✓	✓	✓	✓	Purchasing Directorate, Sustainability, OHS and Environment Directorate, Sales Operations Department, Financial Planning Analysis and Investor Relations Directorate
Responsible Supply Chain Management	Sustainability Assessment and Development of Supplier Network				✓	✓			Purchasing Directorate, Financial Affairs and Accounting Directorate, Sustainability, OHS and Environment Directorate
Conservation of Biodiversity	Biodiversity Management Plan	✓	✓		✓				Sustainability, OHS and Environment Directorate, Plant Directorates, Risk and Internal Control Department, Sales Operations Department, Treasury and Financial Risk Department
Water Management and Protection of Water Resources	Water Management Plan	✓	✓		✓				Sustainability, OHS and Environment Directorate, RMC and Aggregate Türkiye Sales Directorate, Plant Directorates, Treasury and Financial Risk Department
Occupational Health and Safety	OHS Excellence	✓	✓		✓			✓	Financial Affairs and Accounting Directorate, Investments and Maintenance Directorate, RMC and Aggregate Türkiye Sales Directorate, Sales Operations Department, Sustainability OHS and Environment Directorate, Technical, Plant Directorates, Grey Cement Export Sales and Operations Department, Logistics Purchasing and Operations Directorate
Business Continuity Equality and Inclusion	Strengthening the Human, Cultural and Systems Dimensions of Global Growth and Expansion Initiatives; Increasing Women's Employment through Effective Management of Equality and Inclusion				✓			✓	Global HR and HR Services Directorate, RMC and Aggregate Türkiye Sales Directorate, Administrative Affairs Department, Talent Management and Organizational Development Department, Plant Directorates

SUSTAINABILITY MANAGEMENT COMMITTEE FOCUS GROUPS PERFORMANCE OUTPUTS

Throughout 2024, the Sustainability Management Committee shaped the sustainability agenda in line with our Company's strategic priorities. In this process, important projects were realized, guiding different focus groups and contributing to our Company's long-term environmental, social and governance goals. Below are the highlights of the completed projects:

1. Climate Crisis Management

It is aimed to achieve environmental excellence and improve the adaptive capacity of the Company in fighting climate change.

- **Decarbonization Project:** Facility-based plans prepared within the scope of transition plans were put into practice according to the action schedule, and the process was monitored.
- Participation was ensured in the Carbon Disclosure Project (CDP) Climate Change and Water Programs.
- **Circular Economy:** Plans were made and procurement processes were designed to increase the use of alternative fuels and raw materials.
- **Next-Generation Technologies:** A project to increase the use of alternative fuels through the use of green hydrogen was developed at the Buñol Plant.
- **Emissions Trading System (ETS) and Carbon Border Adjustment Mechanism (CBAM):** Reporting and compliance activities continued within the framework of ETS and CBAM.
- **Science Based Targets (SBTi) Tracking:** The Company's climate targets were advanced in line with the Science Based Targets Initiative (SBTi).
- **Biodiversity:** Studies continued to develop a Biodiversity Management Plan.
- **Dust Management:** Studies continued to develop a Dust Management Plan.
- **Water Management:** Strategic Water Management project continued, and a comprehensive analysis of water use processes was conducted.
- **Energy Transformation:** Renewable energy investments and facility-based I-REC Certification practice were realized within our overseas operations

2. People and Society Oriented Positive Impact

High impact social projects aim to create positive impact and value for all stakeholders.

- **Disaster Region Supports**: Following the flood disaster in Valencia, Spain, support activities were carried out in the region.
- **Human Rights Sub-Working Group.** A sub-working group was established within the Company to work on human rights.
- **Corporate Social Responsibility:** In addition to the continuation of past projects, the Technology and Impact Center was launched at Eskişehir Technical University as part of the Youth Mobilization.

3. Sustainable Business Models

Promoting circular economy and green product development processes aims to strengthen the Company's sustainable growth and competitive advantage. It is essential to create sustainable products, services and business models together with customers, suppliers and business partners.

- **Sustainable Product Transition:** Efforts were made to expand the sustainable product portfolio across the entire product range, and product diversity has been increased.
- **Innovative Products:** In the field of building construction with the 3D concrete printer, which stands out within the scope of sustainable services, we contributed to the development of new building technologies by supporting digitalization and automation systems in the industry.
- **Environmental Product Declaration (EPD) Certificates:** Environmental Product Declaration (EPD) certification processes for sustainable products were completed.
- **Sustainable Concrete Definition:** Compliance with the Global Cement and Concrete Association (GCCA) and the Industrial Deep Decarbonisation Initiative (IDDI) methodologies was achieved for the classification of concrete products.
- **Green Cement:** Compliance processes with green cement standards published in Turkish public tenders were successfully completed.
- **Responsible Supply Chain:** Assessment and information processes were designed for the sustainability transformation of the supplier network. Following the sustainability assessment surveys conducted in collaboration with CRIF, communication of the topic was strengthened by coming together with the supplier network at the Supply&Sustain event.

4. Our Human Resources

We aim to create a strong human resource with occupational health and safety practices and training and talent management programs that support employee development and the future of the business.

Occupational Health and Safety

- **OHS SMART Academy:** Work continues to establish the OHS SMART Academy, which produces innovative solutions in the field of occupational health and safety.
- **Disaster Awareness:** Planning activities for the management of emergencies continued.
- **Safety Fest Events:** Safety Fest events were planned to strengthen the safety culture of employees and their families.
- **Zero Tolerance Approach:** We continued to base business processes on the "10 Life-Saving Golden Rules" and provide clear standards for all employees, temporary contractors, subcontractors and visitors.

Working Life

- **Training-Development Programs:** University collaborations, leader development programs, Womentoring 2, "Yarınlar Seninle Mümkün (Tomorrow is Possible with You)" and "Gelecek Seninle Mümkün (The Future is Possible with You)" projects continued.
- **Glocalization in Human Resources:** With the growth of the global footprint, the process of adapting to the local business conduct was carried out by respecting the existing culture while expanding in the geographies where we are present.
- **Employee Experience Groups:** Within the scope of the value of participation, employee satisfaction assessment outputs were evaluated in employee experience groups.

5. Governance

The aim is to strengthen corporate governance standards by improving ethical principles, transparent management and risk management processes, and to ensure the Company's compliance with long-term sustainability strategies by making decision-making mechanisms more effective.

Green Financing

- **Access to Sustainable Finance:** Detailed due diligence processes were successfully completed in collaboration with the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD).
- **Çimsa Green Loan Framework:** Çimsa Green Finance Framework, which determines the Company's green finance strategy, was published.

Sustainability-Oriented Management

- **Performance Management:** Sustainability-oriented KPIs were integrated into the annual performance targets of the senior management team and employees.
- **Mannok Holdings DAC Due Diligence:** Comprehensive ESG assessments were conducted prior to the acquisition of Mannok Holdings DAC.
- **Policy Needs:** Policy needs were reviewed with a focus on Environment, OHS and Sustainability, and new policies were published.
- **Compliance with New Reporting Standards:** Türkiye Sustainability Reporting Standards (TSRS S1, S2) and Corporate Sustainability Reporting Directive (CSRD) preparation studies were carried out.

Communication

- **ESG Rating Mechanisms:** Extensive efforts were undertaken to maintain the Company's strong position and increase the score.
- **Awards:** During 2024, sustainability efforts were recognized with awards on national and international platforms.

6. Digitalization, Technology and Innovation

The aim is to develop technology and innovation projects that cover our digital transformation process and accelerate all sustainability processes.

- **Digitalization in Data Management:** Project plans were made to establish a data management structure. Digital transformation was achieved in carbon emission management to make processes more efficient and transparent. In order to prepare Çimsa for globalization, the W-flow platform produced with internal resources has been switched to.
- **Digital Infrastructure Projects:** Function-based digital infrastructure work was completed.
- **Artificial Intelligence Projects:** Efficiency increase was ensured in business processes through nine artificial intelligence projects.
- **Çimsafe Platform:** It was designed to carry the safe working culture even further by combining the importance that Çimsa attaches to occupational health and safety with artificial intelligence.

GRI 2-22

CONTRIBUTED SDGS

Contributed SDGs	Çimsa's Approach	Contributed Targets	Material Topic	Relevant Section
5 GENDER EQUALITY	Çimsa believes that the participation of women and girls in economic and social life is one of the most important components of sustainable development. The Company is increasing the number of female leaders in business life and aims to increase public awareness about this topic through social responsibility projects.	5.1. End all forms of discrimination against all women and girls everywhere 5.4. Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life 5.6. Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women	Equality and Inclusion, Corporate Social Responsibility	Strategic Workforce, Transformation with Employee Experience and Engagement, Transformation with Social Contributions
8 DECENT WORK AND ECONOMIC GROWTH	Çimsa designs products and processes with added value with the attention it gives to innovation and digitalization. Çimsa creates value with the fair and decent work conditions it provides for its employees. The Company supports the employment of disabled people.	8.2. Increase the created economic added value 8.4. Decouple economic growth from environmental degradation 8.5. Achieve full employment and decent work for all women and men	R&D, Innovation and Technology, Alternative Fuels and Raw Materials, Renewable Energy and Energy Efficiency, Sustainable Products and Product Quality	Circular Economy and Waste Management, Renewable Energy, Transformation with Responsible Investments, R&D, Innovation and Technology, Transformation with Innovative and Sustainable Products
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Çimsa is continuously reducing the environmental impact of its current product portfolio while working to increase the revenues from sustainable products.	9.4. Support clean and environmentally friendly technologies 9.5. Enhance the budget for R&D activities	R&D, Innovation and Technology, Sustainable Products and Product Quality	R&D, Innovation and Technology, Transformation with Innovative and Sustainable Products
10 REDUCED INEQUALITIES	Çimsa is against all kinds of discrimination. Çimsa is opposed to discrimination of all kinds. The company works to create sustainable value for all its stakeholders by providing a fair working environment and supporting long-lasting social responsibility programs.	10.2. Promote inclusive economic growth for all 10.3. Eliminate discrimination 10.4. Adopt policies that can prevent inequality	Equality and Inclusion, Corporate Social Responsibility	Strategic Workforce, Transformation with Employee Experience and Engagement, Transformation with Social Contributions
11 SUSTAINABLE CITIES AND COMMUNITIES	Çimsa contributes to the construction of sustainable living spaces with its sustainable product portfolio and communication work to unite the right product with the right projects.	11.1. By 2030, provide access for all to adequate, safe, and affordable housing and basic services and improving slum areas 11.3. By 2030, develop inclusive and sustainable urbanization and capacities for participatory, integrated, and sustainable accommodation planning and management 11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	Sustainable Products and Product Quality	Transformation with Innovative and Sustainable Products
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Waste management is one of the leading sustainability priorities of the cement industry. Çimsa has been making investments and forming partnerships to utilize alternative fuel and raw material resources for a long time now. Çimsa shares its performance in this area with its stakeholders through mandatory and voluntary reporting.	12.2. By 2030, achieve the sustainable management and efficient use of natural resources 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Alternative Fuels and Raw Materials	Circular Economy and Waste Management
13 CLIMATE ACTION	Çimsa supports the transition to a low carbon economy and cares about environmental impacts when offering the products and services it develops. Çimsa also undertakes projects to minimize the environmental impacts of its manufacturing processes.	13.2. Integrate climate change measures into national policies, strategies and planning 13.3. Build knowledge on climate change and adaptation	Managing the Sustainability Risks and Opportunities, Managing the Risks and Opportunities of the Climate Crisis, Alternative Fuels and Raw Materials, Responsible Investments, Sustainable Products and Product Quality	Transformation in a Climate Change Environment, Circular Economy and Waste Management, Transformation with Responsible Investments, Transformation with Innovative and Sustainable Products
15 LIFE ON LAND	Çimsa conducts many prevention and restoration activities to manage the impacts to biological diversity caused by its activities.	15.2. By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	Conservation of Biodiversity	Transformation in Biodiversity
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Çimsa adopts an ethical, transparent, and accountable corporate governance understanding to create value for all its stakeholders.	16.5. Substantially reduce corruption and bribery in all their forms 16.6. Develop effective, accountable and transparent institutions at all levels. 16.7. Promote and enforce non-discriminatory laws and policies for sustainable development	Corporate Governance, Ethics and Compliance, Anti-Bribery and Anti-Corruption	Corporate Governance, Anti-Bribery and Anti-Corruption, Ethics and Compliance

GRI 2-25, 2-26, 2-29

RELATION OF MATERIAL TOPICS TO REPORTING FRAMEWORKS

	Reporting Framework						
Topic	GRI	SASB	TCFD	SDG	UNGC	UN WEPs	TSRS
Managing the Risks and Opportunities of the Climate Crisis	✓	✓	✓	✓			✓
Alternative Fuels and Raw Materials	✓	✓					✓
Renewable Energy and Energy Efficiency	✓	✓	✓	✓	✓		✓
Waste Management ve Circular Economy	✓	✓					✓
Water Management and Protection of Water Resources	✓	✓					✓
Conservation of Biodiversity	✓	✓					✓
Business Continuity	✓				✓		✓
Ethics and Compliance	✓				✓	✓	
Digitalization					✓		
Corporate Governance	✓				✓		
Anti-Bribery and Anti-Corruption	✓	✓			✓		
Customer Focus and Experience	✓	✓			✓		
Carbon Pricing and Taxation	✓		✓				✓
Growth in International Markets				✓	✓		
Financial Performance and Risk Management	✓	✓	✓				✓
Sustainable Products and Product Quality		✓			✓		✓
R&D, Innovation and Technology		✓	✓				
Greenhouse Gas Emissions Management and Net-Zero Target	✓	✓	✓		✓		✓
Pollutant Air Emissions		✓	✓				✓
Responsible Investment			✓		✓		✓
Responsible Supply Chain Management	✓		✓		✓		✓
Occupational Health and Safety	✓	✓		✓	✓		✓
Employee Involvement and Development	✓				✓	✓	
Human Rights	✓			✓	✓	✓	✓
Equality and Inclusion	✓			✓	✓	✓	
Corporate Social Responsibility				✓	✓		
Resilience and Well-being in the Workforce				✓	✓		
Managing the Sustainability Risks and Opportunities		✓	✓	✓	✓		✓

OUR STAKEHOLDER RELATIONS

Communication Model with Other Stakeholders

Stakeholders	What We Do	How We Communicate	How Often Do We Communicate	Relevant Sections
Academic Institutions	We support various academic projects with our R&D infrastructure and sectoral experience through our sustainability-oriented collaborations and sponsorship relations with universities.	We communicate with Academic Institutions online or face-to-face through university events, career days, workshops, training programs, technical trips, academic meetings, online platforms, social media channels and digital tools such as e-mail.	Meeting frequency aligned with annual academic calendars	R&D, Innovation and Technology
Group Companies	Under the leadership of Sabancı Holding, we create a stronger culture of solidarity and learning within the Group by developing effective knowledge transfers and collaborations with a focus on learning from and supporting each other in our business processes. With this approach, we become business partners in our business processes and corporate social responsibility journey, increase information sharing and create a strong synergy within the team.	We communicate with Group companies online or face-to-face through joint projects, investment and information sharing meetings, Holding events, workshops, corporate social responsibility projects, online platforms, social media channels and digital tools such as e-mail.	Meeting frequency aligned with project and annual planning schedules	Social Responsibility Activities
Financial Institutions	In addition to responding quickly and transparently to the information requests of financial institutions with our financial and non-financial reports, we establish a strong communication by providing a comprehensive understanding of our Company's performance, strategic directions and operational achievements. We are thus involved in detailed evaluation processes to access opportunities for sustainable and green financing.	We communicate with financial institutions online or face-to-face through meetings organized to evaluate credit, financing, green bonds and sustainable financing issues, project-based meetings, financial agreement and negotiation meetings, interim annual reports, online platforms, social media channels and digital tools such as e-mail.	Periodic or on-demand meeting frequency	Financial Performance
Non-governmental Organizations (NGOs), Sectoral Organizations and Professional Associations	As Çimsa, we aim to contribute to social and sectoral development by forming collaborations with non-governmental organizations, sectoral organizations and professional associations. We collaborate with NGOs in various fields in order to reinforce the social benefit we provide and the value we create in line with the SDGs we prioritize. While we support the development of policies and standards with sectoral organizations, we encourage the professional development of our employees and support the spread of best practices in the industry through our collaborations with professional associations.	We communicate online or face-to-face with NGOs through joint social responsibility projects, collaborations and awareness activities; with Sectoral Organizations through sectoral meetings, working groups, joint projects; with Professional Associations through training/ certification programs, conferences and workshops, working groups, online platforms, social media channels and digital tools such as e-mail.	Meeting frequency aligned with project and demand-driven calendars for NGOs, periodic meeting frequency aligned with working groups calendar for Sectoral Organizations, meeting frequency at least on a quarterly basis for Professional Associations	Sectoral and Academic Supports Social Responsibility Efforts
Media	We share our environmental, social and governance-oriented activities during the year and our achievements in these areas with the public through various media channels. By adopting a transparent communication strategy, we ensure that these achievements reach a wide audience and make our environmental and social impact more visible.	We communicate with the media online or face-to-face through press releases, interviews, social media channels, advertising activities and sectoral events.	Frequency of meeting at least monthly	Sectoral and Academic Supports Social Responsibility Efforts

GRI 2-25, 2-26, 2-29

GRI 2-25, 2-26, 2-29

Key Stakeholders Value Creation Model

Evaluation Parameter	Our Employees	Shareholders and Investors	Customers	Local Community and the Public	Suppliers	Public Institutions
How Do We Create Value?	We value the opinions of our employees by providing an inclusive and egalitarian work environment, offer open and regular communication channels and create a work environment where our employees prefer and develop with the feedback we receive. By offering continuous training and development opportunities to increase the competencies of our employees, we ensure both their career development and that the Company has more competent teams in its area of expertise. We provide a safe working environment by applying occupational health and safety standards at the highest level and offer various welfare programs to support the physical and mental health of our employees. We offer flexible working hours and telecommuting opportunities to ensure work-life balance.	We achieve growth in international markets by creating profitability and shareholder value through our strong financial performance. We create sustainable value by effectively managing risks and opportuni-ties with our sustainability approach. We contribute to green financing and responsible investments by improving our performance based on environmental, social and governance criteria.	We support our customers' sustainabil-ity goals with sustainable and value-added products that we bring to the market by developing innovative technologies and solutions. We offer high-quality products with high performance and reliability, that facilitate business processes. We prioritize customer satisfaction with fast and effective solutions.	We fulfill our environmental and climate crisis responsibilities towards society by designing sustainable production processes. We create positive impacts with high added value through social and environmental activities that address community needs. We support economic growth by creating local employment in our region. We enrich social life with events and social responsibility projects that support local culture.	We contribute to the development of the regional economy and the growth of local businesses by collaborating with local suppliers. We create a sustainable supply chain by supporting the transformation of our suppliers in accordance with environmental, social and governance standards. We provide information and training support to help our suppliers improve their business processes and support them in optimizing their operations. As a sustainable customer that provides added value for our suppliers, we establish long-term partnerships and aim to create value together.	We are a role model in the industry by ensuring the implementation of legal requirements. We support development processes on the basis of laws and regulations. We support the decision-making processes of public institutions through regular reporting and transparent information processes. We increase social benefit by working in coordination with public institutions in times of crisis and emergencies.
How Do We Communicate?	We communicate with our employees online or face-to-face through one-on-one meetings, training programs, regular performance evalua-tions, internal communication channels (company policies, an-nouncements, etc.), employee satisfaction surveys, social events, occupational health and safety meetings, internal communication tools (ÇimsaLife, Whatsapp dialogue line, "Ya Tutarsa" Suggestion System, MyHr Portal, OHS Chatbot).	We communicate with our shareholders and investors online or face-to-face through Integrated Annual Report and other global reports, general assem-bly meetings, financial performance reports, investor presentations, analyst and investor meetings, Investor Day, stakeholder surveys, information and material event disclosures, online platforms and digital tools such as email.	We communicate with our customers face-to-face or online through dealer meetings and visits, communication with sales and support teams, cus-tomer satisfaction surveys, sectoral fairs and events, product launches, complaint and feedback channels, digital communication channels (Chat-bot, Çimsa Blog), online platforms and tools such as email.	We communicate with local community and the public online or face-to-face through local events and projects, meetings with local community repre-sentatives, social responsibility pro-jects, press and media, volunteering activities, environmental management and impact assessment, digital plat-forms and social media channels.	We communicate with our suppliers online or face-to-face through regular supplier meetings, training programs, collaboration projects, digital portals (Supplier Portal), contract processes, feedback and com-plaint management, sustainability as-sessment surveys, corporate poli-cies/ procedures, online platforms and tools such as email.	We communicate with public institutions online or face-to-face through official meetings and visits, legal and regulatory technical reporting, workshops, joint projects and collaborations, official correspondence and notifications, audits, online platforms and tools such as email.
How often do we communi-cate?	Frequency of meeting at least monthly	Frequency of meeting at least quarterly	Meeting frequency aligned with de-mand-driven calendars	Meeting frequency aligned with de-mand-driven calendars	Meeting frequency aligned with demand-driven calendars	Meeting frequency aligned with demand-driven calendars
Stakeholder Priorities	OHS, Equality and Inclusion, Human Rights, Workforce Resilience and Well-Being, Employee Involvement and Development, Digitaliza-tion, Business Continuity, Ethics and Compliance	Sustainability Risk and Opportunity Management, Greenhouse Gas Emis-sions Management and Net Zero Target, International Market Growth, Cor-porate Governance, Business Continuity, Managing the Risks and Opportu-nities of the Climate Crisis, Ethics and Compliance, Responsible Invest-ment, Digitalization, Anti-Bribery and Anti-Corruption, Financial Performance and Risk Management	Sustainable Products and Product Quality, Customer Focus and Experi-ence, Digitalization, R&D, Innovation and Technology, Ethics and Compli-ance, Corporate Governance, Manag-ing the Risks and Opportunities of the Climate Crisis	Human Rights, Equality and Inclusion, Corporate Social Responsibility, Pollu-tant Air Emissions, Water Water Management and Protection of Water Resources, Alternative Fuels and Raw Materials, Conservation of Biodiversity	Ethics and Compliance, Equality and Inclusion, Human Rights, Business Continuity, Financial Performance and Risk Management, Corporate Govern-ance, OHS, Alternative Fuels and Raw Materials, Digitalization, R&D, Technology and Innovation	Corporate Social Responsibility, OHS, Managing the Risks and Opportunities of the Climate Crisis, Pollutant Air Emissions, Water Management and Protection of Water Resources, Waste Alternative Fuels and Raw Materials, Conservation of Biodiversity, R&D, Technology and Innovation
How do We Re-spond?	We implement OHS programs created in line with zero occupational accidents and occupational diseases targets. We integrate our policies that are compatible with human rights and that we convey our culture of equality, diversity and inclusion into our business processes. We implement new programs that support employee involvement and development. We shape our future actions with the feedback we receive through the Company loyalty and satisfaction surveys conducted with the participation of our employees. By digitalizing business processes, we enable employees to take part in a more agile organization.	While strengthening our global footprint with global investments, we in-crease our existing strength with local actions. During the year, we evaluate the impact of risks and opportunities on finan-cials in order to strengthen alignment with business strategy and financial soundness. We conduct governance and ethical compliance assessments with the changing legal framework and constantly evolving global and national mar-ket conditions. As part of climate crisis management, we monitor compli-ance with existing regulations and create a roadmap with the necessary project and investment plans in the short-, medium- and long- term in line with our emission reduction targets.	We are working to increase customer experience and satisfaction through the diversification and digitalization of customer communication channels. We contribute to our customers' actions to fight the climate crisis with the sustainable and value-added products we offer to the market. We are the solution partner of our customers with our wide product portfolio and distribution network.	Within the scope of our corporate social responsibility approach, we realize corporate social responsibility projects to add value to society and achieve a more sustainable future. We carry out activities to ensure the inclusion of disabled individuals in social life. We continue to measure and control air emissions with continuous monitoring systems. We minimize the damage to the environment with dedusting activities.	With our Responsible Purchasing Policy, we carry our environmental and social sustainability approach to the entire value chain. We bring agility to processes by moving supplier management to the digital platform with the supplier portal we have commissioned. We increase the supply diversity of alternative energy and raw material sources.	We provide support through the initiatives we are a member of for efforts carried out in compliance with national and local regulations. We make the necessary reporting in accordance with local laws and regulations. We carry out our work within the framework of the Nature Restoration Plans determined for the return of used lands to nature.
Related Sec-tions	Strategic Workforce, Transformation with Employee Experience and Involvement, Transformation in Occupational Health and Safety	Financial Performance, Transformation in a Climate Change Environment, Risk and Opportunity Management, Business Continuity, Ethics and Com-pliance, TSRS 1 and 2 Risk and Opportunity Descriptions	R&D, Innovation and Technology, Transformation with Digitalization, Transformation in Customer Experi-ence and Loyalty, Transformation with Innovative and Sustainable Products	Transformation with Social Contribu-tions	Transformation with Sustainable Supply Chain	Transformation With Environmental Excellence, Corporate Governance, Ethics and Compliance

GRI 2-28

CORPORATE MEMBERSHIPS

Focus	Organization Name
Sectoral Memberships	Mediterranean Exporter Associations (AKİB)
	Turkish Green Buildings Society (CEDBİK)
	Cement Industry Employers' Association (ÇEİS)
	Cement, Glass, Ceramics and Soil Products Exporters' Association (CCST)
	Global Cement and Concrete Association (GCCA)
	Association of Turkish Construction Material Producers (İMSAD)
	The Spanish Cement Association (OFICEMEN)
	Mersin Industrialists and Businessmen Association (MESİAD)
	Central Anatolian Exporters Associations (OAİB)
	Mersin Chamber of Trade and Industry (MTSO)
	Turkish Cement Manufacturers' Association (TURKÇIMENTO)
	Turkish Ready Mixed Concrete Association (THBB)
	Cement Manufacturers Ireland (CMI)*
	European Cement Association (CEMBUREAU)*
	World Cement Association (WCA)*
	Mineral Products Association Northern Ireland (MPANI)*
	Turkish Industry and Business Association (TÜSİAD)
Governance Memberships	Foreign Economic Relations Board (DEİK)
	Foreign Economic Relations Board - Spain Business Council (DEİK)
	Istanbul Industrialists and Businessmen Association (İSİFED)
	Corporate Communicators Association (KİD)
	Corporate Risk Management Association (KRYD)
	Supply Chain Management Association (TEDAR)
	The Institute of Internal Auditing -Türkiye (TİDE)
	Corporate Governance Association of Türkiye (TKYD)
	Türkiye Foreign Trade Association (TURKTRADE)
	Turkish Investor Relations Association (TÜYİD)
	Women in Technology Association (WTech)
Sustainability Memberships	Professional Women's Network (PWN)
	Turkish Marine Environment Protection Association (TURMEPA)
	Integrated Reporting Türkiye Network (ERTA)
	Business and Sustainable Development Association Türkiye (BSCD Türkiye)
	United Nations Global Compact Türkiye (UNGC Türkiye)
	International Financial Reporting Standards Foundation (IFRS Foundation)
	Yanındayız Association

*Represents associations that are members through Mannok Holdings DAC, a subsidiary of CBS BV.

TSRS 1/33-46-49-51, TSRS 2/14-29-33-34-35-36

TSRS 1/33-46-49-51, TSRS 2/14-29-33-34-35-36

SUSTAINABILITY TARGET TABLES

MATERIAL TOPICS	RELEVANT SDG	KEY PERFORMANCE INDICATORS	BUSINESS LINE	UNIT	BASE YEAR	BASE YEAR VALUE	2023	2024 Target	2024 Realized	Short Term 2025	Short Term 2030	Medium Term 2035	Long Term 2050
Greenhouse Gas Emissions Management Managing Climate Crisis Risks and Opportunities	9-Industry, Innovation and Infrastructure 11-Sustainable Cities and Communities 12-Responsible Production and Consumption 13-Climate Action	Scope 1 and Scope 2 specific greenhouse gas product emission intensity	ALL	kg CO_2/ton cementitious	2021	884	780	764	756 ✓	740	623	441	Net Zero
		Scope 1 specific greenhouse gas product emission intensity	ALL	kg CO_2/ton cementitious	2021	832	762	743	742 ✓	721	613	436	Net Zero
		Scope 2 specific greenhouse gas product emission intensity	ALL	kg CO_2/ton cementitious	2021	53	18	21	14 ✓	19	10	5	Net Zero
		Scope 3 specific greenhouse gas product emission intensity (Clinker and cement purchased)	ALL	kg CO_2/ton clinker and cement purchased	2022	820	790	750	863 ←	720	580	-	-
		Clinker usage rate (Grey cement)	CEM	(%)	2022	87	84	82	80 ✓	80	75	72	-
Alternative Fuels and Raw Materials	9-Industry, Innovation and Infrastructure 11-Sustainable Cities and Communities 12-Responsible Production and Consumption 13-Climate Action	Alternative fuel usage rate (Grey Cement)	CEM	(%)	2021	13	29	-	10 →	35	40	45	-
		Alternative raw material usage rate (Grey cement)	CEM	(%)	2023	7	7	-	7 →	10	15	20	-
Renewable Energy and Energy Efficiency	7-Affordable and Clean Energy 9-Industry, Innovation and Infrastructure 11-Sustainable Cities and Communities 12-Responsible Production and Consumption 13-Climate Action	Increasing total energy efficiency	ALL	(%)	2023	-	-	-	-	10	15	20	-
		Increasing renewable electricity consumption	ALL	(%)	2022	48	54	-	63 ✓	60	> 80	> 85	-
Water Management and Protection of Water Resources	6- Clean Water and Sanitation 14-Life Below Water 9-Industry, Innovation and Infrastructure 11-Sustainable Cities and Communities 12-Responsible Production and Consumption 13-Climate Action	Reducing specific water consumption in cement production	CEM	L / ton cementitious	2022	506	358	-	312 ✓	350	300	250	-
		Ratio of water withdrawn from areas of high water stress	ALL	Volume withdrawn in stressed areas / Total water withdrawal* 100 (%)	2022	98	99	-	99 ✓	90	85	85	-
		Ensuring WASH (Water, Sanitation and Hygiene) standards	ALL	(%)	2023	95	95	95	95 ✓	>95	>95	>95	100
Conservation of Biodiversity	12-Responsible Production and Consumption 13- Climate Action 15-Life on Land	Number of priority locations with biodiversity action plans[3]	ALL	Quantity	2023	0	0	1	2 ✓	2	6		-
Responsible Investment	9-Industry, Innovation and Infrastructure 11-Sustainable Cities and Communities 12-Responsible Production and Consumption 13-Climate Action	Ratio of Mitigation, Transition and Enabler investments	ALL	% Sustainability Investment / Total Investment	2023	33	33	-	41	-	>50	>60	-
Responsible Supply Chain Management	11-Sustainable Cities and Communities 12-Responsible Production and Consumption1	Number of priority suppliers subjected to sustainability evaluation		Quantity	2023	24	24	40	74 ✓	100	All priority suppliers	All priority suppliers	-

[1] Direct Employment

[2] Total number of occupational diseases reported up to the base year

[3] BMP preparations for 2 locations started

Target realizations have been calculated excluding Mannok Holdings DAC.

✓ Target completed ← Behind target → Development in progress

TSRS 1/33-46-49-51, TSRS 2/14-29-33-34-35-36

MATERIAL TOPICS	RELEVANT SDG	KEY PERFORMANCE INDICATORS	BUSINESS LINE	UNIT	BASE YEAR	BASE YEAR VALUE	2023	2024 Target	2024 Realized	Short Term 2025	Short Term 2030	Medium Term 2035	Long Term 2050
Digitalization R&D, Innovation and Technology	12-Responsible Production and Consumption	Development of in-house artificial intelligence projects	ALL	Quantity	2023	1	-	4	9 ✓	10	-	-	-
Sustainable Products and Product Quality	9-Industry, Innovation and Infrastructure 11-Sustainable Cities and Communities 12-Responsible Production and Consumption 13-Climate Action	Ratio of sustainable product and service revenues	ALL	% Sustainable product revenue/ Net Revenue	2022	5.6	4.2	-	14.4 ✓	10	> 25	> 35	> 50
		Ratio of sustainable product and service revenues aligned with EU Taxonomy	ALL	% Sustainable products revenue aligned with the EU Taxonomy/Net revenue	2022	1.27	1.82	-	3.4 ✓	5	>10	>20	>25
Customer Focus and Experience	11-Sustainable Cities and Communities 12-Responsible Production and Consumption	Increasing NPS (Net Promoter Score) (Türkiye)	Türkiye	(%)	2022	80	77	-	87 ✓	80	>85	>85	-
		Increasing NPS (Net Promoter Score) (Global)	Global	(%)	2023	63	63	-	81 ✓	70	>80	>80	-
Occupational Health and Safety Business Continuity	3-Good Health and Well-being 8-Decent Work and Economic Growth 9-Industry, Innovation and Infrastructure	Zero Fatal Accidents	ALL	Quantity	2022	0	1	0	0 ✓	0	0	0	0
		Reducing the Lost Time Injury Frequency Rate (LTI FR)	ALL	Accidents with Lost-Daysx1 M / Working Hours	2022	3.39	2.07	2	2.99 ✓	1.8	1.5	1.5	<1
		Zero Occupational Disease[1]	ALL	Quantity	2022	5[2]	5	0	0 ✓	0	0	0	0
Employee Involvement and Development	8-Decent Work and Economic Growth	Employee engagement survey score	ALL	(%)	2022	56	64	-	-	70	80	-	-
Equality and Inclusion	5-Gender Equality 10-Reduced Inequalities	Ratio of white collar female employees	ALL	(%)	2022	27	28	-	33 ✓	-	30	-	-
		Ratio of female employees	ALL	(%)	2022	12	13		15 ✓	-	15	-	-
Corporate Social Responsibility	4-Nitelikli Eğitim 5-Gender Equality 10-Reduced Inequalities 11-Sustainable Cities and Communities 13-Climate Action	Number of vulnerable audiences (youth, women and disabled etc.) reached by inclusion programs	ALL	Number of Persons	2020	50	3,651	-	987 ✓	-	10,000	10,000	-
Managing the Sustainability Risks and Opportunities **İnsan Hakları**	10-Reduced Inequalities 11-Sustainable Cities and Communities 16-Peace, Justice and Strong Institutions	Ratio of location-based implementation of environmental and social complaint / feedback mechanism	ALL	(%)	2023	0	0	25	33 ✓	50	100	100	-
		Ratio of completion of Human Rights risk assessment	ALL	(%)	2023	0	0	10	10 ✓	25	100	100	-
Managing the Sustainability Risks and Opportunities **Corporate Governance**	16-Peace, Justice and Strong Institutions 17-Partnerships for the Goals	ESG Rating Score	ALL	(%)	2020	46	82	-	82 ✓	85	90	90	-

[1] Direct Employment
[2] Total number of occupational diseases reported up to the base year
Target realizations have been calculated excluding Mannok Holdings DAC.

✓ Target completed ← Behind target → Development in progress

SUSTAINABILITY PERFORMANCE INDICATORS

Employee Demographics

	Unit	2023	2024	External Assurance
Total Workforce	number			
Direct Employment	number	1,140	1,980	✓
Female	number	151	282	✓
Male	number	989	1698	✓
Ratio of Female Employees	%	13	14	✓
Ratio of Female Executive Employees	%	23	20	✓
Number of Blue-Collar Employees	number	664	1,232	
Female	number	18	38	
Male	number	646	1194	
Ratio of Female Blue-Collars Employees	%	3	3	
Number of White-Collar Employees	number	476	748	
Female	number	133	244	
Male	number	343	504	
Ratio of Female White-Collars Employees	%	28	33	
Permanent Subcontractor Employees	number	1,251	1,526	
Workforce Covered by Collective Bargaining Agreement	number	581	827	
The Ratio of Employees Covered by Collective Bargaining Agreement	%	51	42	
Total Workforce by Age Group	number	1,140	1,980	✓
Below 30	number	236	353	✓
30-50 (incl. 30 and 50)	number	841	1257	✓
Over 50	number	63	370	✓
Female Employees	number	151	282	✓
Below 30	number	46	73	✓
30-50 (incl. 30 and 50)	number	94	178	✓
Over 50	number	11	31	✓
Male Employees	number	989	1,698	✓
Below 30	number	190	280	✓
30-50 (incl. 30 and 50)	number	747	1079	✓
Over 50	number	52	339	✓

	Unit	2023	2024	External Assurance
Ethnicity	number	1,140	1,980	✓
Turkish	number	981	1023	✓
American	number	11	15	✓
Spanish	number	130	135	✓
Brazilian	number	1	1	✓
Columbian	number	2	2	✓
German	number	5	6	✓
Indian	number	1	3	✓
Italian	number	9	12	✓
Irish	number	0	435	✓
English/British	number	0	63	✓
Azeri	number	0	1	✓
Other	number	0	284	✓
Total Number of Management Level Employees	number	224	427	✓
By Gender	number	224	427	✓
Female	number	52	86	✓
Male	number	172	341	✓
By Age Group	number	224	427	✓
Below 30	number	21	21	✓
30-50 (incl. 30 and 50)	number	190	304	✓
Over 50	number	13	102	✓
Number of Senior Managers (N-1)	number	10	41	✓
Top-Level Female Manager Ratio	%	10	12	✓
Number of Mid-Level Managers	number	72	122	✓
Mid-Level Female Manager Ratio	%	28	25	✓
Number of First-Level Managers	number	140	264	✓
First-Level Female Manager Ratio	%	21	19	✓
Employees in Income Generating Roles	number	92	142	✓
Ratio of Female Employee in Income Generating Roles	%	26	30	✓
Managers in Income Generating Roles	number	63	103	✓
Ratio of Female Managers in Income Generating Roles	%	16	16	✓
Employees in STEM (IT, Engineering etc.) Roles	number	146	272	✓
Ratio of Female Employees in STEM (IT, Engineering, etc.) Roles	%	28	25	✓
Employees in R&D and Innovation Departments	number	16	49	
Ratio of Female Employees in R&D, Innovation Departments	%	63	39	
Employees in Digitalization Departments	number	14	23	
Ratio of Female Working in Digitalization Department	%	29	35	

GRI 2-7

Employee Demographics

	Unit	2023	2024	External Assurance
Total Number of Disabled Employees	number	29	44	
Disabled Employees Ratio	**%**	**2.5**	**2.2**	
Total Number of Promotions	number	68	90	
Number of Promoted Female Employees	number	5.0	17	
Ratio of Promoted Female Employees	%	7	19	
Employees Left	number	144	247	✓
By Gender	number	144	247	✓
Female	number	21	37	✓
Male	number	123	210	✓
By Age Group	number	144	247	✓
Below 30	number	36	77	✓
30-50 (incl. 30 and 50)	number	92	136	✓
Over 50	number	16	34	✓
Total Employee Turnover Rate	%	12.6	12	✓
Total Manager Turnover Rate (Female)	**%**	**8**	**7**	✓
Total Manager Turnover Rate (Male)	**%**	**2**	**10**	✓
Voluntarily Employee Turnover Rate	%	5.3	8	✓
By Gender	number	58	153	✓
Female	number	6	26	✓
Male	number	52	127	✓
Total Voluntarily Employee Turnover Rate (Female)	**%**	**4**	**9**	✓
Total Voluntarily Employee Turnover Rate (Male)	**%**	**5**	**7**	✓
By Age Group	number	58	153	✓
Below 30	number	26	57	✓
30-50 (incl. 30 and 50)	number	32	73	✓
Over 50	number	0	23	✓
Voluntary Manager Turnover Rate				
Total Voluntarily Manager Turnover Rate (Female)	**%**	**8**	**3**	✓
Total Voluntarily Manager Turnover Rate (Male)	**%**	**3**	**5**	✓
Involuntarily Employee Turnover Rate	%	1.9	2	
Female	number	4.0	6	
Male	number	17.0	43	
Number of Positions Filled with Internal Candidates	number	48	129	✓
Female	number	11	16	
Male	number	37	113	
The Ratio of Positions Filled by Internal Candidates to Total Hires	**%**	**33**	**39**	
Employees Left for Maternity/Parental Leave	number	40	75	✓
Employees Returned from Maternity/Parental Leave	number	39	71	✓
Employees Returned from Maternitiy/Parental Leave and Continued to Work for 12 Months	number	41	43	✓
Ratio of Employees Returned from Maternity Leave (Female)	%	100	82	✓
Ratio of Employees Returned from Parental Leave (Male)	%	100	97	✓

	Unit	2023	2024	External Assurance
Employees Hired	number	216	331	✓
By Gender	number	216	331	✓
Female	number	45	62	✓
Male	number	171	269	✓
Ratio of Newly Hired Female Employees	**%**	**21**	**19**	✓
Ratio of Newly Hired Male Employees	**%**	**79**	**81**	✓
By Age Group	number	216	331	✓
Below 30	number	115	165	✓
30-50 (incl. 30 and 50)	number	100	151	✓
Over 50	number	1	15	✓
By Management Level	number	63	43	✓
Newly Hired Female Managers	**number**	**23**	**10**	✓
Newly Hired Male Managers	**number**	**40**	**33**	✓
Employee Development				✓
Total Trainings (Direct Employment)	hour	72,999	101,361	✓
By Gender	hour	72,999	101,361	✓
Female	hour	7,761	8,491	✓
Male	hour	65,238	92,870	✓
By Age Group	hour	72,997	101,361	✓
Below 30	hour	11,928	21,247	✓
30-50 (incl. 30 and 50)	hour	57,293	73,157	✓
Over 50	hour	3,776	6,957	✓
By Management Level	hour	72,998	101,361	✓
Senior Manager	hour	642	1,057	✓
Mid-Level Manager	hour	3,432	3,776	✓
First-Level Manager	hour	12,599	7,617	✓
Other	hour	56,324	88,911	✓
Training Types	hour	72,999	101,361	✓
Ethical Rules Trainings	hour	277	586	✓
OHS Trainings	hour	43,173	78,301	✓
Mandatory	hour	15,246	21,670	✓
Non-Mandatory	hour	27,927	56,631	✓
Equality, Diversity and Inclusion Trainings	hour	1,270	110	✓
Environment and Sustainability Trainings	hour	309	3,131	✓
Other Trainings	hour	27,969	19,234	✓
Training per Employee	hour	64	51	✓
Total Number of People with OHS Training	number	1,083	1,727	✓
OHS Trainings per Employee	hour	38	40	✓
Total Cost of Trainings	TL million	6.9	14.9	✓
Training Expenditure per Employee	TL	6,039	7,510	✓
Total Trainings (Permanent Subcontractor Employees)	hour	25,443	18,561	✓
Environment and Sustainability Trainings	hour	291	19	
Total OHS Trainings	hour	25,152	18,542	✓
Number of Vulnerable Audiences Reached by Inclusion Programs	number	3,651	2,102	✓
Cost of Inclusion Programs	TL million	2.3	13.2	✓

Social Performance

	Description/Unit	2023	2024	External Assurance
Accidents	**Number**	**146**	**162**	✓
Direct Employment		34	42	✓
Permanent Subcontractor Employees		112	120	✓
Accidents with Lost Days	**Number**	**12**	**33**	✓
Direct Employment		7	9	✓
Permanent Subcontractor Employees		5	24	✓
Lost Time Injury/Accident Frequency Ratio	**(Number of Accidents* 1,000,000) / Working Hours**			
Direct Employment		**2.56**	**1.40**	
Female		0.00	0.00	
Male		2.92	1.63	
Permanent Subcontractor Employees		**1.63**	**4.41**	
Female		0.00	4.97	
Male		1.74	4.37	
Total		**2.07**	**2.99**	
Female		0.00	1.69	
Male		2.31	3.13	
Fatal Cases	**Number**	**1**	**1[1]**	✓
Direct Employment		1	0	✓
Permanent Subcontractor Employees		0	1[1]	✓
Fatal Accident Rate	**(Number of Fatal Accidents *1,000,000) / Working Hours**			
Direct Employment		0.36	0.00	
Permanent Subcontractor Employees		0.00	0.00	
Occupational Disease	**Number**	**7**	**5**	✓
Direct Employment		5	3	✓
Permanent Subcontractor Employees		2	2	✓
Occupational Disease Rate	**(Number of Accidents* 1,000,000) / Working Hours**			
Direct Employment		**1.83**	**1.05**	
Female		0.00	0.00	
Male		2.09	1.22	
Permanent Subcontractor Employees		**0.65**	**0.63**	
Female		0.00	0.00	
Male		0.70	0.67	
Total		**1.21**	**0.83**	
Female		0.00	0.00	
Male		1.4	0.92	

[1] It is a natural death caused by a heart attack, not related to work activities.

	Description/Unit	2023	2024	External Assurance
Silicosis Cases	**Number**	**7**	**5**	
Near Miss Frequency Rate (NMFR)	**(Number of Near Misses/Total Working Hours) * 1,000,000**			
Direct Employment		8.40	4.55	
Permanent Subcontractor Employees		7.82	0.94	
Lost Workdays due to Accident	**Day**	**340**	**788**	✓
Direct Employment		279	241[2]	✓
Permanent Subcontractor Employees		61	547[3]	✓
Lost Time/Accident Severity Ratio	**(Number of Lost Days * 1,000) / Working Hours**			✓
Direct Employment		**0.10**	**0.06**	✓
Female		0.00	0.00	✓
Male		0.12	0.06	✓
Permanent Subcontractor Employees		**0.02**	**0.07**	
Female		0.00	0.01	
Male		0.02	0.07	
Total		**0.06**	**0.06**	
Female		0.00	0.00	
Male		0.07	0.07	
Days of Absence	**Number**			
Direct Employment		4,547	7,376	✓
Permanent Subcontractor Employees		274	275	✓
Absence	**Hour**			
Direct Employment		54,181	57,111	
Permanent Subcontractor Employees		2,192	2,082	
Absence Rate	**"(Number of Absence *1,000) / Working Hours"**			
Direct Employment		**2.51**	**20.03**	
Female		2.12	14.99	
Male		2.56	20.83	
Permanent Subcontractor Employees		**0.11**	**0.66**	✓
Female		0.01	3.19	✓
Male		0.12	0.48	✓
Total		**1.24**	**9.82**	
Female		1.36	10.97	
Male		1.24	9.70	
Budget Allocated to Occupational Health and Safety	**TL million**	**82.2**	**59.4**	
Investments Realized within Scope of Occupational Health and Safety	**TL million**	**58.5**	**72.7**	

[2] According to the accident incident recording procedure, it affects our statistics for 159 days.
[3] According to the accident incident recording procedure, it affects our statistics for 211 days.

Sustainable Business Models

	Unit	2023	2024	External Assurance
Sustainable Product and Services	number	9	11	✓
Sustainable Product and Services Revenues	TL million	852.9	4,048.1	✓
Ratio of Sustainable Product and Services Revenue to Total Revenue	%	4.2	14.4	✓
EU Taxonomy Aligned Sustainable Products	number	5	6	
EU Taxonomy Aligned Sustainable Products Revenues	TL million	373.2	947.0	
Ratio of EU Taxonomy Aligned Sustainable Product and Service Revenue to Total Revenue	%	1.8	3.4	
All R&D and Innovation Investment Budget	TL million	107.9	43.5	
All R&D and Innovation Investments	TL million	117.9	87.6	
Sustainability-Oriented R&D and Innovation Investment Budget	TL million	107.9	43.5	
Sustainability-Oriented R&D and Innovation Investments	TL million	117.9	87.6	
Ratio of Sustainability-Oriented R&D Investment Amount to Total R&D and Innovation Investment Amount	%	100	100	

Economic Performance

	Unit	2023	2024	External Assurance
Total Production				
Cement	million ton	5.22	5.31	
Ready-Mixed Concrete	million m^3	1.80	2.48	
Total Sales				
Cement[1]	million ton	6.66	6.87	
Ready-Mixed Concrete	million m^3	1.80	2.48	
Economic Value Created				
Net Sales	TL billion	29.6	28.2	
Net Profit	TL billion	4.4	3.1	
Investment Expenditures	TL billion	2.5	14.6	
Economic Value Distributed				
Taxes Paid to the Government	TL million	487.6	244.3	
Dividends to Shareholders	TL million	906.9	1,311.4	
Wages to Employees	TL million	1,956.7	2,658.9	
Donation, Sponsorship, Social Investment and CSR Project Expenses	TL million	104.7	96.7	
ESG Rating Score[2]		**82**	**82**	

[1] Clinker is included.

[2] The Borsa Istanbul Sustainability Index and the LSEG ESG score have been taken into consideration.

Environmental Performance

Raw Material	Unit	2023	2024	External Assurance
Grey Cement Raw Material Amount	**tons**			
Natural Raw Material	million ton	5.61	5.55	
Alternative Raw Material	thousand ton	45.52	55.41	
Natural Additive (Additive in to cement)	thousand ton	315.81	306.39	
Alternative Additive (Additive in to cement)	thousand ton	243.88	246.12	
Clinker Produced	million ton	3.60	3.69	
White Cement Raw Material Amount	**tons**			
Natural Raw Material	million ton	2.67	2.51	
Alternative Raw Material	thousand ton	91.13	100.85	
Natural Additive (Additive in to cement)	thousand ton	139.17	189.84	
Alternative Additive (Additive in to cement)	thousand ton	55.15	-	
Clinker Produced	million ton	1.68	1.70	
Calcium Aluminate Cement Raw Material Amount	**tons**			
Natural Raw Material	thousand ton	111.38	120.71	
Clinker Produced	thousand ton	69.72	74.87	
Ready-Mixed Concrete Raw Material Amount	**tons**			
Aggregate	million ton	3.33	4.55	
Other Natural Raw Material	thousand ton	-	-	
Fly Ash	thousand ton	33.61	19.11	
Slag	thousand ton	31.88	28.22	
Cement Used	thousand ton	495.82	752.56	
Other Alternative Raw Material	thousand ton	-	-	
Raw Materials Extracted from Quarries	**million ton**	**8.40**	**8.18**	
Alternative Raw Material Usage Rate	**%**	**1**	**2**	
Alternative Raw Material Usage Rate (Cement) - Grey	%	7	7	✓
Clinker Utilization Ratio - Grey	%	84	80	
Alternative Raw Material Usage Rate (Cement) - White	%	3.2	0	✓
Clinker Utilization Ratio - White	%	90	89	

Environmental Performance

Biodiversity	Unit	2023	2024	External Assurance
Active Quarry Site Area	ha	703	563	
Quarry Sites Where Operations Completed	ha	5	46	
Quarry Site Area with Approved Rehabilitation Plan	ha	558	1,346	
Rehabilitated Quarry Site Area	ha	-	51	
BMP Rate (Ratio of prioritized locations with initiated BMP studies)	%	-	33	✓
Ecosystem Restoration Investments	TL	-	2,295,225	

Energy Efficiency	Unit	2023	2024	External Assurance
Total Energy Consumption	**MWh**	**6,353,919**	**6,360,983**	✓
Electricity	MWh	639,370	642,063	
Conventional Energy Consumption	**MWh**	**22,871**	**22,900**	
Total Energy Consumption of Clinker Production	**MWh**	**6,060,003**	**5,808,601**	
Renewable Energy	**MWh**			
Total Renewable Energy Production	**MWh**	**43,453**	**49,537**	✓
Electrical Energy Production from Waste Heat Recovery	MWh	41,694	38,890	
Solar Energy Production	MWh	1,760	10,648	
Total electricity consumption sourced from renewable energy resources	**MWh**	**343,453**	**412,187**	✓
Electricity procured in compliance with renewable energy certificate standards (I-REC, GO)	MWh	300,000	362,650	✓
Total electricity consumption from self-generated renewable energy sources	MWh	43,453	49,537	✓
Renewable Electric Energy Utilization Rate (Location Based)	%	7	8	✓
Renewable Electric Energy Utilization Rate (Market Based)	%	54	63	✓
Greenhouse Gas Emission Reduction Based on Renewable Electricity Utilization (Location Based)	ton CO_2 e/ year	19,076	20,586	
Greenhouse Gas Emission Reduction Based on Renewable Electricity Utilization (Market Based)	ton CO_2 e/ year	131,700	157,293	
Operational Performance Indicators				
Energy Saving	**MWh**			
Total Energy Savings (Thermal)	TJ	0.057	0.321	
Total Energy Savings (Electricity)	MWh	1,479	8,730	
Total Energy Savings	TL	4,357,570	26,609,919	
Energy Intensity	MWh / TL revenue	0.00031	0.00023	✓
Alternative Fuel Usage Rate	**%**			
Grey Cement	%	29	10	
White Cement[1]	%	28	28	

[1]The alternative fuel usage rate for white cement refers to the Buñol plant.

Greenhouse Gas Emissions	Unit	2023	2024	External Assurance
Scope 1 Emissions				
Scope 1 Total Gross Greenhouse Gas Emissions (All Business Lines)	million ton CO_2 e/year	4.75	4.87	✓
Scope 1 Net Greenhouse Gas Emissions (Cement Operations)	million ton CO_2 e/year	4.47	4.72	✓
Scope 1 Cementitious Gross Specific CO_2 Emissions	kg CO_2 e/ton	762	742	✓
Scope 1 Cementitious Net Specific CO_2 Emissions	kg CO_2 e/ton	717	725	✓
Scope 2 Emissions				
Scope 2 Total Greenhouse Gas Emissions (Location-based) (All Business Lines)	ton CO_2 e/year	244,518	246,362	✓
Scope 2 Total Greenhouse Gas Emissions (Market-based) (All Business Lines)	ton CO_2 e/year	112,818	89,069	✓
Scope 2 Cementitious Specific CO_2 Emissions (Location-based)	kg CO_2 e/ton	40.5	36.8	✓
Scope 2 Cementitious Specific CO_2 Emissions (Market-based)	kgCO_2 e/ton	18.7	13.7	✓
Scope 1 & Scope 2 Cementitious Gross Specific CO_2 Emissions	**kg CO_2 e/ton**	**780**	**756**	✓
Greenhouse Gas Emission Intensity	**t CO_2 e/ TL revenue**	**0.000238**	**0.000244**	✓
Scope 3 Emissions	**million ton CO_2 e/year**	**1.25**	**1.90**	✓
Purchased Goods and Services	ton CO_2 e/year	553,620	1,102,079	✓
Capital Goods	ton CO_2 e/year	18,606	7,111	✓
Fuel and Energy Related Activities	ton CO_2 e/year	311,138	316,658	✓
Upstream Transportation and Distribution	ton CO_2 e/year	106,754	213,666	✓
Waste Generated in Operations	ton CO_2 e/year	107	126	✓
Employee Commuting	ton CO_2 e/year	4,016	577	✓
Business Travel	ton CO_2 e/year	928	1,080	✓
Downstream Transportation and Distribution	ton CO_2 e/year	231,870	221,291	✓
Processing of Sold Products	ton CO_2 e/year	-	28,001	✓
End of Life of Treatment of Sold Products	ton CO_2 e/year	22,797	6,376	✓
Leased Assets	ton CO_2 e/year	-	47	✓

TSRS 2/29-33-34-35-36

Environmental Performance

Pollutant Air Emissions	Unit	2023	2024	External Assurance
Total Dust Emissions	**ton**	**95**	**24**	
Specific Dust Emissions	**g/ton clinker**	**47**	**20**	
Total NOx Emissions	**ton**	**10,337**	**1,474**	
Specific NOx Emissions	**g/ton clinker**	**1,276**	**1,056**	
Total SO2 Emissions	**ton**	**774**	**68**	
Specific SO2 Emissions	**g/ton clinker**	**65**	**38**	
Total Toxic Heavy Metal Emissions	**ton**	**0.38**	**0.03**	
Specific Toxic Heavy Metal Emissions	**g/ton clinker**	**0.06**	**0.03**	
Total Volatile Organic Compound (VOC) Emissions	**ton**	**244**	**15**	
Specific Volatile Organic Compound (VOC) Emissions	**g/ton clinker**	**48**	**11**	
Total Dioxin-Furane Emissions	**gr**	**0.03**	**0.01**	
Specific Dioxin-Furane Emissions	**g/ton clinker**	**0.00**	**0.00**	
Total Mercury Emissions	**ton**	**0.15**	**0.01**	
Specific Mercury Emissions	**g/ton clinker**	**0.03**	**0.01**	
Total Cd+Tl Emissions	**ton**	**0.05**	**0.00**	
Specific Cd+Tl Emissions	**g/ton clinker**	**0.01**	**0.00**	
Total HCl Emissions	**ton**	**6.36**	**4.12**	
Specific HCl Emissions	**g/ton clinker**	**4.87**	**9.21**	
Total HF Emissions	**ton**	**1.63**	**0.17**	
Specific HF Emissions	**g/ton clinker**	**0.26**	**0.20**	
Persistent Organic Pollutants (POPs)	**kg**	**-**	**-**	
Volatile Organic Compounds (VOC)	**kg**	**7,214**	**468**	
Hazardous Air Pollutants (HAP)	**kg**	**5**	**17**	
Particulate Matter (PM)	**kg**	**16**	**-**	

Water Management	Unit	2023	2024	External Assurance
Total Annual Water Withdrawal by Source	**million L**	**2,408**	**2,328**	✓
Fresh Water Withdrawn	**million L**	**2,408**	**2,328**	✓
Well Water	million L	2,376	2,319	✓
Municipal Water	million L	7	7	✓
Tanker Water	million L	26	2	✓
Surface Water (river, lake)	million L	0	0	
Sea Water	million L	0	0	
Rainwater Harvesting	million L	0	0	
Recovered Water Amount	**million L**	**90**	**187**	✓
Water Recovered In-Plant	million L	-	-	
Recovered Wastewater In-Plant	million L	90	187	✓
Waste Water Discharged by Source	**million L**	**53**	**62**	✓
Discharge	million L	-	-	✓
Wastewater Channel	million L	53	62	✓
Total Annual Water Consumption	**million L**	**2,408**	**2,295**	✓
Water Performance Parameters				✓
Specific Water Consumption	L / ton cementitious	358	312	✓
Specific Water Consumption	L / m^3 concrete	137	106	✓
Water Intensity	Water Consumption (L) / Annual Revenue (TL)	0.12	0.08	✓
Recovered/Reused Water Rate	Total Amount of Recovered Water / Total Water Consumption (%)	3.7	8.0	✓
Percentage of Water Withdrawn from Water Stressed Areas	Volume Withdrawn in Stressed Areas / Total Water Withdrawal x 100 (%)	98.6	99.6	✓
Baseline Water Stress	Total Annual Water Withdrawal / Total Available Annual Renewable Water Supply (%)	98.6	99.6	✓
Wastewater Quality				
Biological Oxygen Demand (BOD)	mg/L	15.4	5	
Chemical Oxygen Demand (COD)	mg/L	56.6	15	
Suspended Solid (SS)	mg/L	12.5	13	
pH	-	8	8	

TSRS 2/29-33-34-35-36
GRI 306-3, 306-4, 306-5

Environmental Performance

Wastes and Circular Economy	Unit	2023	2024	External Assurance
Total Hazardous Waste by Disposal Method	**ton**	**244**	**460**	✓
Landfill	ton	6	1	✓
Energy Recovery	ton	223	78	✓
Incineration	ton	-	8	✓
Recycling	ton	15	373	✓
Electronic Wastes	ton	-	0.25	
Total Non-Hazardous Waste by Disposal Method	**ton**	**6,942**	**6,876**	✓
Landfill	ton	26	367	✓
Energy Recovery	ton	23	-	✓
Incineration	ton	0.1	-	✓
Recycling	ton	6,838	5,883	✓
Composted	ton	-	-	
Disposal Method Unknown	ton	55	7	✓
Packaging Waste Generated	ton	805	618	
Reused/Recycled Waste Ratio	**%**	**95**	**85**	✓
Packaging Waste Recovery Ratio	**%**	**100**	**100**	
Total Plastic Consumption	ton	375	454	✓
Total Paper Consumption	ton	2,186	2,360	✓

Environmental Investments and Expenditures	Unit	2023	2024	External Assurance
Environmental Investments	**ton**			
Mitigation Investments	TL million	88	281	✓
Transition Investments	TL million	21	49	✓
Enabler Investments	TL million	79	40	✓
Environmental Expenditures				
Legally Mandatory Expenditures	TL million	14	14	✓
Legally Non-Mandatory Expenditures	TL million	74	19	✓
Number of Lawsuits due to Environmental Performance	**number**	**-**	**-**	
Number of Environmental Compliance Fines	**number**	**1**	**2**	
Environmental compliance fines with an amount less than 100.000 TL	number	-	-	
Environmental compliance fines with an amount over 100.000 TL	number	1	1	
Environmental compliance fines with an amount over 250.000 TL	number	-	1	
Benefits Arising from Sustainable Investments/Activities				
Environmental Benefit (Energy)	MWh	1,479	8,730	✓
Environmental Benefit (Emissions)	tCO_2	108,977	-	✓
Environmental Benefit (Water)	million L	956	114	✓

Non-financial sustainability performance indicators are presented as of 31.12.2024. In this context, only Mannok Holdings DAC data has been consolidated in the "Employee Demographics" section. In all other performance indicators, Mannok Holdings DAC data is excluded as the integration process is ongoing.

BOARD OF DIRECTORS ACTIVITY REPORT

SERIES: PREPARED ACCORDING TO COMMUNIQUE NUMBER II-14.1

JANUARY 01 - DECEMBER 31, 2024
BOARD OF DIRECTORS ACTIVITY REPORT

ANNEXES
01 JANUARY - 31 DECEMBER 2024 BOARD OF DIRECTORS ACTIVITY REPORT

1. GENERAL INFORMATION

1.1. Reporting Period

: 01 January -31 December 2024

1.2.

Commercial Title of Company	: Çimsa Cement Sanayi ve Ticaret A.Ş.
Trade Registry Number of Company	: Istanbul Trade Registry Directorate, 708500
Central Registration Number of Company	: 0257 0035 2450 0307
Website of Company	: www.cimsa.com.tr
Head Office Address	: Küçükbakkalköy Mahallesi Kayışdağı Caddesi No:1 Allianz Tower Kat: 23-24 34750 Ataşehir / İSTANBUL

1.3. Capital

Çimsa Çimento Sanayi ve Ticaret A.Ş. (Hereinafter referred to as "Company" or "Çimsa") is subject to a registered capital system, its authorized share capital is TRY 350,000,000, its issued and fully paid capital is TRY 945,591,094.

1.4. Shareholder Structure

The Company's capital structure is as follows.

SHAREHOLDER	SHARE RATIO (%)	SHARE AMOUNT (TRY)	SHARE NUMBERS (QTY)
HACI ÖMER SABANCI HOLDİNG A,Ş,	54,54	515,719,405.10	51,571,940,510
AKÇANSA ÇİMENTO SANAYİ A,Ş,	8,98	84,913,920.00	8,491,392,000
OTHER PARTNERS	36,48	344,957,768.90	34,495,776,890
GENERAL TOTAL	**100,00**	**945,591,094.00**	**94,559,109,400**

1.5. Privileged Shares and Voting Rights

There are no privileged shares.

1.6. Board of Directors

Burak Turgut ORHUN	Chairman of the Board
Gökhan EYİGÜN	Deputy Chairman
Şerafettin KARAKIŞ	Member
Seval KOR	Member
Fatma Dilek YARDIM	Independent Member (until 24.04.2024)
Demet ÖZDEMİR	Independent Member (as of 25.04.2024)
Yetik Kadri MERT	Independent Member

At the Ordinary General Assembly Meeting on 25 April 2024, as periods of office were over, elections were made for Board of Directors memberships. The period of office for the elected new members has been determined as three years until the Ordinary General Assembly Meeting in 2027, where the results of 2026 activities will be discussed.

Due to the election of new members, as a result of the discussions for a distribution of duties in the Board of Directors, Burak Turgut ORHUN has been elected as Chairman of the Board, and Gökhan EYİGÜN has been elected as Deputy Chairman.

As mentioned in the Certificate of Incorporation, the Board of Directors is comprised of six members elected in accordance with the Turkish Commercial Code and Capital Markets Law. Among the members elected in the General Assembly are two independent members.

At the 25 April 2024 Ordinary General Assembly Meeting, Fatma Dilek YARDIM's term of office expired, and Demet ÖZDEMİR was elected in her place.

The Chairman of the Board and Board Members possess the duties and rights mentioned in the Capital Markets Law and related articles of the Turkish Commercial Code and the Certificate of Incorporation.

ANNEXES
01 JANUARY - 31 DECEMBER 2024 BOARD OF DIRECTORS ACTIVITY REPORT

Board Members

Burak ORHUN
Chairman

Burak ORHUN completed his graduate degree in Boğaziçi University, department of Economy and received his Master's degree on Finance at the George Washington University in the USA and on Business Administration (MBA) at the University of Pennsylvania-Wharton Business School.

He began his career as Financial Planning and Analysis Specialist at Mercedes Benz Türk A.Ş., and following his Master's degree study, he worked in Thomson Corporation (Reuters), CapitalOne Financial and CadenceQuest, Inc. in the USA in various management duties such as Finance Manager, Portfolio Management Director, Corporate Development Director and Financial Affairs Deputy General Manager.

Between 2009-2018, Burak Turgut ORHUN worked as General Manager of Oyak Girişim Danışmanlığı and Oyak Sermaye Yatırımları. He was responsible for corporate mergers and acquisitions (M&A), and new investment projects. He concurrently worked as senior manager, executive director and chairman of the board at Oyak Group domestic and foreign chemistry and energy companies. On 03.09.2018, he was assigned as Sabancı Holding Strategy and Business Development Director. Currently, he is working as Sabancı Holding Construction Materials Group Chairman.

At the Ordinary General Assembly Meeting on 23 March 2021, he was elected for membership of Çimsa Çimento Sanayi ve Ticaret A.Ş. Board of Directors. As of 12.05.2021, he has been the Chairman of the Board of Directors of Çimsa Çimento Sanayi ve Ticaret A.Ş.

Gökhan EYİGÜN
Deputy Chairman

Gökhan EYİGÜN graduated with honors from İstanbul Technical University, the department of Business Engineering in 1998. Between 2002 and 2004, he completed his MBA degree at Rotterdam School of Management and also took part in various manager training programs at Harvard Business School. In his career of close to 20 years, Gökhan EYİGÜN has acted as manager in projects and transactions covering different industries especially on corporate funding, strategy and corporate business development.

He started his career at Arthur Andersen and primarily worked as Consultant in the area of Corporate Funding. He was one of the founders of Corporate Funding and M&A Consultancy division at PriceWaterhouseCoopers and worked as division manager. Since 2007, Gökhan Eyigün has taken management duties at different levels at Sabancı Holding. Currently, he is working as Sabancı Holding Strategy and Business Development Group Chairman.

On 12 May 2021, he was elected as member of the Board of Directors of Çimsa Çimento Sanayi ve Ticaret A.Ş. As of 25 March 2022, he has been the Deputy Chairman of the Board of Directors of Çimsa Çimento Sanayi ve Ticaret A.Ş.

Şerafettin KARAKIŞ
Member

Şerafettin Karakış graduated from Istanbul University, Faculty of Political Sciences, the department of Public Finance in 1994. In 1996, he completed his master's degree in Public Finance Policy and Theory at the same university and Executive MBA degree at Sabancı University in 2008.

He started his career as Accounts Specialist at the Account Specialists Board of Ministry of Finance in 1995. In 2006, he started working as Financial Advisor at Sabancı Holding. He is currently working as Division Head in Financial Affairs, Accounting and Investor Relations at Sabancı Holding. Şerafettin KARAKIŞ has taken duties at the Board of Directors of Sabancı Group companies and is also the Tax Working Group President of TÜSİAD.

He has been a member of the Board of Directors of Çimsa Çimento Sanayi ve Ticaret A.Ş. as of 16 February 2022.

ANNEXES
01 JANUARY - 31 DECEMBER 2024 BOARD OF DIRECTORS ACTIVITY REPORT

Seval KOR
Member

Seval Kor graduated in 2002 from Istanbul University, the department of Economics in English. She started her career as a specialist in Behavioral Sciences Institute in 2002. Afterwards, Seval Kor started working as Consultant at Şensezgin-Kurmuş Consultancy company in 2004 and joined the Sabancı Group in 2006. She worked as HR Specialist at Sabancı Holding from 2006 to 2010. Later, she joined Aksigorta as HR Manager. Seval Kor continued her career as Talent Manager and HR Business Partner at Coca-Cola İçecek company from 2011 to 2015. She worked at Borusan Holding as HR Director from 2015 until 2018. Seval Kor joined Sabancı Group again in 2018 and is currently acting as Sabancı Holding HR Director.

She has been a member of the Board of Directors of Çimsa Çimento Sanayi ve Ticaret A.Ş. since 25 March 2022.

Demet ÖZDEMİR (as of 25.04.2024)
Independent Member

Demet Özdemir, a graduate of METU Business Administration, holds a postgraduate diploma in International Finance from the London School of Economics. During her nearly 30-year career, which started with Arthur Andersen and 15 years of which she spent as Senior Corporate Finance Partner at Ernst&Young (EY), she provided mergers, acquisitions, public offerings, restructuring and financial advisory services.

As Private Equity Sector Leader and Corporate Finance Partner at EY Türkiye and Central and South Eastern Europe, Demet Özdemir has led projects in the finance, energy and infrastructure, retail, consumer products and services sectors and also served as the Growth Markets Leader for EMEIA (Europe, Middle East, India and Africa) region at EY. Demet Özdemir, who currently has independent board memberships at various institutions, serves as a board member of the British Chamber of Commerce in Türkiye and General Manager of BGN. She was a board member of the Women on Board Association Türkiye and the Young Achievement Education Foundation, a member of the EY Global Business Women Advisory Board and a member of the EY Women Fast Forward and Women3 Forum Management Committee. Özdemir, a former national skier who won Turkish championships between 1987-1991, is married and has one son. At the Ordinary General Assembly Meeting on 25 April 2024, she was elected as Independent Member of Çimsa Çimento Sanayi ve Ticaret A.Ş. Board of Directors.

Demet Özdemir's declaration of independence is included in the Information Document for the 2023 Ordinary General Assembly Meeting dated 25 April 2024.

Fatma Dilek YARDIM (until 24.04.2024)
Independent Member

Fatma Dilek Yardım was born in 1963 in İstanbul. After graduating from Sankt Georg Austrian High School, she received her degree from Boğaziçi University, the department of Business Administration. She completed the shared MBA Program of Manchester Business School & University of Bangor.

She started her career in 1988 at Interbank. She worked as Director at Bankers Trust A.Ş. from 1990 to 1999, as General Manager and Deputy General Manager at Deutsche Bank A.Ş. from 1999 to 2007, General Manager and Customer Services Director at Credit Agricole Investment Bank Türk A.Ş. from 2007 to 2012, and as General Manager and Corporate Clients Chairwoman at Standard Chartered Investment Bank Türk A.Ş. from 2012 to 2016. Yardım provided consultancy to the UK company Experian in their Türkiye growth strategy from 2017 to 2018. She has been acting as the Istanbul Branch Manager of the real estate investment fund of the German company Commerz Real since 2019.

During her career, she has taken roles in non-governmental organizations such as YASED, TUSİAD and DEIK. Fatma Dilek Yardım is fluent in English and German.

At the Ordinary General Assembly Meeting on 23 March 2021, she was elected as Independent Member of Çimsa Çimento Sanayi ve Ticaret A.Ş. Board of Directors. On 24 April 2024, her term of office ended.

Yetik Kadri MERT
Independent Member

After graduating as Cartography Engineer from Middle East Technical University, he received his MBA on Finance from Fairleigh Dickinson University in the USA.

Yetik Kadri Mert started his professional career in large-scale construction projects in various Middle East countries. He worked as Deputy General Manager at Sümertaş Group of Companies. He worked as General Manager and Board of Directors Member at Ortech in the USA, Çamsan A.Ş. in Ankara and Doğan Group Companies in Istanbul.

MERT joined the Sabancı Group as Strategic Planning and Business Development Director in 2003 and continued his career as General Manager at Enerjisa Üretim A.Ş. in 2004. He joined Enerjisa Başkent EDAŞ as CEO in 2008 and was assigned as CEO to Enerjisa Enerji A.Ş. in 2011.

He worked as CEO of STFA Yatırım Holding A.Ş. and group companies' Chairman of the Board and Deputy Chairman from 2016 to 2018.

He has been an independent member of Çimsa Çimento Sanayi ve Ticaret A.Ş. Board of Directors since 23 March 2021.

Yetik Kadri Mert's declaration of independence is included in the Information Document for the 2023 Ordinary General Assembly Meeting dated 25 April 2024.

1.7. Auditor

Regarding the selection of Auditor within the scope of the Turkish Commercial Code Article 399, with the suggestion of the Audit Committee and the proposal of the Board of Directors, in accordance with the Turkish Commercial Code No. 6102 and Capital Markets Law No. 6362, the Ordinary General Assembly Meeting for the year 2022 held on 29 March 2023 confirmed the selection of PwC Independent Auditing and Public Accounting Inc., for auditing the financial reports of our Company in the 2023 activity period and undertaking other duties in scope of the related regulations in these laws.

1.8. Executive Managers

Umut ZENAR	General Manager
Mustafa AYDIN	Deputy General Manager (Finance and Financial Affairs)
Erdal ARAÇ	Deputy General Manager (Supply Chain)
Memet Metin ÇALIŞKAN	Deputy General Manager (Enterprises) (until 01.11.2024)
Ozan Keskin	Deputy General Manager (Enterprises) (as of 01.11.2024)
Tuğba ÇÖRTELEKOĞLU	Deputy General Manager (Human Resources and Sustainability)
Onur YAZGAN	Deputy General Manager (White Cement Marketing and Sales)
Barış KARAHÜSEYİN	Deputy General Manager (Grey Cement Marketing and Sales)

Umut ZENAR
General Manager

Umut Zenar graduated from Boğaziçi University, the department of International Relations and completed an Executive MBA at Boğaziçi University. He started his career as Business Development Specialist at Zorlu Holding in May 2003. Joining our Group in December 2004, Zenar worked as Sales and Marketing Specialist, Marketing and Sales Planning Manager, Strategy and Business Development Manager, Strategy, Business Development and Marketing Manager at Akçansa until December 2016. Afterwards, he worked as Sales and Marketing Deputy General Manager and Akçansa General Manager. Zenar acted as General Coordinator at Oyak Cement Concrete Paper Group from December 2016 to June 2018. He worked as Akçansa General Manager from July 2018 to August 2020. As of 1 September 2020, he has been assigned to the Çimsa General Manager position.

ANNEXES
01 JANUARY - 31 DECEMBER 2024 BOARD OF DIRECTORS ACTIVITY REPORT

Mustafa AYDIN
Deputy General Manager (Finance and Financial Affairs)

Mustafa Aydın graduated with double majors in Economy and Business from Boğaziçi University in 2006 and completed Sabancı University Executive MBA in 2017. From 2006 to 2007, he acted as Inspector at Garanti Bank Inspection Board. He worked as Account Specialist at Account Specialists Board of Ministry of Finance from 2008 to 2013, Public Accountant at Sabancı Holding from 2013 to 2020 and Group Manager Responsible for Financial Affairs and Digitalization at Enerjisa Enerji Üretim from 2020 to 2021. Finally, he has served as Financial Affairs and Investor Relations Director at Sabancı Holding since November 2021. As of 1 January 2023, he has been assigned as Çimsa Deputy General Manager (Finance and Financial Affairs).

Erdal ARAÇ
Deputy General Manager (Supply Chain)

Erdal Araç graduated from Uludağ University, Department of Industrial Engineering in 2002. Between 2003 and 2005, he completed his Master's degree in Engineering and Technology Management at Çukurova University. He then completed his MBA program at Çağ University in 2012 and his PhD in Supply Chain Management at Çukurova University in 2022. Erdal Araç started his career as Production Planning Engineer at Bossa in 2003 and worked as Investment Planning Engineer, White Cement Export Chief and Export Manager at Oyak Cement Concrete and Paper Group between 2005 and 2018, respectively. Having started to work at Çimsa as Export Sales Manager in August 2018, Dr. Erdal Araç served as Export Sales Manager, Trade Marketing Manager, Türkiye & MENA & Russia & Ukraine Regional Sales Manager, Sales Marketing Group Manager, respectively. He has been working as Purchasing Group Manager since 01.02.2023. As of 15 December 2023, he was appointed as Çimsa Deputy General Manager (Supply Chain).

Memet Metin ÇALIŞKAN
Deputy General Manager (Enterprises) (until 01.11.2024)

Memet Metin Çalışkan graduated from Istanbul Technical University, the department of Metallurgy Engineering in 1994. He completed the Executive MBA program at Sabancı University in 2004. From 2001 to 2006, he worked as Process Engineer and Production Manager at Beksa Çelik Kord, a Sabancı-Bekaert partnership. As of 2007, he acted as Global Technology Manager at Bekaert Belgium, Plant General Manager in Russia, and Plant General Manager in Spain-Italy Factories. In 2017, he took a role again at Bekaert Belgium Headquarters as Global Program Manager in the Fit for Growth transformation program. On 9 September 2020, he started working as Group Manager at Çimsa Çimento San. ve Tic. A.Ş. As of 1 November 2020, he was assigned to the Enterprises Deputy General Manager position.

Ozan KESKİN
Deputy General Manager (Enterprises) (as of 01.11.2024)

Deputy General Manager (Enterprises) Ozan Keskin graduated from Middle East Technical University, Department of Mechanical Engineering in 2000. He started his professional career as a Site Engineer at Odak Construction company in 2002 and worked as a Maintenance and Control Engineer at Istanbul Shipyard in 2003. Between 2004 and 2007, he worked as Mechanical Maintenance Engineer at OYAK Adana Cement and then as Maintenance Method Engineer and Mechanical Maintenance Chief Engineer at Lafarge Aslan Cement between 2007 and 2010. Between 2010 and 2018, he worked as Preventive Maintenance Chief Engineer, Project Chief Engineer, WHR (Waste Heat Recovery) Power Plant Chief Engineer, Technical Services Manager and Investments & Project Manager at Oyak Aslan Cement. Ozan Keskin, who joined Çimsa in 2018 as Investments Manager, successfully served as both Investments Maintenance Group Manager and acting Niğde Plant Manager between 2021 and 2022. Ozan Keskin, who has been serving as Investments Group Manager since January 2021, was appointed as Enterprises Deputy General Manager as of 1 November 2024.

Tuğba ÇÖRTELEKOĞLU
Deputy General Manager (Human Resources and Sustainability)

Tuğba Çörtelekoğlu graduated from Boğaziçi University, the department of English Language and Literature in 1997 and completed her master's study at the University of Leeds in the area of Human Resources. Before starting working as Çimsa Human Resources Deputy General Manager, Çörtelekoğlu worked at SAP Turkey, Doğan Yayın Holding, Arthur Andersen, Betek Boya and Toyota. From 2013 to 2018, she worked as Human Resources Director at Betek Boya. As of 2 January 2019, she has been assigned as Çimsa Human Resources and Sustainability Deputy General Manager.

Onur YAZGAN
Deputy General Manager (White Cement Marketing and Sales)

After graduating from Galatasaray University, the department of Industrial Engineering in 2005, Onur Yazgan completed the MBA program at Boğaziçi University in 2010. He started his career as Export Sales Manager at Unika Universal Cable in 2006. From 2010 to 2016, he worked at Akçansa respectively in the areas of Marketing, Strategy Marketing and Process Development, Marketing and Sales Development, North Marmara Region Sales. From 2017 to 2018, he worked as Marketing and Value Added Products Director at Oyak Çimento, and from 2018 to 2019, he worked as Cement Sales and Marketing Deputy General Manager at Akçansa. On 1 August 2019, he was assigned as Çimsa Integration Management Office Deputy General Manager. On 1 January 2020, the position of Integration Management Office Deputy General Manager was abolished and Yazgan was assigned as Deputy General Manager White Cement Marketing & Sales. He is currently continuing this duty.

Barış KARAHÜSEYİN
Deputy General Manager (Grey Cement Marketing and Sales)

Barış Karahüseyin graduated from Istanbul Technical University, the department of Civil Engineering in 1996, and completed Istanbul University MBA program in 2007. From 1998 to 2009, he acted as Facility Chief in Italcementi Group. He worked as Region Manager (Ready Concrete) at Traçim Çimento from 2009 to 2010, Deputy General Manager at Boğaziçi Concrete from 2010 to 2013 and in senior roles at Cementir Group from 2013 to 2018, and finally as Sales and Marketing Deputy General Manager. Karahüseyin joined Akçansa as Ready Concrete and Aggregate Deputy General Manager in August 2018 and worked as Sales and Marketing Deputy General Manager at Akçansa from August 2019 to 2021. As of 11 August 2021, he has been assigned as Çimsa Grey Cement Marketing & Sales Deputy General Manager.

1.9. Prohibition of Transaction with the Company and Non-Competition:

During the term, Board of Directors Members have not made any transactions that were in the scope of the prohibition of transaction with the company and non-competition.

2. CORPORATE GOVERNANCE AND SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

2.1. Statement of Compliance with Corporate Governance Principles

Çimsa Çimento Sanayi ve Ticaret A.Ş. continuously strives to comply with the "Corporate Governance Principles" published by the Capital Markets Board. In this context, according to the Corporate Governance Communique (II-17.1) which was published and put in force on 3 January 2014, compliance works with mandatory principles have been completed, and other non-mandatory terms are mostly complied with. As for the non-compliant parts, although compliance cannot be achieved today due to the Company's management structure and high costs, compliance efforts are ongoing.

Our Company's Corporate Governance Compliance Report for the term 01 January - 31 December 2024 has been prepared as "Corporate Governance Compliance Report" ("URF") and Corporate Governance Information Form" ("KYBF") in accordance with the decision dated 10.01.2019 and number 2/49 of the Capital Markets Board and published on the Public Disclosure Platform ("KAP"). The aforementioned disclosures can be accessed at, https://www.kap.org.tr/tr/sirket-bilgileri/ozet/908-cimsa-cimento-sanayi-ve-ticaret-a-s.

2.2. Shareholders

2.2.1. Investor Relations Section

In our Company, assignments have been made for holding General Assembly meetings, using shareholder rights and covering share transactions and information requests of shareholders. Our personnel responsible for these topics act in issues from monitoring capital markets regulations and providing relations with shareholders, to keeping records of shareholders for capital increases, providing disclosure to the public within scope of the legislation and covering information requests of shareholders regarding the company including the website. Questions from shareholders on the issues of capital increases, dividend payments and participating in General Assembly meetings are answered in writing, verbally or by e-mail except on issues which are confidential and trade secrets. The Website has been renewed to allow investors to receive more regular information on Company activities and access all kinds of data on

ANNEXES
01 JANUARY - 31 DECEMBER 2024 BOARD OF DIRECTORS ACTIVITY REPORT

the Company. All written or verbal information requests from investors have been responded on time. In the aforementioned unit, the duties are being performed by Financial Planning, Analysis and Investor Relations Group Manager Özge ÖZCAN and Investor Relations Group Manager Öktem SÖYLEMEZ, holder of SPF Level 3 no. 208683 and Corporate Governance Rating Licenses no. 701667, under the management of Deputy General Manager (Finance and Financial Affairs) Mustafa AYDIN, holder of SPF Level 3 no. 206849 and Corporate Governance Rating License no. 701126, and they can be reached by e-mail at m.aydin@cimsa.com.tr, o.ozcan@cimsa.com.tr, o.soylemez@cimsa.com.tr or by phone at 0(216) 5547016, 0(216) 5547064 and 0(216) 5547079.

The Company is paying attention to taking all precautions necessary to provide investor satisfaction. In 2024, a total of 124 investor & analyst meetings were held physically and online with 57 different institutions. In addition, an Investor and Analyst Day was held on 24 December 2024 with the participation of 60 investors and analysts. Thus, 2024 was completed with 184 institutional investor and analyst meetings in total. Also, starting with dividend payments and participations to General Assembly meetings, close to a total of 150 shareholders have contacted the units to receive information in related issues and all of these requests have been responded verbally and/or in written form.

2.2.2. Exercising Rights of Shareholders to Receive Information

Shareholders who attend to the General Assembly meeting and register by having their names written on the attendance sheet, those who reach by phone or e-mail during the term and those who personally arrive at the Company and request information are provided information on financial and administrative issues. For extending the shareholders' rights to receive information and for them to exercise their rights accurately, necessary information and documents as well as financial tables are continuously updated and provided in Turkish and English on our Company's corporate website (www.cimsa.com.tr) within the compulsory notification periods for the information of shareholders. In 2024, information requests on issues such as previous term capital increases, dividend distributions, share exchange and transition to a recorded system and general assembly were answered by phone, e-mail, fax and personal face-to-face conversations. Shareholders may monitor information about the company at (www.cimsa.com.tr), from disclosures on material events made to the Public Disclosure Platform (www.kap.gov.tr) and newspaper advertisements. There are no terms in the Certificate of Incorporation about assigning a private auditor. No requests on this issue were received from shareholders in 2024.

2.2.3. General Assembly Meetings

The Company makes General Assembly invitations in accordance with the Turkish Commercial Code (TTK), Capital Markets legislation and Certificate of Incorporation terms.

The Ordinary General Assembly Meeting was held on 25 April 2024, and the quorum was 66.96%. The results of the meeting were registered on 16 May 2024 and declared in the Turkish Trade Registry Gazette dated 21 May 2024. The results of the Ordinary General Assembly Meeting were provided for the information of our partners on the Public Disclosure Platform (KAP), our Company's website (www.cimsa.com.tr) and the page for our Company in the information portal of the Central Registry Agency (MKK).

Among the stakeholders, those who wanted to participate have completed the necessary formalities and attended the General Assembly physically and electronically. Invitation to the General Assembly meeting was performed in accordance with the Turkish Commercial Code and the Certificate of Incorporation, and this was confirmed by the Ministry Representative. Before the General Assembly, the declaration of meeting and the agenda were notified to shareholders by publishing on KAP, the information portal of the Central Registry Agency (MKK), our Company's website and Turkish Trade Registry Gazette. In the meeting, shareholders were given the right of asking questions and necessary explanations have been made. The partners have been informed about the sum of donations during the term (the year 2023) and the limit of donations to be made in 2024 has been added as a separate article to the meeting agenda. The annual report was created and distributed to partners participating in the General Assembly, and the partners were informed about activities for the previous year.

Important decisions present in the Turkish Commercial Code are presented for the approval of shareholders in the General Assembly. When legal compliance with the Corporate Governance Principles is established, all important decisions which will be present in changing laws will also be presented for the approval of shareholders in the General Assembly.

In article 1527 of the Turkish Commercial Code (TTK), the decision was finalized that participating, providing suggestions, declaring opinions and voting in electronic media for general assemblies of corporations bear the same legal consequences as physical participation and voting, and also that it is now mandatory for publicly traded companies to provide a system for electronically attending general assemblies and voting.

The "Regulation on General Assemblies of Corporations on Electronic Media" issued by the Ministry of Customs and Trade to define the codes of practice for article 1527 of the TTK (EGKS Regulation) has been published in the Official Gazette dated 28 August 2012 issue 28395. The "Communique on Electronic General Assembly System to be Applied in the General Assemblies of Corporations" which regulates the procedures and principles of the establishment, operation, technical issues and security criteria of the electronic general assembly system has been published in the Official Gazette dated 29 August 2012 issue 28396, and the effective date of these regulations was specified as 1 October 2012. According to paragraph three of the 5th article of EGKS Regulation, attending the general assembly meetings of publicly traded companies on electronic media, assigning representatives, providing suggestions, declaring opinions and voting will be performed on the electronic general assembly system (EGKS) provided by the Central Registry Agency (MKK).

Also, articles 415 and 417 of the Turkish Commercial Code foresee important changes in attending the general assemblies of corporations whose shares are recorded and monitored by the MKK. According to article 13 of the Capital Markets Law, the list of owners of recorded monitored shares who may attend the general assembly will be organized according to the "Shareholders Chart" which will be provided electronically from MKK over EGKS according to the first paragraph of 417th article of Turkish Commercial Code. If real persons in this list physically attend the meeting, they are only required to display their identity documents, and for legal entities to provide a document of representation.

Paragraph 4 of article 415 of the Turkish Commercial Code concludes that the right to attend the general assembly and vote cannot rely on the condition of providing documents to prove share ownership or storing share documents "in advance". The new TTK ends the blockade system that was used previously in capital markets.

The system of providing letter of attorney via notary, which was applied during the previous TTK term, is kept as an option. The ability to assign the proxy electronically via EGKS, a legal novelty that will provide significant benefits to the application of general assembly, is introduced with the EGKS Regulation. The proxy assigned by electronic method can attend the general assembly meeting electronically or also physically as a proxy. In the list the Company will provide from the MKK via EGKS which shows the share owners, proxy information provided over EGKS (such as proxy name) will also be present. The electronically assigned proxy via EGKS is not required to present a separate physical power of attorney.

General Assembly meeting method:

The Chairman of the Board is the Director of General Assembly meetings. When the Chairman is not present in the meeting, the Deputy Chairman of the Board performs this duty. When these persons are not present, the director is elected by majority vote by the General Assembly.

The Director assigns the record holder and, if he/she deems necessary, the vote collector to form the meeting directorate. The General Assembly Director is responsible for ensuring the Legal compliance of the meeting.

At least 3 weeks before the General Assembly, the financial tables and annual reports are held ready at the Company Head Office. Declaration of General Assembly meetings must be made at least 3 weeks in advance.

Both notifying the financial tables to Public Disclosure Platform (KAP) and, after printing the Annual Report, sending all kinds of information and report to addresses of requesters by mail, fax or e-mail are done with the fastest delivery method. In our General Assemblies, asking questions and declaring their opinions are the most natural rights of share owners. Therefore, the rights of our Company partners to ask questions, providing suggestions for the agenda, speaking about their suggestions are duly ensured by the Council. All information including financial tables and independent audit reports, profit sharing suggestions and information and documentation on the General Assembly Agenda, the distribution of capital among the partners and the Corporate Governance Compliance Report are present on the Company website.

While it is possible to access all General Assembly Logs and attendance sheets by years on the website and Company Head Office, these records are also present in the Turkish Trade Registry Gazette archive of the Istanbul Trade Registry Directorate.

2.2.4. Voting Rights and Minority Rights

In General Assemblies, each share has one voting right, and there are no privileges in voting rights. Voting rights are exercised in the General Assembly according to the regulations on representation and method of voting (article 19 and 20 of the Certificate of Incorporation). Regulations from the Capital Markets Board on proxy voting are followed. There are no regulations on cumulative voting in the Certificate of Incorporation. Such a regulation has not been made considering that at the current partnership percentages and partner structure, providing cumulative voting rights would disrupt the harmonious management structure of the Company.

ANNEXES
01 JANUARY - 31 DECEMBER 2024 BOARD OF DIRECTORS ACTIVITY REPORT

2.2.5. Profit Share Right

The Company's profit sharing has been established in article 26 of the Certificate of Incorporation. Accordingly, from the net profit remaining after deducting the taxes which are compulsory to be paid from the gross profit, profits are shared in the framework set by the Certificate of Incorporation with the offer of Board of Directors and at a rate approved by the General Assembly, also taking into account the provision of contingency reserves and Capital Markets Board's legislation. Our company shares profits within the legal periods. As a dividend distribution policy, our Company has adopted distributing at least 50% of the distributable profit to partners. This policy can be reviewed every year by the Board of Directors according to national and global economic conditions, projects in the agenda and the status of funds. There are no privileges in profit distribution.

2.2.6. Transfer of Shares:

There are no provisions that limit the transfer of shares in the Certificate of Incorporation.

2.3. Public Disclosure and Transparency

2.3.1. Company Website and its Content

Monitoring, overseeing and improving the public disclosure and notification policy of Çimsa Çimento Sanayi ve Ticaret A.Ş. are under the authority and responsibility of the Board of Directors. The Disclosure Policy has been formed and approved by the Board of Directors in scope of the SPK Corporate Governance principles on 30 April 2009, revised on 27 February 2017 and disclosed to public with a Material Event disclosure, and is published at (www.cimsa.com.tr). According to this policy, 6th and 12th month financial tables that have been independently audited and 3rd and 9th month financial tables that have not been audited are disclosed to public.

Announcement of the consolidated reports, prepared in line with the Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS/TFRS") published by the International Financial Reporting Standards Public Oversight Accounting and Auditing Standards Authority, has been made within the terms stated by the SPK.

Disclosure of company-related information is made by press bulletins, electronic mails, telephone communications and reviews with media companies and news agencies during the year.

Also, as recommended by the SPK Corporate Governance principles published under the Disclosure Policy, they can be accessed through the website.

Our company has a website (www.cimsa.com.tr). The content of our website is being improved in line with the Turkish Commercial Code, Regulation on Companies' Websites to be Established and SPK's Corporate Governance Principles as well as customers' requests. People and organizations that would like to receive information on our Company can find such information on our website. The last 5 years' reports and documents, published also on the Public Disclosure Platform according to SPK's Communiqué on Material Events Disclosure number (II-15.1), are present in Turkish and English on the website under the header Investor Relations as below.

- Corporate Governance
- Consolidated Financial Reports
- Annual Reports
- Material Event Disclosures
- Information Society Services

Under these headings:

- Company Information
- Shareholder Structure
- Senior Management
- Board of Directors
- Board of Directors Committees
- General Assembly Information
- Trade Registry Information
- Certificate of Incorporation
- Corporate Governance Compliance Report
- Disclosure Policy
- Dividend Distribution Policy
- Remuneration Policy
- Donations Policy
- Frequently Asked Questions
- Financial Reports
- Annual Reports
- Material Event Disclosures

sections are present.

Our website also includes information such as Corporate Profile, Products and Services, Sustainability, Human Resources and Contact.

2.3.2. Annual Report

In the Annual Report, compulsory information are presented under the Compliance with Corporate Governance Principles Report, and our studies to include non-compulsory information are ongoing.

2.4. Stakeholders

2.4.1. Notification of Stakeholders

Notifications to all stakeholders are made as periodical public notifications and material event disclosure forms, through the Public Disclosure Platform (KAP) as required by the related legislation. Issues such as Ordinary and Extraordinary General Assembly meetings and dividend distribution are announced on the Turkish Trade Registry Gazette and the Company website as required by related legislation and the Certificate of Incorporation. Also, notifications are made with press meetings, press bulletins and interviews with media corporations.

Company employees are notified with the Company bulletin published once in three months, information sent by e-mail, internal trainings provided, through the Çimsa portal and annual notification meetings as well.

For customers, notifications are made with annual meetings and presentations as well as trainings and seminars.

Partners are informed in real time in a correct and comprehensible way except if the information rated as classified and trade secrets. The Company has created the necessary mechanisms to allow stakeholders to forward Company's operations against the legislation and those that are ethically unacceptable to the Corporate Governance Committee or the Audit Committee.

2.4.2. Participation of Stakeholders in Management

Meetings are made with employees at least once a year where previous year's activities are assessed and targets for the next year are shared, and feedback is collected.

In scope of business excellence, learning organization efforts and the suggestion system; team work is encouraged and participation of project teams is ensured in issues affecting the Company such as determining targets, process improvement and investment.

Partners' participation in Company management is ensured by Ordinary and Extraordinary General Assembly Meetings.

Customers' participation in Company management is provided by dealer meetings and customer loyalty surveys.

2.4.3. Human Resources Policy

The Corporate Development and Human Resources vision of the Company is to create a culture of high performance, and the mission is to ensure organizational change and development. In this scope, individual business and competency targets determined in line with the company strategy and company targets ensure an efficient and well-ordered structural performance management. Policies towards organizational change and development, in scope of increasing the competency of the company and responding to changing needs are planned and applied.

Issues regarding unionized (in scope) employees are managed in scope of the Group Collective Employment Agreement in effect. Also, Employee Representation, Corporate Development and Human Resources, Corporate Communication, Code of Ethics Consultancy and Occupational Health and Safety units in the organizational structure manage the relations with all employees. Detailed, written and current regulations and procedures that cover arrangements and applications related to work life are present.

There have been no complaints to date from Çimsa employees about discrimination in the Company.

2.4.4. Code of Ethics and Social Responsibility

2.4.4.1. Code of Ethics

In our Company, code of business ethics have been formed and implemented. The code of business ethics have been published on the website and disclosed to the public. Employees are informed about the code by publishing it on the Company's internal communication portal, distributing printed booklets to all employees and by carrying out trainings. Our Company conducts regular trainings to raise the awareness of its employees on business ethics and to ensure sustainable compliance with ethical rules. Accordingly, at the end of each year, employees are assigned a Year-End Briefing Training via Sabancı Holding's online training portal on business ethics principles, aiming to renew and strengthen the awareness and knowledge of all employees.

In addition, Code of Business Ethics Information Training is assigned to new employees who join Çimsa in the relevant year in order to inform them comprehensively about ethical processes and business ethics rules. A signed Ethical Compliance Declaration/Survey is obtained from all our employees at the end of the training.

Locations of Çimsa facilities have further importance than just being physical plant locations. In these regions, Çimsa's stakeholders and employees continue their lives and bring up young generations that will work in the Company in the future.

For Çimsa, being an active and respected member of society holds great importance. Çimsa is a leading employer in locations where its factories are present. Regions where the Company operates are affected directly and indirectly from operations. Çimsa is focused on correctly detecting the expectations of society and answering its stakeholders' needs and expectations wherever it operates.

2.4.4.2. Çimsa's Corporate Social Responsibility Approach

Shaping tomorrow for the next generations, Çimsa continued its social responsibility efforts which create value for society and aim to improve society also in 2024. Çimsa considers acting with social responsibility in all operations among its most important values. In this scope, improving society by responsibly managing economical, social and environmental effects of all operations is considered a priority objective.

Çimsa does not limit the frame of its social responsibility understanding with its business branch and areas affected by this branch but prioritizes what is best and most correct for society and the environment. Therefore, it seeks to spread the benefit it creates to wider masses.

Çimsa aims to improve the shared quality of life by realizing the most advantageous improvements and innovations in areas such as education, environment, health, children and disabled individuals prioritized in line with its social responsibility approach.

Çimsa considers social responsibility concept, business processes and company culture as a whole and will continue to create works that provide sustainable and permanent value.

Social Responsibility

As Çimsa, we carry out projects based on nature and people, aiming to raise the level of individual and social welfare, and we aim to expand the impact of our social responsibility efforts to reach a wider audience with the benefits they create.

Sabancı Youth Mobilization

Çimsa Technology and Impact Center

Sabancı Group, which laid the foundations of a new social enterprise model across Türkiye, launched the "Technology and Impact Center" in collaboration with universities in various cities of Türkiye as part of the Sabancı Youth Mobilization. As Çimsa, we inaugurated the Çimsa Technology and Impact Center in Eskişehir, one of the cities with the highest density of university students in Türkiye, in collaboration with Eskişehir Technical University (ESTÜ). At the end of 5 years, we aim to reach approximately 500 students at the Çimsa Technology and Impact Center, where ideathon activities will enhance their ability to think creatively, solve problems and develop innovative ideas, while creating a foundation for the development of entrepreneurship ideas connected to the industry. The establishment of sustainability-oriented startups will be encouraged. Entrepreneurs in the region will be able to transform their bright ideas into disruptive innovations while integrating into the Turkish startup ecosystem. Role model meetings and mentoring programs will be designed as powerful tools to support students' career planning and social solidarity. Through factory technical visits and role model meetings, students will have the opportunity to meet and connect with industry professionals. The activities within the Center will be expanded to include vocational high school and associate degree students as well. Activities at these centers will be supported by gender equality trainings and projects to increase women's employment. Thus, Çimsa Technology and Impact Center will serve as a bridge to strengthen women's employment in the industry.

Battery Powered Wheelchair Support for Disabled Individuals

As part of the Disabled Week, our corporate social responsibility project, which we carried out in collaboration with Mersin Metropolitan Municipality with the aim of facilitating the inclusion of disabled individuals in social life and drawing attention to the problems they encounter in daily life, reached its 10th year.

With the support we provided to overcome obstacles, we delivered nearly 500 battery-powered wheelchairs to those in need. As Çimsa, we will continue to contribute to society to create a more accessible world.

Contribution to Sports and Cultural Life

Çimsa Cementos, the subsidiary of Çimsa in Spain, continued to be the jersey sponsor of Valencia Buñol Football Club.
Çimsa Cementos sponsored the "La Tomatina" festival, which drew 20 thousand people from all around the world this year, as it had the year before.

ANNEXES
01 JANUARY - 31 DECEMBER 2024 BOARD OF DIRECTORS ACTIVITY REPORT

Developments on Sustainability

- Çimsa was included in the FTSE4Good Emerging Index, designed to measure the performance of companies in emerging markets within the scope of Global ESG (Environmental, Social and Governance) standards.
- Within the scope of the "SAYEM Green Transformation Call" supported by TUBITAK and the World Bank, Çimsa's project proposal on "Producing sustainable grey concrete mortar for use in 3D Printers" was entitled to be supported. With this project, Çimsa aims to build more environmentally friendly 3D structures with a low carbon footprint.
- In order to shape the future of the sustainability-oriented supply chain, Çimsa met with industry professionals at the 'Supply and Sustain' event organized in Istanbul and created a roadmap together to achieve a sustainable future.
- Çimsa received an award at the Sabancı Golden Collar Awards for its Rapidome project, where it built the living spaces of the future in just 48 hours with 3D technology.
- Building Türkiye's largest 3D structure in Eskişehir with this project, Çimsa combined the architectural feature of Çimsa White with 3D printing technology using white concrete and white cement.
- A green loan agreement of USD 70 million was signed with IFC, the private sector arm of the World Bank Group.
- The loan agreement of EUR 25 million signed for the first time in Türkiye between a cement company and the European Bank for Reconstruction and Development (EBRD) pioneers the industry. This loan will not only support investments in solar energy and waste heat recovery facilities, but will also increase operational efficiency. Çimsa Green Financing Framework was published. With this framework, access to financing will play an important role in achieving Çimsa's goals by supporting sustainability strategies.
- Within the scope of the Sabancı Youth Mobilization project, which aims to transform brain drain into brain power, Çimsa Technology and Impact Center was built at Eskişehir Technical University.
- Çimsa was rated Gold by EcoVadis, which evaluates the sustainability performance of companies under the headings of environment, labor and human rights, ethics and sustainable procurement through its sustainability practices, and entered in the top 5% of global companies.
- Çimsa announced the Green Wave Program, which includes its low-carbon, innovative product range developed for the construction of sustainable living spaces. In this scope, Ecofort and Ecoshine were introduced to customers.
- The Turkish Ready Mixed Concrete Association and the International Concrete Council (CSC) awarded our Mersin Plant, Eskişehir Plant and Adana Misis Ready-Mixed Concrete Station with the CSC Gold Certificate for the responsible use of resources.
- Çimsa was included in the FTSE4Good Emerging Index, designed to measure the performance of companies in emerging markets within the scope of Global ESG (Environmental, Social and Governance) standards.
- The "Guide on Management of Debris Waste" prepared in collaboration with BCSD Türkiye and io Environment and with the support sponsorship of ÇİMSA was held at Istanbul Technical University.
- Çimsa was included in the A List in the "Climate Change" and "Water" categories of the Carbon Disclosure Project (CDP) platform, which focuses on creating a sustainable economy where the environmental impacts of companies and cities are disclosed and improves its evaluation mechanism every year.
- Çimsa maintains its place in the Borsa Istanbul Sustainability 25 Index with its 2023 assessment.

Some of the awards received by Çimsa in 2024 are shown below.

Awards and Achievements

Çimsa Won the "Most Admired Golden Leader CMO" Award.
Çimsa White Cement and Special Products Marketing and Sales Deputy General Manager Onur Yazgan was recognized as the "Most Admired Golden Leader CMO" based on votes from the business community, earning a place among the Top 50 Most Admired CMOs of 2023.

New Incentive Support for Çimsa from Turquality.
Çimsa, the first cement company to be accepted to Turquality, received approximately TRY 6 million in incentives through 50% state support for process optimization investment projects in Mersin and Eskişehir locations from Turquality, the world's first and most comprehensive state-sponsored brand development program created to brand Turkish products abroad and establish the image of Turkish production.

Çimsa's Mersin Plant is one of the 3 plants in Türkiye to receive the Responsible Use of Resources Gold Certificate from the Concrete Sustainability Council.
Çimsa's Mersin Plant became one of the 3 plants in Türkiye to receive the "Gold" level "Concrete Sustainability Council / Responsible Use of Resources Sustainability Certificate" by meeting all criteria as a result of intensive audits by the Turkish Ready Mixed Concrete Association (THBB) and the Concrete Sustainability Council.

ANNEXES
01 JANUARY - 31 DECEMBER 2024 BOARD OF DIRECTORS ACTIVITY REPORT

Çimsa Received the International Great Place to Work Award.
Çimsa was entitled to receive an award by being included once again this year in the global "Great Place to Work" list, which helps organizations build a strong workplace culture. Focusing on people in its globalization journey, Çimsa offers its employees a good office environment through various human resources practices.

Following the Mersin Plant, Çimsa's Eskişehir Plant was also Awarded the CSC Gold Certificate on an International Scale.
Çimsa's Eskişehir Plant was awarded the gold level certificate for efficient use of resources within the scope of the Concrete Sustainability Council (CSC) certification system implemented by the Turkish Ready Mixed Concrete Association. Together with the Mersin Plant, which recently received the same certificate, Çimsa's success in the field of sustainability was once again recognized.

Çimsa was named the Happiest Workplace in the Building Materials Industry Again in 2024.
Çimsa ranked 1st in the "Building Materials" industry again this year in the survey conducted in collaboration with Capital Magazine and Happy Place to Work. Çimsa received 81 points from the average of the Wellbeing Index survey and HR Check Form and was awarded the Outstanding Employee Experience Certificate and Award.

Çimsa's Innovative Product Flycrete Received an Award at Sabancı Scientists & Designers of Sabancı Award Ceremony.
The R&D team that developed Flycrete, Çimsa's innovative product developed as a result of intensive R&D efforts and patented in 2023, received an award at the Sabancı Scientists & Designers of Sabancı Award Ceremony.

An Award for Çimsa, which Exports to More Than 70 Countries, from the Cement, Glass, Ceramics and Soil Products Exporters' Association.
Çimsa received an award from the Cement, Glass, Ceramics and Soil Products Exporters' Association at the award ceremony organized for companies that made significant contributions to the country's exports. With 4 plants in Türkiye and globally, 1 grinding facility in the USA and its international terminals, Çimsa brings Türkiye and the world together by exporting to more than 70 countries.

Çimsa's Innovative Product Flycrete Received the "Star of Construction Sites" Award.
Çimsa's innovative product Flycrete was selected as the "Star of Construction Sites" at the 4th Star of Construction Sites and Green Construction Material & Technology of the Year Awards, as a result of voting by Şantiye Magazine and its digital platforms. The "Star of the Construction Sites" Award was presented to Çimsa at the award ceremony held in Istanbul.

Score A and an Award to Çimsa from Fortune Sustainability Survey.
In the Synesgy Sustainability Survey organized by Fortune Türkiye and CRIF Türkiye, where 104 companies out of 500 companies were included in the sustainability list this year, Çimsa was among the 7 companies that received awards for their successful efforts. Çimsa's sustainability performance, which was evaluated under 5 main headings including environmental, social, corporate governance, special and sectoral differences, was awarded the highest score of A.

Çimsa's "Future Shapers" Talent Program was selected as the 2nd Most Admired Talent Program in Türkiye.
Çimsa's "Future Shapers" talent program was awarded 2nd place in the Engineering (Production) sector in the "Top 100 Talent Program 2024" award program organized by Toptalent.co, the Career Platform for the Best Talents, and attended by Türkiye's leading companies.

Çimsa Received an Award in the "Sustainability Management" Category at the ISO Green Transformation Awards.
Çimsa received an award in the "Sustainability Management" category at the 2024 ISO Green Transformation Award Ceremony attended by Mr. Mehmet Özhaseki, Minister of Environment, Urbanization and Climate Change. With this award, ISO recognized that Çimsa addresses sustainability practices at all management levels and develops policies, targets and strategies on sustainability, and that sustainability has an impact on Çimsa's decision-making processes.

Gold Certificate for Çimsa's Adana Misis Ready-Mixed Concrete Station from the Concrete Sustainability Council!
Following Çimsa's Mersin and Eskişehir Plants, the Adana Misis Ready-Mixed Concrete Station was awarded the CSC Gold Certificate for the responsible use of resources by the Turkish Ready Mixed Concrete Association and the Concrete Sustainability Council (CSC).

Çimsa Climbed 55 Places at a Time to the Top 100 in the Fortune 500 Türkiye List.
The "Fortune 500 Türkiye's Largest Companies" survey prepared by Fortune Türkiye, one of the most respected magazines of the business world, was announced. Çimsa ranked 2nd in its sector in the Fortune 500 Türkiye list, while climbing 55 places compared to last year to rank 100th in the overall ranking.

For the First Time in the Turkish Cement Industry, Çimsa and the EBRD Signed a Financing Agreement of EUR 25 Million Focused on Decarbonization.
Çimsa signed a new loan agreement of EUR 25 million with the European Bank for Reconstruction and Development (EBRD). For the first time in Türkiye, the financing agreement signed between a cement company and the EBRD will contribute to Çimsa's environmental sustainability goals by supporting its energy and efficiency investments.

Çimsa Once Again Became the Champion in White Cement Exports.
Çimsa once again proved its leadership in exports by winning a total of five awards at the "6th Champions of Export Awards Ceremony" organized by the Cement, Glass, Ceramics and Soil Products Exporters' Association. The Company won the first prize in the white cement industry "Company with the Most Exports" category and the grey cement industry in the "Company with the Highest Increase in Exports" category.

Çimsa was Included in the FTSE4GOOD Emerging Markets Index with Its Strong Practices.
Çimsa was included in the FTSE4Good Emerging Index, designed to measure the performance of companies in emerging markets within the scope of Global ESG (Environmental, Social and Governance) standards. Being featured in one of the world's most respected index series confirms Çimsa's successful advancement in its sustainability strategy.

Gold Certificate for Çimsa's Adana Misis Ready-Mixed Concrete Station from the Concrete Sustainability Council!
Following Çimsa's Mersin and Eskişehir Plants, the Adana Misis Ready-Mixed Concrete Station was awarded the CSC Gold Certificate for the responsible use of resources by the Turkish Ready Mixed Concrete Association and the Concrete Sustainability Council (CSC).

Çimsa Rose 44 Ranks at a Time in Capital500, Strengthening its Continuously Accelerating Success.
Çimsa rose 44 places at a time in the "Türkiye's 500 Largest Companies" survey, in which Capital Magazine, the prestigious publication of the economy and business world, rewards companies that stand out with their successful performance. In addition to its financial performance, Çimsa continues to accelerate its success with its sustainability efforts, customer-oriented innovative solutions and increasing effectiveness in global markets.

Award for Çimsa's Integrated Annual Report 2023 at the 2024 STEVIE International Business Awards.
Çimsa's Integrated Annual Report 2023 received an award in the "Best Annual Report - Privately-Owned Companies" category at the 2024 STEVIE International Business Awards.

12 Awards, including 5 Gold Awards, from Brandon Hall for Çimsa's Human Resources Projects.
Having received 5 separate gold awards in different categories from Brandon Hall for its internship program Build On Plus, Management Trainee Program Future Shapers, mentoring program "Tomorrow is Possible with You" organized for female earthquake victims, Field Leaders Academy and "Our Work is Equality" project where the principle of equality at work is adopted, Çimsa was entitled to get a total of 12 awards with its HR Projects implemented in its globalization journey, "W-GROW" contributing to the development of female engineering students and projects involving HR analytics.

Çimsa was Included in the "Best Companies to Work For September 2024" List with its Exemplary Human Resources Practices and Successful Score.
Çimsa was listed among the "Best Companies to Work For" in the "Top Companies To Work" survey organized by Toptalent.co to measure, evaluate and reward the human resources effectiveness of companies. Achieving high success above the average score, Çimsa continues to make a difference with its innovative human resources practices.

Çimsa is at the Gold Level in the Global Arena with its Sustainability Practices.
Çimsa was awarded the Gold Medal by EcoVadis, an international organization that measures and evaluates the sustainability performance of companies. Çimsa, which reached the Gold Level with the improvements it achieved in the fields of supplier and human rights compared to last year, rose to 5% in 2024 while ranking in the top 25% among global companies evaluated by EcoVadis last year.

Çimsa's Integrated Annual Report 2023 Received an Award from the International Annual Report Design Awards (IADA).
Çimsa's Integrated Annual Report 2023 received an award from the UK-based "International Annual Report Design Awards IADA", which evaluates and awards annual reports around the world in terms of aesthetics and creativity. In its annual report, Çimsa had featured illustrator Hakan Keleş's designs specially drawn for Çimsa.

A Green Loan of USD 70 Million from the World Bank for Çimsa's Sustainability Projects.
Çimsa signed a green loan agreement with the International Finance Corporation (IFC), the private sector arm of the World Bank Group. Leading the green transformation of the cement industry with comprehensive sustainability projects at its production facilities in Afyon, Eskişehir and Mersin, Çimsa secured a green loan of USD 70 million from IFC.

Onur Yazgan, Deputy General Manager for Marketing & Sales of Çimsa White Cement and Special Products, was included in the 'Türkiye's 50 Most Effective CMOs' list.
Onur Yazgan, Deputy General Manager for Marketing & Sales of Çimsa White Cement and Special Products, took his place in the "Türkiye's 50 Most Effective CMOs" list of the "50 Most Effective CMOs" survey conducted for the 6th time this year by BMI Business School in collaboration with DataExpert.

Çimsa received an award from the Turkish Confederation of Employer Associations (TİSK) for its Glocalization Project developed for approximately 2000 employees from 15 different nationalities.
Taking care to protect local dynamics and cultural values in every location and to keep employee happiness at the highest levels with the G-Localization project it developed for nearly 2000 employees from 15 different nationalities, Çimsa received an award for its G-Localization project in the "Işimizin Yarını (Future of Our Business)" category at the TİSK- Joint Future Award Program with this strategy.

ANNEXES
01 JANUARY - 31 DECEMBER 2024 BOARD OF DIRECTORS ACTIVITY REPORT

2.5. Board of Directors

2.5.1. Structure and Forming of the Board of Directors

Information on the Board of Directors structure has been presented in the "1.6. Board of Directors" section.

2.5.2. Board of Directors' Operating Principles

The Çimsa Board of Directors is comprised of 6 members elected by the General Assembly as mentioned in the Certificate of Incorporation. Among the members elected in the General Assembly are two independent members. As mentioned in the Certificate of Incorporation, Çimsa Board of Directors Members are elected for at most three years and members whose terms have expired can be elected again. As stated in the Certificate of Incorporation, Board of Directors members elect a Deputy Chairman to act as a proxy when the Chairman is not present. The Board of Directors meets at least once in three months (as per the Certificate of Incorporation) to discuss monthly activity results.

The agenda of the Company Board of Directors meetings is determined and suggested by the Company Chairman of the Board. Deputy General Manager (Finance and Financial Affairs) acts as secretary and provides the notification and communication of Board of Directors members.

The Company Board of Directors assembled 27 times in 2024 and taken 51 decisions. In the Board of Directors decisions and meetings, the quorums determined in the Turkish Commercial Code are applied.

In the meetings held in 2024, different opinions contrary to the decisions made by Board of Directors members have not been expressed. As Board of Directors members had no questions and different opinions were not expressed, these were not recorded in minutes. Board of Directors members were not provided weighed voting rights and/or veto rights related to the aforementioned decisions. Also, related to connected party operations and important operations submitted to the Board of Directors independent members' approval, there were no Board of Directors decisions that were not approved by independent members and directed to the General Assembly approval.

2.5.3. The Number, Structure and Independence of Committees Formed on the Board of Directors

Under the Board of Directors, the Audit Committee, the Corporate Governance Committee and the Early Detection of Risk Committee were formed from the non-executive independent members of the Board. Committee meetings of the Audit Committee and the Corporate Governance Committee are held at least four times per year at a location and time deemed suitable by the Committee Chairman. Committee meetings of the Early Detection of Risk Committee are held at least six times per year at a location and time deemed suitable by the Committee Chairman. The Audit Committee convened 4 times in 2024 and submitted a total of 4 reports to the Board of Directors on the activities of the committee. The Corporate Governance Committee convened 4 times in 2024 and submitted 4 reports to the Board of Directors on the activities of the Committee. The Early Detection of Risk Committee convened 6 times in 2024 and submitted a total of 6 reports to the Board of Directors on the activities of the Committee. While the committees perform their activities, each Committee follows its own Meeting and Operating Principles Charter.

Committee members are elected from independent members to benefit from their global experience and accumulated knowledge. As a result of the number of independent members of the Board, an independent member of the Board had to take duties in more than one committee. As a separate Nominating Committee and Remuneration Committee cannot be established due to the Board of Directors structure, the Corporate Governance Committee performs the duties of these committees as well.

There were no conflicts of interest in 2024 due to the existing membership structure of the committees.

2.5.4. Risk Management and Internal Audit Mechanism

The main function of the Internal Audit Department is to provide Çimsa Çimento San. ve Tic. A.Ş. with independent, objective assurance and consultancy service with the help of International Internal Audit Standards. The Internal Audit Department working under the Audit Committee consisting of Board of Directors members, performs audits, investigations and inspections to protect the rights and interests of the Company and develop suggestions related to internal and external risks for the Company. For this purpose, it carries out the below listed duties to contribute to the growth, development and institutionalization of the Company:

a) To investigate the compliance of internal control systems of the Company's corporate functions, terminals, warehouses and plants, including its subsidiaries in Türkiye and abroad, with corporate governance principles and ethical values and the sufficiency and effectiveness of risk management programs, to prepare audit plans and programs, and apply them according to a predetermined schedule,

b) To follow up the completion of the remedial action plans resulting from the audits and to ensure their execution within the framework of the agreement reached and the instructions of the Head Office,

c) To examine and investigate the notifications received through the Company's ethics reporting channels within the framework of Sabancı Code of Ethics and Company Disciplinary Instructions and to submit the results to the Disciplinary Board,

d) To check the application of the Company regulations, procedures, declarations and unit-specific instructions, ensure they remain in force and provide suggestions in areas which need to be corrected,

e) To ensure the activities and transactions of all units are carried out in accordance with Board of Directors decisions, plan and budget targets, legal framework, regulations, procedures, declarations etc. instructions,

f) To perform financial and economical analyses of works and operations performed and develop suggestions that will provide savings and increases in efficiency,

g) To continuously inform the Audit Committee on the sufficiency of audit activities and internal control systems and apply their requests and suggestions on this issue,

h) To provide consultancy and support services to the Board of Directors and senior management by conducting advisory studies for purposes that will create added value, such as achieving the Company's goals, increasing share value, improving corporate processes and activities, increasing service quality and customer satisfaction, etc.,

i) For notices that come from the Ethics Committee or directly, to perform Investigation and Research

Internal Audit Department's functional and direct reporting to the Audit Committee has been approved by the Board of Directors through the Internal Audit Regulation and Procedure.

Additionally, in line with the Corporate Governance Communique (II-17.1) of the Capital Markets Board, the Early Detection of Risk Committee was formed by the Board of Directors for the early detection of any kinds of risks, such as strategical, operational, and financial risks, applying necessary precautions and solutions for these issues, and managing the risk.

2.5.5. Strategical Objectives of the Company

Main strategical objectives:

To ensure operational excellence: Starting from raw material procurement, designating targets in production, sales and distribution, meaning all functions and management processes in our value chain processes, to monitor these targets with key performance indicators, making continuous improvements in the performance process, to form a corporate information/data base, to perform scenario-based close monitoring of cash flow and taking the necessary precautions and managing all these efforts with a "system approach" and ensuring operational excellence.

Being customer and market focused: Making the market and customers the focal point of its activities, listening and understanding the needs and requests of customers and thus, by creating added value for all customers, becoming a prioritized preferred business partner for customers.

Becoming a sustainable company: Starting with the stakeholders that are most affected in terms of social and environmental issues from our activities, actively managing our communication with all of our stakeholders to improve these effects and creating long term value both for our stakeholders and our Company. Foremost with our employees, implementing a concept of sustainable development in the daily life of the whole Çimsa family, including our customers, suppliers and local neighbors.

Growing profitably: Growing in a sustainable way by making new investments in new and attractive markets that will cause synergy with Çimsa's present operations in a way that will create added value also in other prioritized objectives.

2.5.6. Financial Rights

It is decided by the General Assembly whether the Board of Directors Chairman and members will be paid a fee. During the year 2024, no Board of Directors member or Company senior manager was lent money, provided a credit, provided a benefit in the name of credit through a third party or was provided guarantee for their benefit.

The total of fees and similar benefits provided during the fiscal period to the Board of Directors chairman and members, as well as senior managers such as general managers and deputy general managers, is TRY 109,022,292 (as of 31 December 2023 – TRY 88,824,006), and the paid premiums are TRY 3,957,328 (as of 31 December 2023 – TRY 3,819,369).

2.6. SUSTAINABILITY

2.6.1. Sustainability Approach

Çimsa Çimento Sanayi ve Ticaret A.Ş. carries out the activities of all its subsidiaries in line with the sustainability principles it has adopted with a focus on social, environmental and governance and places its sustainability strategy, which it has created with a holistic perspective, at the center of its activities throughout its entire value chain. In this context, Çimsa is a company that, by adhering to the principles of fairness, transparency, responsibility and accountability, conducts its operations within the framework of a corporate governance approach based on ethical values, values people and society, cares about natural resources, feels responsible for climate change and has always kept sustainability on its agenda from past to present. Çimsa creates sustainable stakeholder value with its products that support the low carbon economy for the development of sustainable living spaces in parallel with both its company and sustainability strategies and focuses on shaping today for tomorrow.

Çimsa continues to pursue its sustainability strategy through its Sustainability Management Committee Focus Groups in line with the priorities it has determined with a double materiality approach. The Sustainability Management Committee evaluates the topics tackled by focus groups in meetings held at least 4 times a year. To this end, Çimsa will announce its new targets, progress in its current objectives and its course towards its science-based emission reduction target in the relevant sections of the Integrated Annual Report 2024 to be published soon.

2024 was a year in which Çimsa shaped key steps toward achieving its medium and long-term targets. Çimsa strengthened its position in white cement with Spain-based Buñol, which it acquired in 2021, and took an important step to expand its global production network with the USA investment announced in 2023. In 2024, it acquired 94.7% of Mannok, one of the most important building materials producers in the United Kingdom and Ireland, and diversified its product range by entering the field of insulation materials and recycled plastic packaging production in addition to cement and cement-based products. In this way, it has had the opportunity to both increase the sustainable value created and transform with a wider value chain.

Within the scope of decarbonization plans, efforts to transition to a sustainable product portfolio continued. In this scope, the Company launched the Green Wave Program, which includes a range of low-carbon, innovative products, and introduced its Ecofort and Ecoshine products to customers. Furthermore, its project proposal on "Producing sustainable grey concrete mortar for use in 3D Printers" developed under the "SAYEM Green Transformation Call" supported by TUBITAK and the World Bank was entitled to be supported. With this innovation, which is also an important step in environmentally friendly technologies, Çimsa creates a new business line by providing sustainable services through the construction of 3D structures with a low carbon footprint. The Rapidome project, through which Çimsa built Türkiye's largest 3D structure in Eskişehir in this scope, was granted an award at the Sabancı Golden Collar Awards.

Adopting the principles of circular economy, Çimsa moves forward with the goal of creating sustainable business models that will meet not only the needs of today but also those of future generations. The Company continued to use alternative raw materials and alternative fuels in its production processes for the responsible use of natural resources. In this scope, with the target of reaching 40% in alternative fuel use by 2030, the necessary resource research continues to ensure long-term supply chain agreements. Supporting the responsible consumption of resources in all its production facilities, Çimsa proved this effort by obtaining the CSC Gold Certificate awarded by the Turkish Ready Mixed Concrete Association and Concrete Sustainability Council (CSC) for the responsible use of resources for its Adana Misis Ready-Mixed Concrete Station, Mersin Plant and Eskişehir Plant in 2024. In addition, Çimsa continues to report the environmental impact of its products with EPD (Environmental Product Declaration) documentation.

Efforts to minimize environmental impact continued by taking strategic steps in areas such as energy efficiency, renewable energy use, water management, conservation of biodiversity and improvement of air quality through digitalization and process optimization. The Solar Power Plant at the Afyon Plant, the Waste Heat Recovery Facility at the Mersin Plant and the Solar Power Plant at the Buñol Plant continued production with high efficiency, reducing Scope 2 emissions. Furthermore, I-REC (International Renewable Energy Certificate) renewable energy certificates were obtained for Mersin Plant, Afyon Plant, Eskişehir Plant and Ready-Mixed Concrete Stations, while having created self-consumption certificates for Afyon Solar Power Plant and Mersin Waste Heat Recovery Facility for electricity consumption in 2024.

GRI 2-18

Çimsa is increasing its use of clean energy every day through its responsible investments and is steadily progressing toward its target of 80% renewable electricity utilization by 2030. Following the Afyon and Buñol Plants, a solar power plant with 25,740 solar panels and an installed capacity of 14.2 MWp DC will also be built on an area of 166,000 m² at the Eskişehir Plant, generating approximately 20,000 MWh of electricity annually. This plant is expected to meet approximately 14% of the plant's annual energy needs, saving 8,400 tons of CO_2 per year, equivalent to the CO_2 neutralization capacity of 5.6 million trees. Moreover, within the scope of the 'Işımin Enerjisi' project in collaboration with Enerjisa, the Waste Heat Recovery Facility, which has an energy generation capacity of approximately 5.5 MWp at the Eskişehir Plant, is planned to generate electricity without the use of water by using next-generation waste heat recovery technology and meet approximately 25% of the Plant's electricity needs. With this investment, energy equivalent to the annual electricity consumption of 13 thousand households will be obtained annually and 19 thousand tons of CO2 emissions will be prevented, making a significant contribution to the fight against the climate crisis.

In 2024, as part of environmental excellence, field studies were carried out to maximize the efficient use of existing resources and minimize losses, with a focus on regions under water stress. The "Strategic Water Management" project, which was prepared in line with global reporting standards, WASH and GCCA Water Guidelines, enabled us to identify strategic targets by conducting a comprehensive analysis of water use processes. Besides, in order to improve biodiversity performance, it is aimed to implement the roadmaps created with stakeholders, society, industrial platforms and suppliers by structuring with "Biodiversity Management Plans" that include location-based actions. As of 2024, Biodiversity Management Plan preparations have started for the most critical 2 locations out of 6.

Çimsa has proven its green transformation leadership in the building materials industry with the green financing support it received and the Green Financing Framework it established. Through the green loan agreements of USD 70 million and EUR 25 million signed with the IFC, the private sector arm of the World Bank Group, and the European Bank for Reconstruction and Development (EBRD), Çimsa gained strength on the road to achieving its targets by realizing sustainability projects at its production facilities in Türkiye.

In 2024, Çimsa came together with industry professionals at the Supply and Sustain event to shape the future of the supply chain in line with its value chain-oriented value creation approach. Through this event, the roadmap for sustainable transformation in the supply chain was announced, and Çimsa's expectations from its supply chain network in line with its sustainability targets were conveyed.

Çimsa focused on human resources and society in 2024 as well. Blending localization and globalization with the G-Localization strategy it adopted in its globalization journey, Çimsa continued to protect local dynamics and cultural values in every location where it operates with the acquisition of Mannok and to keep employee satisfaction at the highest levels. In order to raise awareness in the field of occupational health and safety and to reinforce a safe working culture in all areas, the Company continued its Zero Tolerance approach by coming together with its employees and their families at Safety Fest in 2024 as well. Also, within the scope of the European Union Taxonomy Human Rights Assessment, a Human Rights Sub-Working Group was established within the People and Society Oriented Positive Impact Focus Group. The group works to evaluate the current situation of Çimsa in terms of human rights throughout the entire value chain according to the expectations of global standards and to reflect the correction and development actions taken in line with the needs to business processes.

In line with its corporate social responsibility approach, Çimsa Technology and Impact Center was launched at Eskişehir Technical University as part of the Sabancı Youth Mobilization project, which aims to transform brain drain into brain power. With this project, Çimsa's know-how and innovation network in the field of material technologies will continue to be offered to young people.

Çimsa's achievements continued to be recognized through international platforms. Maintaining its place in the Borsa Istanbul Sustainability 25 Index, Çimsa was rated Gold by EcoVadis, which evaluates the sustainability performance of companies under the headings of environment, labor and human rights, ethics and sustainable procurement with its sustainability practices, and entered in the top 5% of global companies. As another example, being included in the FTSE4Good Emerging Index, which is designed to measure the performance of companies in emerging markets within the scope of global ESG standards, Çimsa considers being included in this list, which is recognized as one of the most important index series worldwide, as an indicator of its successful sustainability strategy.

In line with its transparent corporate governance approach, Çimsa continued its global reporting to the public in 2024 as well. The Çimsa Integrated Annual Report 2023 received an award in the "Best Annual Report - Privately-Owned Companies" category at the 2024 STEVIE International Business Awards and from the UK-based "International Annual Report Design Awards IADA". Çimsa once again proved its contribution to the fight against climate change to create a sustainable environment by being included in the CDP A List in its Climate Change and Water Report submitted to the CDP (Carbon Disclosure Project) platform, which enables companies and cities to disclose their environmental impacts and improves its evaluation mechanism each year.

During the year, Çimsa continued to develop policies and procedures in line with the needs of the Company. In this scope, Çimsa's Environmental Management Policy, Water Management Policy, Biodiversity Management Policy, Circular Economy and Waste Management Policy were published and disclosed to the public with its understanding of climate change and environmental excellence.

Çimsa will continue to achieve new successes within the scope of its sustainability vision by supporting its commitment to continuously

improving its sustainability performance with robust target tracking systems.

2.6.2. Compliance Status with Sustainability Principles

Çimsa Çimento Sanayi ve Ticaret A.Ş. has targeted 100% compliance with its environmental, social and corporate governance principles as part of the Sustainable Principles Compliance Framework prepared in accordance with the change the Capital Markets Board has made in its Corporate Governance Communique dated 02.10.2020 and has mostly achieved compliance with the actions taken during the year.

In this scope, in 2024, Çimsa achieved full compliance with all 56 principles that are not mandatory to be complied with as per the Communiqué, which more concretely demonstrated Çimsa's sustainability-oriented approach in environmental, social and management areas.

With the Sustainability Principles Compliance Framework prepared by the Capital Markets Board and first put into practice in 2020, a world-class sustainability compliance standard has been adopted in our country as well. Taking into account the benefit of all stakeholders starting with shareholders, Çimsa will continue its efforts to maintain the compliance with compulsory principles in 2025 as well.

The compliance status with Çimsa Sustainability Principles in 2024 is summarized in the table below.

Type	Yes	No	Partially	Not Related
General	12	-	-	-
Environment	24	-	0	-
Social	18	-	-	-
Governance	2	-	-	-
Total	**56**	**0**	**0**	**0**

The Sustainability Principles Compliance Report, which indicates compliance status with principles in the Capital Markets Board's Sustainability Principles Compliance Framework, is at Çimsa's website https://cimsa.com.tr/yatirimci-iliskileri/surdurulebilirlik-ilkelerine-uyum-raporu/

3. COMPANY'S RESEARCH AND DEVELOPMENT STUDIES

As the first R&D center approved by the Ministry of Industry and Technology with EU-backed projects, Formülhane continues to create value in the fields of cement and concrete with advanced analysis methods in building chemicals, concrete, grinding, chemistry and mechanical laboratories. With its specialized R&D staff, Çimsa works on sustainable products, carbon neutrality, energy efficiency and digital transformation projects.

Çimsa focuses on producing sustainable building materials with a reduced environmental footprint by addressing its R&D activities in the categories of product, process, application development and digital transformation. Closely monitoring carbon capture, utilization and storage (CCUS) technologies, Çimsa reduces natural resource consumption and integrates new production technologies into its R&D projects.

R&D Gains and Successes in 2024

Numerous studies were carried out to increase the use of alternative fuels and raw materials, which are one of the priority agenda items of today's cement industry, and to optimize their effects on products and processes. Studies are carried out on many issues such as the effect of alternative raw material and fuel use on production processes, new application methods in carbon dioxide fields, the reuse of recycled materials and development of cement types with low carbon content.

Brief information about 2024 R&D and Innovation projects is summarized below:

Ongoing R&D Projects of 2024:

Re-CON
Significant studies have been carried out on the recycling and reuse of construction debris wastes. These studies aim to use waste materials as non-load bearing construction elements and to improve the properties of concrete. The effects of recycled and secondary aggregates on concrete performance were investigated, and the usability of materials obtained from building debris as cement was investigated.

In addition, pilot casting work was carried out for the reuse of waste concrete, and laboratory studies were completed on the usability of powdered material from construction debris as a cement substitute. These studies are being carried out with the aim of reducing the environmental impact of construction waste and promoting sustainable practices in the construction industry. Laboratory and industrial trials were completed, and construction debris waste was integrated into the concrete recipe to be used as needed. The project was completed in December 2024.

White-Star
The new green cement type developed under the White-Star project is considered a significant step in the industry. This type of cement offers an environmentally friendly alternative with its low carbon emission feature. It is obtained by using various natural resources instead of the clinker used in traditional CEM I type cement. This innovative approach has succeeded in reducing the carbon footprint of cement production by 20-30%. Laboratory and pilot scale tests show that the green cement complies with industry standards and has similar performance results to conventional CEM I 42,5R cement.

Industry trials were successfully completed in 2024. These studies have provided a broader evaluation of how green cement performs in real-world applications and yielded positive results. This process has proven that green cement is an important solution for sustainability and environmental impact in the construction industry.

ZinCem
The aim is to reduce the effect of factors that negatively affect the whiteness of clinker in white cement production stages. In the laboratory studies, the whiteness values of clinker produced with a mixture used in raw meal production were compared with reference clinker. As a result of the comparison, the optimum usage amount of the mixture was determined, and the project was completed.

MgOflux
A new product similar to our calcium aluminate-based flux product Duro, which is used to reduce costs and increase energy efficiency in the iron and steel production process, has been designed, but for different purposes. Raw materials for the development of this material were selected, and recipe design and laboratory analyzes were carried out. The optimum product recipe was created with continuous improvement and feedback of the flux material obtained as a result of laboratory studies.

Repair Concrete
Several studies were carried out to improve the sulfate and heat resistance of CAC-based concretes. These studies aim to extend the life of structures in areas that may be exposed to sulfate attack. In addition, special concrete admixtures were produced for use in high temperature environments, and studies were carried out to prevent heat-related abrasion with these materials. In this way, the need for repair and renovation of structures in these areas will be reduced by using special CAC-based concretes. Concretes produced with recipes created in a laboratory environment have been proven to be heat or sulfate resistant concretes.

Oli-Green
The aim is to obtain sustainable construction materials (SCM) from olivine rock through carbon mineralization. In this process, olivine reacts with carbon dioxide (CO_2) and water to form carbonate minerals. The resulting SCM usually contains magnesium and calcium carbonate minerals and can be used in concrete and other construction materials instead of or in combination with cement. This method enables the utilization of waste olivine rocks, promotes CO_2 absorption and reduces the environmental impact of the cement industry. With a special reactor designed for carbon mineralization, the CO_2sequestration capacity of olivine was studied at different temperatures and pressures. CO_2 sequestration efficiency calculations were made with olivine mineralization under various conditions. As a result of these calculations, the conditions with the highest efficiency were determined. However, the carbonatized olivine obtained as a result of mineralization was not considered sufficient for the production of cementitious (SCM) materials.

ANNEXES
01 JANUARY - 31 DECEMBER 2024 BOARD OF DIRECTORS ACTIVITY REPORT

SmartCure

In order to reduce the amount of water used in concrete and to support the self-healing properties of concrete, a new concrete hardening method was developed using special additives. This method aims to reduce the negative effects such as cracking and loss of strength caused by water evaporation during the hardening process of concrete. In addition, 20% or less water will be used compared to conventional methods. This method will unlock the self-healing ability of concrete, repairing microcracks that may occur during the hardening process or due to other factors. It also offers an effective solution in hot conditions or water scarce regions. The laboratory phase of the project was completed, and industrial trials are ongoing with the obtained recipe.

Hydrophobic Cement

Hydrophobic cement is a type of cement with water-repellent properties. By reducing the water absorption of cement particles, it creates a more water-resistant concrete. With these features, it is intended for use in structures subjected to water exposure. It will be tested in areas exposed to excessive water, house roofs and different application areas, and performance tests will be carried out.

Cool Solution

Alternative solutions to reduce water consumption in white clinker production were developed and tested. The alternative solutions tested may be used as an effective method to reduce water consumption in white clinker production. This material reduces the amount of water supplied to the clinker by controlling the reaction rate and reduces the amount of water required to cool the clinker by increasing the binding capacity of water. In this way, water consumption can be reduced while increasing production efficiency and reducing environmental impact. This solution will contribute to making the white clinker production process more sustainable. Laboratory studies with white clinker were completed, and the industrial trial phase was initiated. Industrial trials are ongoing.

TUBITAK-SAYEM Green Transformation Projects

Our "3D Mortar" project proposal, which we submitted under the title of 1832 - Green Industry Transformation Call, established as a result of the collaboration of the World Bank with Tubitak within the scope of its green transformation, was entitled to receive support.

Within the project, which is planned to last for 2 years, a new type of mortar that also uses waste materials for the sustainability of cement-based mortars used in 3D applications will be developed and commercialized.

In addition, applications were made to the 1833-SAYEM Green Transformation calls. For our related projects, the referees assigned by Tubitak have carried out project audits, and the decisions are expected to be finalized in 2025.

Projects Completed with European Union Support in 2024

Horizon 2020 and Horizon Europe

We support our Company's sustainability vision with the projects realized as part of Horizon Europe, Eureka and bilateral collaboration between countries and with new project applications.

Iceberg:

In the Iceberg project, an eco-hybrid cement with low CO_2 emissions was produced by using secondary resources from end-of-life buildings. With this cement, sustainable and green building practices have been aimed to become widespread by producing environmentally friendly building components. In 2023, trial runs in Türkiye were successfully completed, and the project was successfully concluded in April 2024. Eco-hybrid cement is used in the production of ultra-lightweight non-structural wall elements and green concrete panels with wood chips.

Forge:

In November 2020, we launched the Forge project, which aimed to develop protective coatings produced with new composite materials containing metal alloys and ceramics with special content resistance, to be used in the production process in harsh environments. With the newly developed coating material, we aim to increase the resistance of existing materials used in energy-intensive industries against corrosion/erosion issues, improve the life cycle time of materials, lower CO_2 emissions and reduce costs. In 2023-2024, the application of the coating material developed within the scope of the project to the areas exposed to erosion due to material flow and temperature at Çimsa was carried out in 9 layers on the raw meal blades, and the first performance measurement was taken and shared with the partners. Subsequently, the material developed for the waste heat plant was replaced with the material currently used, and the material performance values were reported. Compared to the reference material, the lifetime of the new coating material type developed was longer. After evaluating these results, the project was successfully completed in October 2024.

4. COMPANY ACTIVITIES AND IMPORTANT DEVELOPMENTS RELATED TO ACTIVITIES

4.1. The Company's Subsidiary, Partnership and Long-Term Securities Information

Company	Activity Region	Share Ratio (%)
Cimsa Building Solutions B.V.	Netherlands	68.31
Afyon Çimento Sanayi Türk A.Ş.	Türkiye	51.00
Çimsa Cement Free-Zone Limited	TRNC	99.99
Hacı Ömer Sabancı Holding A.Ş.	Türkiye	1.32

The name of our subsidiary Sabancı Building Solutions B.V. was changed to Cimsa Building Solutions B.V. (CBSBV) on 6 September 2024. On 26 September 2024, the capital of CBSBV was increased. Accordingly, Sabancı Holding, the other shareholder of CBSBV, did not participate in the capital increase. In determining the amount of capital to be increased and the premium rate, the net asset value of EUR 260,963,000 determined in the valuation report dated 26.09.2024 prepared by Ernst Young Kurumsal Finansman Danışmanlık A.Ş. within the framework of capital markets legislation was taken into consideration. Considering this valuation report, CBSBV's existing capital of EUR 187,000,000 was increased by EUR 107,486,502 with a premium to EUR 294,486,502, and the capital increase transaction was completed by making a total payment of EUR 150,000,000 to CBSBV, consisting of EUR 107,486,502 capital and EUR 42,513,498 issuance premium. Following the capital increase, our Company's shareholding in CBSBV's capital increased from 50.1% to 68.31%.

Exsa Export Sanayi Mamülleri Satış ve Araştırma A.Ş. ("Exsa"), one of the subsidiaries, has been included in the consolidation by equity method with a share of 32,875%. Our main shareholder Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding) made a Board decision regarding the merger transaction by taking over its subsidiary Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. (Exsa) and within this scope, Sabancı Holding applied to the Capital Markets Board on 21 June 2023 to obtain the necessary permissions and approvals for the merger transaction. In line with Sabancı Holding's PDP statement dated 30 October 2023, the application made to the Capital Markets Board to obtain the necessary permissions and approvals for the merger transaction was updated in line with the revised documents.

As a result of the merger, the shareholders of Exsa, excluding those of Sabancı Holding, were compensated with Sabancı Holding shares in exchange for their Exsa shares. The process was finalized with the registration on 15 January 2024. In this scope, the issuance certificate approved by the Capital Markets Board regarding the shares issued by Sabancı Holding due to the capital increase and allocated to Exsa's shareholders other than those of Sabancı Holding was received on 2 February 2024, and the merger transactions were completed with the execution of the share settlement transactions on 5 February 2024.

As a result of the capital increase made by Sabancı Holding due to the merger, shares with a nominal value of Full TRY 27,690,740.94 and representing 1,32% of Sabancı Holding's capital after the merger were allocated to our Company in return for Exsa shares with a nominal value of Full TRY 76,927,500. The effect of this transaction was recorded under Income from Investing Activities in the consolidated statement of profit or loss.

4.2. Information on the Company's Acquired Own Shares

In the period of 01 January - 31 December 2024, the Company did not acquire its own shares.

4.3. Information on the Ordinary/Extraordinary General Assemblies Held During the Period:

On 25 April 2024, the Ordinary General Assembly Meeting for the year 2023 was held. The results of the meeting were registered on 16 May 2024 and announced in the Turkish Trade Registry Gazette dated 21 May 2024. The results of the Ordinary General Assembly Meeting were provided for the information of our partners on the Public Disclosure Platform (KAP), our Company's website (www.cimsa.com.tr) and the page for our Company in the information portal of the Central Registry Agency (MKK).

Between 01 January - 31 December 2024, no Extraordinary General Assembly meeting was held.

4.4. Administrative or Legal Sanctions on the Company or the Board of Director Members for Operations Against Legal Provisions:

There are no administrative or legal sanctions on the Company or the board of director members for operations against legal provisions in the period of 01 January - 31 December 2024.

4.5. Declarations on Private Audits and Public Audit Performed within the Accounting Period:

In the related period, the Company did not undergo a private audit except for the intermediate period independent audit performed by the Company auditor. Also, public audits initiated in previous periods or current period on limited issues were finalized within the year. During this reporting period, the Company's tax audit for the year 2022 started.

4.6. Lawsuits Filed Against the Company That May Affect the Company's Financial Status:

As of 31 December 2024, in line with legal advisors' opinions, the Group set aside a provision of TRY 55,048,277 for lawsuits that have the risk of resulting against the Company.

4.7. Donations Made During the Period:

In the period from 01 January to 31 December 2024, a total cash and in kind donations of TRY 96,665,503 were made to various public institutions and organizations.

4.8. Information and Assessments on Whether the Objectives Set in Previous Periods Were Achieved, Whether General Assembly Decisions Were Implemented or the Reasons if the Objectives Were Not Met or Decisions Were Not Implemented:

The Company management is continuing its works to reach the objectives set in the previous terms. The decisions taken at the Ordinary General Assembly meeting on 25 April 2024 were implemented.

4.9. The Situation of Performing Operations and Taking or Avoiding Taking Precautions in All Operations Made with Controlling Shareholder and Subsidiaries of Controlling Shareholder in 2024:

In 2024, in all operations made with the controlling shareholder and subsidiaries of controlling shareholder during 2024, it was determined that when operations were made or precautions were taken or they were avoided, by the status and conditions known to the Board of Directors, a suitable benefit was received in return and there were no precautions that were taken or avoided that may have caused loss to the Company. In this framework, there are no precautions that require equalization.

4.10. Other Important Developments Within the Period

Developments within the period have been included in the relevant sections of the Report.

5. FINANCIAL SITUATION

5.1. Precautions Considered for Improving the Financial Structure of the Business

Çimsa makes action plans aimed at active operating capital management and operational excellence within current market conditions and undertakes investments and studies to improve the infrastructure, marketing and costs to increase profitability. It is planning its current TRY, foreign currency cash input and requirements and managing its financial structure in compliance with procedures.

5.2. Fundamental Financial Rates

	Consolidated 31.12.2024	Consolidated 31.12.2023
Net Operating Capital= Current Assets - Current Liabilities (TRY Thousand)	-5,454,851	4,633,496
I-Liquidity Ratios:		
1-Current Ratio = Working Assets / Short-Term Liabilities	0.78	1.36
2-Liquidity Rate = (Working Assets-Stocks-Prepaid Expenses-Assets Related to Fiscal Period Tax-Other Working Assets)/ Short-Term Liabilities	0.54	0.98
II-Financial Structure Ratios:		
1-Total Liabilities / Equity Capital	1.11	0.64
2-Short-Term Liabilities / Total Assets	0.37	0.23
3-Long-Term Liabilities / Total Assets	0.16	0.16

Amounts and rates have been expressed in Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira as of 31 December 2024, unless otherwise stated.

6. RISKS AND EVALUATION OF THE BOARD OF DIRECTORS

6.1. Risk Management Policy, if Present, of the Company to Apply Against Foreseen Risks

The funding of the business' investment and operating capital requirements is covered with short and middle-long term exports and Turkish lira and foreign currency loans.

Exchange risks that will arise from the Company's foreign currency based loans are naturally eliminated with export incomes, and suitable financial instruments are also evaluated.

Defining and monitoring the possible risks that may be faced by the Company form the basis of risk management. Corporate risk management applications are being carried out in parallel with the risk management and applications procedure carried out with the group companies of Hacı Ömer Sabancı Holding A.Ş. among the partners. Risks that may be faced by the Company are classified according to their priorities, and critical risks are being monitored by the Company's senior management and Board of Directors. The Company is being insured in scope of local and global policies in accordance with Sabancı Holding risk management policies to reduce risks that may directly affect the financial situation of the Company for all facilities.

The Corporate Risk Management Department is operating to ensure active corporate risk management. Processes that will be applied for active risk management on company basis have been developed and taken into operation within the Corporate Risk Management Department. The Corporate Risk Management Department systematically measures, evaluates and prioritizes operational, financial, strategical and external environment risks that may prevent the Company from achieving its general strategy and objectives and continuously monitors the determined critical risks.

The Corporate Risk Management Department reports its works, whether the current actions provide the desired effect and development on the risks, and the results obtained with meetings during the year to the Corporate Governance Committee, and risk management efforts and their effectiveness are evaluated by the related Committee and shared with the Board of Directors.

ANNEXES
01 JANUARY - 31 DECEMBER 2024 BOARD OF DIRECTORS ACTIVITY REPORT

In line with the Corporate Governance Communique of the Capital Markets Board, the Early Detection of Risk Committee has been created, and the Committee is aimed to work in required coordination with the Corporate Risk Management Directorate.

With the creation of the Corporate Risk Management, the aim is to spread the culture and perspective of risk management to all Company units, to develop proactive approaches, to demonstrate possible opportunities, to protect and increase the Company value, to develop natural hedging and portfolio management and further increase the trust and confidence of stakeholders.

7. CHANGES IN THE CERTIFICATE OF INCORPORATION WITHIN THE PERIOD

The application we made to the Capital Markets Board regarding the planned amendment to Article 26 of our Company's Certificate of Incorporation was approved on 05.02.2024, and the application we made to the Ministry of Trade, Directorate General of Domestic Trade was approved on 27.02.2024 and approved at the General Assembly meeting. At the Ordinary General Assembly meeting of our Company dated 25 April 2024, the decision regarding the amendment to Article 26 of the Certificate of Incorporation of our Company was registered on 16 May 2024 and published in the Trade Registry Gazette dated 21 May 2024 and numbered 11086.

8. COMPOSITION AND VALUE OF EXPORTED CAPITAL MARKET INSTRUMENTS, IF PRESENT

Within the scope of the issuance certificate approved by the Capital Markets Board's decision dated 10 March 2022 and numbered 12/348, the sale of the bond issue with a nominal value of TRY 500,000,000 to qualified investors was completed. The maturity starting date of the issue is 7 March 2023, and the redemption date is 6 March 2025.

The debt instrument issue limit application to the Capital Markets Board made by our Company's Board of Directors on 2 March 2023, with the authority given by article 29 of the Certificate of Incorporation, to issue funding bonds and/or bills to be sold to qualified investors without offering to public, to execute the issuance transaction in one operation or more according to Company needs within one year, which is the validity period of the issuance certificate to be approved, to determine the funding bonds and/or bills to be issued in various maturity dates with a maximum term of 5 years and not exceeding TRY 3,000,000,000 (three billion Turkish Lira) was approved with the decision dated 5 October 2023 and numbered 58/1249 of the Capital Markets Board.

9. DEVELOPMENTS IN THE SECTOR AND MAIN FACTORS AFFECTING THE SECTOR

The Turkish cement sector, with a production capacity of approximately 100 million tons, is Europe's largest cement producer and 5th in the world. According to TÜRKÇİMENTO data, at the moment there are 56 integrated cement plants and 21 grinding facilities active in our country.

Türkiye's cement industry recorded an increase in the domestic market and a decline in exports in 2024. According to industry data published by TÜRKÇİMENTO, clinker production increased by 6.95% compared to the previous year in January-November 2024, totaling 71.47 million tons. In the same period, cement production increased by 4.76% compared to the previous year and totaled around 78.36 million tons. In January-November 2024, domestic sales increased by 10.11% compared to the previous year and totaled 65.4 million tons. Approximately 15.4% of the cement produced in 2024 was exported. In the January-November period of 2024, cement exports decreased by 15.05% compared to the same period of 2023 and amounted to 12.05 million tons. In the same period, clinker exports increased by 37.81% to a total of 4.65 million tons.

10. ÇİMSA'S POSITION IN ITS SECTOR

Çimsa, one of the leading establishments of Turkish industry, was founded in 1972. As of 31.12.2024, Çimsa has been continuing its operations with 3 integrated plants located in Mersin, Eskişehir and Afyonkarahisar.

Çimsa is among the first three brands in the world in the area of white cement, and with activities performed through Sabancı Building Solutions B.V., founded in the Netherlands with its main shareholder Sabancı Holding, it has reinforced its role of being an international player in cement.

Çimsa Ready-Mixed Concrete started production in 1988 in Adana, with the Zeytinli Ready-Mixed Concrete Station. With its ready-mixed concrete station, Çimsa has a widespread distribution network.

With its market-focused approach and wide distribution network, Çimsa covers its customers' product and service needs completely and on time. As a reliable business partner of its stakeholders, it provides the necessary materials for living spaces and infrastructures that will remain to future generations.

Apart from grey cement, Çimsa leads the Turkish cement and building materials industry in innovation with special products such as white cement and calcium aluminate cement.

Çimsa focuses on profitable growth that creates value for all of its stakeholders and aims to continue this in the future.

11. FORESIGHTS ON THE DEVELOPMENT OF THE BUSINESS

Çimsa, a Sabancı Building Materials Group member, enriches its usual strategic planning process with its scenario-based approach. In the simplest description, scenario-based strategic planning is defined as developing the necessary strategical options to succeed in possible future scenarios. This way, instead of a single foreseen future-based planning, Çimsa will determine the best strategic direction for every scenario that may happen in the future, which provides Çimsa with flexibility in future-readiness and planning.

12. PRODUCTION UNITS OF THE BUSINESS

Mersin Plant

At the Mersin Plant, grey clinker/cement, white clinker/cement, calcium aluminate clinker/cement are produced with a total of four production lines. Grey clinker production capacity is 1.3 million tons/year, white clinker production capacity is 1.28 million tons/year and calcium aluminate clinker production capacity is 131 thousand tons/year.

The first facility production line, which began production in 1975, has a non-calcinating double cyclone pre-heated rotary kiln line with 5.25 meters diameter and 83 meters length. At the facility, two crushers, one pre-homogenization unit, two ball raw meals, two raw silos and one indoors clinker stock hall are present.

The 3.6 meter diameter, 49 meter long rotary kiln of the second facility production line, which can produce both grey and white clinker, was commissioned in December 1989. The facility consists of one raw material mill with crushers and pre-homogenization systems, one coal mill, two raw meal silos, rotary kiln and clinker stock hall. This facility, which can produce both grey and white clinker depending on sales demand, has a grey clinker production capacity of 1,845 tons/day and a white clinker production capacity of 1,470 tons/day. With improvement efforts in 2016, its capacity has reached 1,515 tons/day.

With the "Waste Gas Electricity Production Project" which was commissioned in the Çimsa Mersin Plant in April 2012, waste gases from 1st and 2nd facility production lines are converted to electrical energy, with the aim of covering 50% of the electricity consumed in these two lines. Also, with less carbon emissions, contributions are made to the environment.

Hacı Sabancı White Cement Production Line (Third Facility Production Line), brought into operation in 1999 December, has a rotary kiln with 3.75 meters diameter, 57 meters length and a production capacity of 2,000 tons/day. The facility consists of one raw material mill with crusher and pre-homogenization facilities, one coal mill, one raw meal silo, rotary kiln and clinker stock hall.

This production line, which serves as Calcium Aluminate Cement Production Facility, CAC Facility in short, started operations in 2002 with a kiln with 15,000 tons/year capacity. The 2nd Furnace with a capacity of 15,000 tons/year was commissioned in 2007 and the 3rd Furnace in 2013. In addition, the capacity of the CAC Facility was increased in 2021. With the 4th furnace investment completed in 2023, CAC production capacity reached 131 thousand tons.

With the packing unit built in 2009, the products started to be offered to customers in 25 kg bags, on pallets and in 1.5 and 1.0 ton big-bag packaging. In the year 2013, a third kiln with 15,000 tons/year capacity was also included in the system, bringing the total capacity to 45,000 tons/year. With modernization efforts, the capacity has been increased to 60 thousand tons in 2022. In 2023, a 4th kiln with 65,000 tons/year capacity was commissioned.

	Address	Contact Information
Çimsa Mersin Plant	Toroslar Mah. Tekke Cad. Yenitaşkent/Mersin	Telephone: 0 (324) 454 00 60 Fax : 0 (324) 454 00 75

Eskişehir Plant

Founded in 1957, Eskişehir Plant was purchased from TMSF on 27 December 2005. The first production line with three stage preheater and a 3.6 meter diameter, 52 meters long dry system kiln was commissioned in 1976 with a 275 thousand tons/year capacity, increasing total capacity to 425 thousand tons/year.

After coming under Çimsa management, investments were made in the first production line on May 2007 that included adding a dynamic separator to the raw material mill, completely replacing the present clinker cooler, improving the rotary kiln combustion and dosing system and adding new electrofilter units to the kiln line, bringing the clinker production capacity to 1,750 tons/day.

Additionally, a new closed-loop cement mill with 85 tons/hour capacity was commissioned. In 2008, a 2nd clinker was brought into operation with a 750,000 tons/year capacity. In 2017 the vertical cement mill was commissioned with 1,050,000 tons/year capacity.

Grey clinker - white clinker alternating production investment for the 1st line was completed in 2018. This way, capacities of 400,000 tons/year white clinker and 750,000 tons/year grey clinker were achieved. With flame pipe modification in the 1st line combustion process, the capacity has been brought up to 500,000 tons/year white clinker in 2021. Additionally, the 2nd cement mill was modernized to be able to produce white cement.

	Address	Contact Information
Çimsa Eskişehir Plant	İstanbul Karayolu 22. Km Çukurhisar/Eskişehir	Telephone : 0 (222) 411 32 00 Fax : 0 (222) 411 31 31

Afyon Plant

Founded in 1957, 51% of Afyon Çimento Sanayi Türk Anonim Şirketi shares were acquired by Çimsa on 31 May 2012. Afyon Çimento Sanayi Türk Anonim Şirketi has continued its operations as a subsidiary of Çimsa after this date.

A new production facility of Afyon Cement Plant was built outside Afyon city, in Halımoru village with a clinker production capacity of 1,649,950 tons/year and a cement production capacity of 2,000,000 tons/year and started production and sales activities in April 2017. After the new plant started operations, the old plant was stopped.

	Address	Contact Information
Afyon Çimento Sanayi T.A.Ş	Halımoru Köyü Almacık Mevkii 03030 Merkez- AFYONKARAHİSAR	Telephone : 444 80 03 (0272) 220 80 00 Fax : (0272) 214 72 09

Ready-Mixed Concrete Stations

Çimsa Ready-Mixed Concrete started production in 1988 in Adana, with the Zeytinli Ready-Mixed Concrete Station. With its ready-mixed concrete station, Çimsa has a widespread distribution network.

The Company carefully monitors technological and scientific developments, and brings the developments to its customers as new products, new machinery and services. In these stations with experienced employees, a total of 153 truck mixers, 54 mobile and 2 stationery pumps are used.

13. OVERSEAS CONNECTIONS

Cimsa Building Solutions B.V. (Netherlands)

The Company, initially registered as Cimsa Sabancı Cement B.V., was renamed Sabancı Building Solutions B.V. on 06.12.2022 and subsequently changed its name to Cimsa Building Solutions B.V. on 06.09.2024.

Sabancı Building Solutions B.V. was founded in the Netherlands in 2020 in line with the target of uniting the financial power of our main shareholder Hacı Ömer Sabancı Holding A.Ş. and the operational capability of our company under a company founded abroad and thus creating a more efficient and stronger platform in order for the Sabancı Group to achieve its goal of becoming a global leading player in the field of building materials, especially white cement.

The establishment operations of Sabancı Building Solutions B.V., with a 60% share of Sabancı Holding and 40% share of Çimsa, were completed on 16.11.2020. Sabancı Building Solutions B.V. acquired 100% of the shares of Cimsa Cementos España S.A.U, Cimsa Americas Cement Manufacturing and Sales Corporation, Cimsa Cement Sales North Gmbh and 70% of the shares of Cimsa Adriatico S.R.L, which were previously subsidiaries of our Company, and the transfer operations related to this acquisition were completed as of 30.06.2021.

This way, the restructuring process to unite Sabancı Group's overseas building materials investments under the roof of Sabancı Building Solutions B.V. was completed and Sabancı Building Solutions B.V. commenced active operations.

With our Company's Board of Directors' Decision dated 23.10.2023, it was decided to purchase 18,887,000 shares representing 10.1% of the capital of Sabancı Building Solutions B.V. from Sabancı Holding and increase our Company's shareholding to 50.1%, and the closing procedures regarding the share transfer transactions were completed as of 08 December 2023.

The Company's capital was increased as of 26.09.2024. Sabancı Holding, the other shareholder, did not participate in the capital increase, and as a result of the capital increase, our Company's shareholding ratio became 68.31%.

Cimsa Cement Sales North GmbH (Germany)

Cimsa Cement Sales North GmbH, which was established in 2000 in partnership with German Cement Terminals North GmbH and whose shares were completely transferred to Çimsa in 2014, continues white cement and calcium aluminate cement marketing activities in Northern and Western Europe with its 9,000 tons capacity bulk cement silo. Apart from marketing bulk white cement and calcium aluminate cement to Germany, France and Benelux countries, there are also sales into Norway, Denmark, Switzerland, Austria and Czechia. The Company is headquartered in Hamburg, Germany and it continues its operations with an administrative and sales office in Hamburg, various packaging product warehouses and cycling facilities in Germany and the Netherlands.

The white cement market of Germany and surrounding countries, along with the Spanish market, is one of the most important markets of Europe. Whereas the calcium aluminate cement market of Germany and surrounding countries is the most important market of Europe in this area. Çimsa has been selling to the market through terminal channel since 2000 and is among the players which reach customers in these markets directly with its own brand and is preferred both by its product quality and its service quality.

Cimsa Building Solutions B.V. has acquired 100% of the shares of Cimsa Cement Sales North GmbH, which was previously a subsidiary of our Company, and transfer operations regarding this purchase have been completed as of 30.06.2021.

Cimsa Adriatico S.R.L (Italy)

On 9 February 2010, Çimsa acquired the majority shares of Medcon Company and became the majority owner (70%) of the terminal with four 5,000 tons silos located at the Port of Trieste. The title of the Company was changed to Cimsa Adriatico SRL on 26 April 2010. The Terminal allows reaching into the Italian market, which is the third largest consumer of white cement in Europe after Spain and Germany, with the Çimsa brand. With its advantageous location, the Terminal sells not only to Northern Italy but also to Austria and the developing markets of Slovenia, Croatia, and Bosnia and Herzegovina. The Terminal is also suitable for storing grey cement as well as storing and packaging white cement and sells grey cement to these markets as well. Also, calcium aluminate cement is supplied according to customer demand.

Cimsa Building Solutions B.V. acquired 70% shares of Cimsa Adriatico S.R.L., which was previously a subsidiary of our Company, and the transfer operations related to this acquisition were completed as of 30.06.2021.

Cimsa Cementos Espana S.A.U. (Spain)

Çimsa has been directly reaching Spanish white cement consumers since 1996 with its 5,000 tons terminal in Seville. White cement from the Çimsa Mersin Plant, arriving as bulk in ships to Seville Port, is transferred to the silos owned by Cementos.

With the Buñol Plant, whose purchase was completed in July 2021, it is in operation both with its terminal unit and its plant unit. The Seville terminal is active in the Spanish market with a plant producing white cement added furnishing materials, cement packaging lines with modern infrastructure and logistics infrastructure. Whereas the Buñol plant is one of the leading production facilities in Europe in the production of white cement, it is active with both sales from production and sales of products received from Türkiye both in the Spanish market and also by exporting to 65 countries primarily in European, African and American markets.

Cimsa Building Solutions B.V. has acquired 100% shares of Cimsa Cementos Espana S.A.U., which was previously a subsidiary of our Company, and the transfer operations related to this acquisition have been completed as of 30.06.2021.

Cimsa Americas Cement Manufacturing and Sales Corp. (USA)

We have contributed as 100% founding partner to this company which was established in 2017 with the title Cimsa Americas Cement Manufacturing and Sales Corp. to operate on cement production, sales and marketing in the United States of America.

After completion of the 2018 and 2019 investment periods, the facility started production in November 2019. With the facility built on Houston port, white clinker supplied from Çimsa Türkiye is ground and sold on the market both as bulk and in bags according to customer demand. It aims to become a resident player in the North American white cement market with the advantage provided by its proximity both to the port and to railroads.

Cimsa Building Solutions B.V. acquired 100% shares of Cimsa Americas Cement Manufacturing and Sales Corporation, which was previously a subsidiary of our Company, and the transfer operations related to this acquisition have been completed as of 30.06.2021.

Sabancı Global Technology Center Gmbh (Germany)

In line with Sabancı Group's long-term strategy to become a leading player in the global building materials trade, Sabancı Global Technology Center Gmbh (SGTC), a 100% subsidiary of Sabancı Building Solutions B.V., was founded in Munich, Germany in October 2022.

Established on the campus of Munich Technical University, SGTC will carry out research and development activities in the field of building materials, especially CAC, as well as work on innovative technologies.

Çimsa Cement Free Zone Ltd. (TRNC)

Çimsa has been serving the market since 2005 with a terminal with 5,000-ton grey cement storage capacity established in Famagusta Free Port and Zone in the Turkish Republic of North Cyprus (TRNC).

Grey cement produced by Çimsa in Mersin Cement Plant is transferred from Mersin Port with ships to Cyprus Famagusta Port and is stored in the terminal's silo. Sales are made from the silos in bulk according to market demand.

Cimsa Cement UK Ltd (UK)

The Company was founded in July 2023 as a 100% subsidiary of Cimsa Building Solutions BV.

Cimsa Ireland Limited (Ireland Cumhuriyeti)

Established in July 2024, it is a 100% subsidiary of Cimsa Building Solutions BV. Cimsa Ireland Limited acquired 94.7% of the shares of Mannok Holdings DAC ("Mannok") based in Ireland as of 2 October 2024. The information on Mannok Holdings DAC's direct or indirect subsidiaries is as follows.

Company Name	Country
Mannok Aggregates Limited	Northern Ireland
Mannok Build Holdings Limited	Northern Ireland
Mannok Build Limited	Great Britain
Mannok Build Limited	Northern Ireland
Mannok Build Limited	Republic of Ireland
Mannok Cement Limited	Great Britain
Mannok Cement Limited	Northern Ireland
Mannok Cement Limited	Republic of Ireland
Mannok Finance Limited	Republic of Ireland
Mannok Insulation Limited	Great Britain
Mannok Insulation Limited	Northern Ireland
Mannok Insulation Limited	Republic of Ireland
Mannok Pack Limited	Great Britain
Mannok Pack Limited	Northern Ireland
Mannok Pack Limited	Republic of Ireland

14. PERSONNEL MOVEMENTS AND COLLECTIVE EMPLOYMENT AGREEMENT APPLICATIONS

14.1. Number of Personnel

The average number of personnel employed within the Group in the period ending with 31 December 2024 was, by categories, as 1,236 blue collar (unionized/non-unionized) (2023: 674) and 776 white collar (non-unionized) (2023: 484) employees.

14.2. Collective Employment Agreement Applications

The Group Collective Employment Agreement between Cement Industry Employers Union (ÇEİS) and T. Çimse-İş Union in effect at Çimsa factories was signed with a duration of 2 (two) years after the agreement reached among the parties in January 2024 to cover the periods 01 January 2024 - 31 December 2025.

14.3. Wages and Side Benefits Provided to Employees

Out of scope (white collar) employees are provided a total gross wage package consisting of 12 gross wages and 4 gross wages premium per year. As defined in the related Company procedures, white collar employees can also be provided with several side benefits depending on business volume and position such as private life and private health insurance, employer-contributed personal pension, corporate GSM line, corporate phone device, company vehicle and employee shuttle.

In scope (blue collar) employees are provided a total gross wage package consisting of 12 gross wages and 4 gross wages premium per year. Also, apart from the social aid provided gross 12 times a year and the hour based shift premium given on night operations, other social aids in situations such as marriage, house moving, birth and deaths and seniority incentive premiums can also be provided in scope of the Group Collective Employment Agreement in effect. Life insurance and private health insurance are provided to all blue-collar employees as side benefits.

15. IMPORTANT EVENTS AFTER THE ACCOUNT PERIOD

At the meeting of our Board of Directors dated 06.01.2025, it was decided to amend Article 6 of our Company's Certificate of Incorporation in order to extend the validity period of the registered capital ceiling to cover the years 2025-2029 and to increase the registered capital ceiling of TRY 350,000,000 to TRY 10,000,000,000. The application we made to the Capital Markets Board regarding the planned amendment to Article 6 of our Company's Certificate of Incorporation was approved on 20.01.2025, and the application we made to the Ministry of Trade, Directorate General of Domestic Trade was approved on 27.01.2025. The draft amendment to the Certificate of Incorporation will be submitted to the approval of our shareholders at the Ordinary General Assembly meeting for 2024.

The short-term loans used for the purchase of Mannok DAC shares were closed by using a 5-year loan with a grace period of 2 years within the framework of the loan agreement signed with the participation of 3 banks on 12 February 2025. EUR 75 million of the loan was utilized by Çimsa Çimento San. Ve Tic A.Ş. and EUR 150 million by Cimsa Ireland Ltd.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY- 31 DECEMBER 2024 TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

TABLE OF CONTENTS

Consolidated Statement of Financial Position
Consolidated Statement of Profit Or Loss
Consolidated Statement of Other Comprehensive İncome
Consolidated Statement of Changes İn Equity
Consolidated Statement of Cash Flows
Notes to The Consolidated Financial Statements

Independent Auditor's Report

To the General Assembly of Çimsa Çimento Sanayi ve Ticaret A.Ş.

A. Report on the Audit of the Consolidated Financial Statements

1. Opinion

We have audited the consolidated financial statements of Çimsa Çimento Sanayi ve Ticaret A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (TFRS).

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
The Business Combinations The Group has acquired a 94.7% stake in Mannok Holdings DAC, a company based in the Republic of Ireland, through its subsidiary Çimsa Building Solutions BV, in line with its growth strategy in the sustainable building materials sector and its goal of expanding its global presence. The identifiable assets and liabilities arising during the accounting for this acquisition, along with goodwill, are significant in terms of financial statements. In the allocation of the purchase price, the Group's management, with the assistance of valuation experts, made important estimates and assumptions, such as growth rates and discount rates. The fair values calculated based on these estimates and assumptions have had a significant impact on the Group's consolidated financial statements. For these reasons, the accounting for this business combination has been identified as a key audit matter. The Group's accounting policies for the business combination and related disclosures are provided in Note 2.6 and Note 3.	During our audit, the following audit procedures were performed regarding the accounting for the business combination: ▪ Review of the purchase agreement and assessment of the effects of the transaction on the accounting treatment, ▪ Procedures conducted in accordance with the relevant independent auditing standards regarding the audit of the balance sheet underlying the purchase price allocation, ▪ Involving our valuation experts, inquiries were made regarding the completeness, measurement methods, and accuracy of the tangible and intangible assets considered during the purchase price allocation, ▪ Involving our valuation experts, the appropriateness of key assumptions, such as the discount rate and growth rates, used in the Group's valuation work for the purchase price allocation was assessed, ▪ Discussions with Group management to evaluate the forward-looking plans and disclosures used in these analyses within the context of macroeconomic data, ▪ Assessment of the adequacy of the disclosures related to the business combination in the consolidated financial statement notes.

Independent Auditor's Report

Key Audit Matter	How the matter was addressed in the audit
Goodwill Impairment As of 31 December 2024, there is an intangible asset recorded as goodwill in the consolidated financial statements amounting to TRY 4,275,282 thousand. According to TFRS, goodwill with an indefinite life is subject to an annual impairment test. During our audit, we have focused on this matter for the following reasons: ▪ The significant amount of goodwill recognized in the Group's consolidated financial statements as of 31 December 2024, ▪ The use of significant forward-looking estimates and assumptions in the goodwill impairment testing. These assumptions include earnings before interest, taxes, depreciation, and amortization (EBITDA) growth expectations, long-term growth rates, and discount rates applied to cash flows, ▪ The possibility that the estimates and assumptions used in the goodwill impairment testing could be affected by future sectoral and economic changes. The accounting policies related to the measurement of goodwill and disclosures, including sensitivity analysis, are provided in Note 2.5 and Note 17.	The following procedures were performed regarding the audit of the goodwill impairment test: ▪ Discussions with Group management to assess the management's forward-looking plans and disclosures within the context of macroeconomic data. ▪ Discussions with management regarding the structure of the discounted cash flow calculation model and the assumptions used and verifying the mathematical accuracy of the model. ▪ Involving our valuation experts, the appropriateness of key estimates used in the calculations (such as EBITDA growth expectations, long-term growth rates, discount rates applied to cash flows, etc.) was assessed by comparing them with industry benchmarks. ▪ Discussions with Group management to assess the feasibility of the projected future cash flows and investment projections. ▪ Evaluating the reasonableness of the consolidated cash flow forecasts prepared by management by comparing them with historical financial performance results. ▪ Reviewing the disclosures related to goodwill impairment tests and their results in the consolidated financial statement notes and evaluating the adequacy of the information provided in these notes in accordance with TFRS.

4. Other Matters

The consolidated financial statements of Çimsa Çimento Sanayi ve Ticaret A.Ş. and its subsidiaries for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on those statements on 28 March 2024.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulations of the Capital Markets Board and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the regulations of the Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 27 February 2025.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January-31 December 2024 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Volkan Becerik.

Drt Independent Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Member Of Deloitte Touche Tohmatsu Limited

Volkan Becerik, SMMM

Partner

İstanbul, March 24, 2025

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

	Notes	(Audited) Current Period 31 December 2024	(Audited) Prior Period 31 December 2023
ASSETS			
Cash and cash equivalents	6	7,687,489	9,105,525
Trade receivables	8	5,657,831	3,385,066
Trade receivables from related parties	32	435	-
Trade receivables from third parties		5,657,396	3,385,066
Other receivables		34,283	31,447
Other receivables from third parties	10	34,283	31,447
Derivative financial assets	23	21,946	37,969
Inventories	11	5,168,066	4,130,951
Prepaid expenses	12	427,544	413,832
Current tax assets	29	86,511	135,923
Other current assets	21	198,437	209,046
Non-current assets held for sale		2	3
Current Assets		**19,282,109**	**17,449,762**
Other receivables	10	14,698	23,522
Other receivables from third parties		14,698	23,522
Financial investments	7	2,805,970	119,629
Investments accounted under equity method	4	-	3,501,968
Investment properties	16	60,039	-
Property, plant and equipment	13	28,109,253	22,421,192
Right of use assets	15	475,216	514,685
Intangible assets		13,789,886	7,744,559
Goodwill	17	4,275,282	3,455,140
Other intangible assets	14	9,514,604	4,289,419
Prepaid expenses	12	930,590	1,695,178
Deferred tax assets	29	2,111,900	1,882,434
Other non-current assets	21	24,466	68,567
Non-Current Assets		**48,322,018**	**37,971,734**
TOTAL ASSETS		**67,604,127**	**55,421,496**

The accompanying notes from an integral part of these consolidated financial statements.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

	Notes	(Audited) Current Period 31 December 2024	(Audited) Prior Period 31 December 2023
LIABILITIES AND EQUITY			
Short-term borrowings	9	7,017,471	3,537,401
Short-term portions of long-term borrowings	9	6,756,635	1,591,281
Short-term lease liabilities	9	97,072	80,553
Trade payables	8	6,646,185	4,618,651
Trade payables to related parties	32	311,269	305,866
Trade payables to third parties		6,334,916	4,312,785
Employee benefit liabilities	20	135,462	76,874
Other payables		358,002	229,656
Other payables to related parties	32	22,682	30,541
Other payables to third parties	10	335,320	199,115
Derivative financial liabilities	23	66,520	24,210
Deferred income	12	177,312	277,116
Current income tax liability	29	88,148	68,223
Short-term provisions	18	2,850,034	1,565,761
Short-term provisions for employee benefits		184,395	55,753
Other short-term provisions		2,665,639	1,510,008
Other current liabilities	21	544,119	746,540
Current liabilities		**24,736,960**	**12,816,266**
Long-term borrowings	9	7,136,274	6,766,695
Long-term lease liabilities	9	482,763	508,029
Long-term provisions	18	434,661	257,620
Long-term provisions for employee benefits	20	214,436	227,351
Other long-term provisions		220,225	30,269
Deferred tax liability	29	2,776,399	1,238,748
Non-current liabilities		**10,830,097**	**8,771,092**
SHAREHOLDERS' EQUITY			
Share capital	22	945,591	945,591
Adjustments to share capital	22	2,340,012	2,340,012
Share premiums		6,323	6,323
Effect of mergers involving undertakings or businesses under common control		(379,543)	(379,543)
Other comprehensive income and expenses to be reclassified to profit or loss		(2,667,516)	632,398
Foreign currency translation reserve		(2,455,910)	1,049,043
Cash flow hedge fund		(211,606)	(426,480)
Share of Other Comprehensive Income of Investments in Associates Accounted for Using Equity Method That Will Be Reclassified to Profit/Loss		-	9,835
Other comprehensive income (expenses) not to be reclassified to profit or loss		(88,458)	141,518
Value increase/(decrease) funds of financial assets available for sale		-	232,803
Actuarial losses/gains on defined benefit plans		(88,458)	(91,285)
Restricted reserves		3,353,116	3,237,255
Retained earnings		18,547,933	16,283,572
Net profit for the year		2,687,840	3,596,322
Equity attributable to equity holders of the parent		**24,745,298**	**26,803,448**
Non-controlling interests		7,291,772	7,030,690
Total shareholders' equity		**32,037,070**	**33,834,138**
TOTAL LIABILITIES AND EQUITY		**67,604,127**	**55,421,496**

The accompanying notes from an integral part of these consolidated financial statements.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

	Notes	(Audited) Current Period 1 January-31 December 2024	(Audited) Prior Period 1 January-31 December 2023
OPERATING INCOME			
Revenue	24	28,150,518	29,604,214
Cost of sales (-)	25	(22,106,374)	(23,786,698)
GROSS PROFIT		**6,044,144**	**5,817,516**
General administrative expenses (-)	25	(2,695,765)	(2,042,086)
Marketing, sales and distribution expenses (-)	25	(180,727)	(108,168)
Research and development expenses (-)	25	(40,408)	(26,970)
Other operating income	26	1,182,653	2,561,548
Other operating expenses (-)	26	(763,166)	(1,343,385)
OPERATING PROFIT		**3,546,731**	**4,858,455**
Income from investment activities	27	186,520	600,424
Profit/(loss) from investments accounted by equity method	4	-	62,248
OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE		**3,733,251**	**5,521,127**
Financial income	28	1,338,384	910,897
Financial expenses (-)	28	(2,420,213)	(2,756,914)
Net monetary position gain	31	1,253,087	565,874
PROFIT BEFORE TAXATION		**3,904,509**	**4,240,984**
Tax (expense)/income from continuing operations		**(850,173)**	**203,784**
- Current tax expense (-)	29	(244,303)	(487,558)
- Deferred tax income/(expense)	29	(605,870)	691,342
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**3,054,336**	**4,444,768**
NET PROFIT		**3,054,336**	**4,444,768**
Profit/loss for the period attributable to			
- Non-controlling interests		366,496	848,446
- Equity holders of the parent		2,687,840	3,596,322
Earnings Per Share			
Earnings per share from continuing operations (Nominal amount of 1 Kr)	30	2.84	3.80

The accompanying notes from an integral part of these consolidated financial statements.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

	(Audited) Current Period 1 January-31 December 2024	(Audited) Prior Period 1 January-31 December 2023
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**3,054,336**	**4,444,768**
Items to be reclassified to profit or loss	**(3,796,153)**	**20,535**
Cash flow hedge gain/(loss) fund	286,498	604,254
Share of Other Comprehensive Income of Investments in Associates Accounted for Using Equity Method That Will Be Reclassified to Profit/Loss	(9,835)	(3,639)
Foreign currency translation reserve	(4,001,191)	(429,016)
Tax (income)/ expense	(71,625)	(151,064)
Items not to be reclassified to profit or loss	**(229,976)**	**7,309**
Share of Other Comprehensive Income of Investments in Associates Accounted for Using Equity Method That Will Be Reclassified to rofit/(Loss)	(310,404)	9,231
Actuarial gains/(losses) on defined benefit plans	3,770	515
Tax (income)/ expense	76,658	(2,437)
OTHER COMPREHENSIVE INCOME/EXPENSE (AFTER TAX)	**(4,026,129)**	**27,844**
TOTAL COMPREHENSIVE (EXPENSE)/INCOME	**(971,793)**	**4,472,612**
Total comprehensive income/(expense) attributable to		
- Non-controlling interests	(129,743)	(648,841)
- Equity holders of the parent	(842,050)	5,121,453

The accompanying notes from an integral part of these consolidated financial statements.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

				Other Comprehensive Income/Expense to be Reclassified to Profit or Loss				Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss		Retained Earnings					
	Share capital	Adjustments to share capital	Share premiums	Foreign currency translation reserve	Cash flow hedge gains/ (losses)	Share of Other Comprehensive Incomeof Investments in Associates Accounted for Using Equity Method	Effects of Combinations of Entities or Businesses Under Common Control on Investments in Associates Accounted	Share of Other Comprehensive Incomeof Investments in Associates Accounted For Using Equity Method	Actuarial gains/ (losses) on defined benefit plan	Restricted reserves	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
1 January 2023	**135,084**	**1,980,317**	**6,323**	**(19,227)**	**(879,671)**	**13,474**	**-**	**225,880**	**(91,671)**	**3,156,051**	**12,473,966**	**5,887,001**	**22,887,527**	**7,760,479**	**30,648,006**
Transfer from retained earnings	-	-	-	-	-	-	-	-	-	-	5,887,001	(5,887,001)	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	3,596,322	3,596,322	848,446	4,444,768
Other comprehensive income/(expense)	**-**	**-**	**-**	1,068,270	453,191	(3,639)	-	6,923	386	-	-	-	1,525,131	(1,497,287)	27,844
Total comprehensive income/(expense)	-	-	**-**	**1,068,270**	**453,191**	**(3,639)**	-	**6,923**	**386**	-	**-**	**3,596,322**	**5,121,453**	**(648,841)**	**4,472,612**
Dividends	-	-	-	-	-	-	-	-	-	-	(825,989)	-	-	-	-
Capital increase	810,507	359,695	-	-	-	-	-				(1,170,202)		(825,989)	(80,948)	(906,937)
Transfers to legal reserves	-	-	-	-	-	-	-	-	-	81,204	(81,204)	-	-	-	-
Transactions with non-controlling shareholders	-	-	-	-	-	-	(379,543)	-	-	-	-	-	(379,543)	-	(379,543)
31 December 2023	**945,591**	**2,340,012**	**6,323**	**1,049,043**	**(426,480)**	**9,835**	**(379,543)**	**232,803**	**(91,285)**	**3,237,255**	**16,283,572**	**3,596,322**	**26,803,448**	**7,030,690**	**33,834,138**
1 January 2024	**945,591**	**2,340,012**	**6,323**	**1,049,043**	**(426,480)**	**9,835**	**(379,543)**	**232,803**	**(91,285)**	**3,237,255**	**16,283,572**	**3,596,322**	**26,803,448**	**7,030,690**	**33,834,138**
Transfer from retained earnings	-	-	-	-	-	-	-	-	-	-	3,596,322	(3,596,322)	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	2,687,840	2,687,840	366,496	3,054,336
Other comprehensive income/(expense)	-	-	-	(3,504,953)	214,874	(9,835)		(232,803)	2,827	-	-	-	(3,529,890)	(496,239)	(4,026,129)
Total comprehensive income/(expense)	**-**	**-**	**-**	**(3,504,953)**	**214,874**	**(9,835)**	**-**	**(232,803)**	**2,827**	-	**-**	**2,687,840**	**(842,050)**	**(129,743)**	**(971,793)**
Dividends	-	-	-	-	-	-	-	-	-	-	(1,216,100)	-	(1,216,100)	(95,343)	(1,311,443)
Increases due to subsidiary acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	486,168	486,168
Transfers to legal reserves	-	-	-	-	-	-	-	-	-	115,861	(115,861)	-	-	-	-
31 December 2024	**945,591**	**2,340,012**	**6,323**	**(2,455,910)**	**(211,606)**	**-**	**(379,543)**	**-**	**(88,458)**	**3,353,116**	**18,547,933**	**2,687,840**	**24,745,298**	**7,291,772**	**32,037,070**

The accompanying notes from an integral part of these consolidated financial statements.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

	Notes	(Audited) Current Period 1 January-31 December 2024	(Audited) Prior Period 1 January-31 December 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		**6,405,749**	**4,090,657**
Profit from continuing operations before tax		3,904,509	4,240,984
Adjustments to reconcile net profit/loss for the period		**5,739,124**	**775,020**
Adjustment related to depreciation and amortization expense	13,14,15	1,959,110	1,643,501
Adjustments for gains from the disposal of PPE classified for sale	27	(32,561)	(15)
Adjustments related to the profits of investments valued by the equity method	4	-	(62,248)
Adjustment related to allowance for doubtful receivable	8	26,746	6,709
Adjustment related to provision for inventory impairment	11	(11,089)	(2,268)
Adjustment related to provision for litigations	18.a	10,693	16,350
Adjustment related to recultivation provision	18	7,893	6,248
Provision for expected credit losses		7,469	6,929
Adjustment related to retirement pay provision	20	58,737	45,296
Adjustment related to seniority provision	20	12,179	6,665
Adjustment related unpaid vacation liability		21,935	29,909
Adjustment related to interest expense	26,28	2,088,732	1,664,624
Adjustment related to interest income	28	(1,338,384)	(910,897)
Adjustments related to Dividend income received	27	(102,959)	-
Other provisions		70,000	33,721
Adjustments related to fair value gains on investment properties	27	(4,416)	-
Unrealized foreign exchange (gains)/losses on financial borrowings		274,351	1,002,366
Adjustment related to fair value gain/(losses) of derivative financial instruments		(16,023)	(44,921)
Adjustments related to income from other investing activities	27	-	(600,409)
Income from financial investments	27	(46,584)	-
Monetary (gains)/losses		2,753,295	(2,066,540)
Changes in working capital		**(2,951,124)**	**(288,619)**
Short-term trade receivables		(1,382,090)	(1,508,681)
Inventories		770,484	(5,943)
Other receivables/current assets/prepaid expenses/assets related to the current period taxes		(37,544)	(304,010)
Short-term and long-term trade payables		(1,253,178)	720,889
Other short-term payables/liabilities/payables related to employee benefits		(1,048,796)	809,126
Cash flow from operations		**6,692,509**	**4,727,385**
Premiums and bonuses paid		(60,328)	(28,643)
Retirement pay provision paid	20	(39,277)	(92,651)
Seniority provision paid	20	(3,549)	(2,634)
Vacation provision paid	20	(8,640)	(10,000)
Taxes paid		(174,966)	(502,800)

The accompanying notes from an integral part of these consolidated financial statements.

	Notes	(Audited) Current Period 1 January-31 December 2024	(Audited) Prior Period 1 January-31 December 2023
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(14,581,350)**	**(2,461,965)**
Cash outflows related to share purchases in subsidiaries	3	(9,238,855)	-
Cash out flow related to purchases of property, plant and equipment	13	(3,765,354)	(4,592,591)
Dividends received		102,959	-
Other Cash Inflows (Outflows)		(1,981,912)	3,115,001
Cash received from sale of non-current assets		116,507	6,111
Cash outflows related to purchases of intangible assets	14	(58,227)	(234,476)
Change in advances given for the purchase of property, plant and equipment		243,532	(756,010)
C. CASH FLOWS FROM FINANCING ACTIVITIES		**10,711,135**	**(839,319)**
Proceeds from borrowings		18,582,317	6,533,330
Repayment of borrowings	9	(6,666,340)	(5,199,641)
Interest paid		(1,231,783)	(1,027,213)
Interest income		1,338,384	910,897
Cash inflow/(outflow) arising from the merger effect of businesses under common control		-	(1,149,755)
Dividends paid		(1,216,100)	(825,989)
Dividends paid to minority shares		(95,343)	(80,948)
NET INCREASE/(DECREASE) IN CASH AND EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES (A + B + C)		**2,535,534**	**789,373**
Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents		406,409	112,325
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**2,941,943**	**901,698**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	**9,105,015**	**9,966,357**
Effect of Monetary loss/gain on cash and cash equivalents		(4,385,724)	(1,763,040)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	**7,661,234**	**9,105,015**

The accompanying notes from an integral part of these consolidated financial statements.

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

General

Çimsa Çimento Sanayi ve Ticaret A.Ş. ('Çimsa' or the 'Company') was founded with a declaration of the trade registry on 16 December 1972 which was announced at Turkish Trade Registry Gazette numbered 4729 and dated 21 December 1972. Operations of the Group consist of production and sales of cement, clinker and ready-mix concrete. The ultimate shareholder of the Group is Hacı Ömer Sabancı Holding A.Ş. ('Sabancı Holding').

The registered office address of the Group is Allianz Tower Küçükbakkalköy Mah. Kayışdağı Cad. No:1 Kat:23-24 34750 Ataşehir/İstanbul.

A certain amount of the shares of the Company is traded on Borsa İstanbul A.Ş. (BIST). In accordance with Article 82 of the BIST Basic Principles of Share Indexes, the shares of Çimsa are included in the BIST 100 index by the Directorate General of the Stock Exchange.

The upper limit of registered share capital of the Company is TL 350,000 (31 December 2023: TL 350,000).

As of 31 December 2024 and 31 December 2023 the information related to the Company's subsidiaries and joint venture is as follows:

				Effective shareholding of the Company	
Company	Date of acquisition	Location of the operation	Principal Activities	31 December 2024	31 December 2023
Çimsa Cement Free-Zone Limited (Çimsa Cement) (*)	12.10.2005	NCTR	Cement sales and marketing	99.99%	99.99%
Çimsa Mersin Serbest Bölge Şubesi (Çimsa Mersin) (*)	12.12.2007	Mersin	Cement export	100%	100%
Cimsa Building Solutions B.V.(*)	16.11.2020	Holland	Cement production and sales	68.31%	50.1%
Afyon Çimento Sanayi Türk Anonim Şirketi (*)	31.05.2012	Türkiye	Cement production and sales	51%	51%

(*) Recognized using the full consolidation method. The name of Sabancı Building Solutions B.V. has been changed to Cimsa Building Solutions B.V. effective from 6 September 2024.

The Company's associate, Exsa Export Sanayi Mamülleri Satış ve Araştırma A.Ş. ('Exsa') (effective ownership. 32.875% is consolidated by the equity method. The main partner Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding), its subsidiary Exsa Export Sanayi Mamulleri Satış ve Araştırma A.Ş. The Board of Directors has taken a decision to carry out the merger transaction by taking over (Exsa), and in this context, Sabancı Holding applied to the Capital Markets Board on 21 June 2023 to obtain the necessary permissions and approvals for the merger transaction. In line with the Sabancı Holding PDP (Public Disclosure Platform) statement dated 30 October 2023, the application made to the Capital Markets Board to ensure that the necessary permissions and approvals for the merger are obtained has been updated in line with the revised documents. As a result of the merger, the payment process to Exsa partners was given to Exsa shareholders other than Sabancı Holding, with Sabancı Holding shares in exchange for the Exsa shares they held, and the process was completed with the registration process dated 15 January 2024. In this context, the Capital Markets Board approved the issuance of shares by Sabancı Holding due to a capital increase, which were allocated to Exsa's shareholders other than Sabancı Holding. The approval document was received on 2 February 2024, and with the completion of share trading on 5 February 2024, the merger transactions were finalized. As a result of the capital increase by Sabancı Holding due to the merger, the company was allocated shares with a nominal value of TL 27,690,740.94, representing 1.32% of Sabancı Holding's post-merger capital, in exchange for the existing TL 76,927,500 Full nominal value shares in Exsa's capital. The impact of this transaction has been recorded in the consolidated income statement under the account of Income from Investment Activities.

The Company purchased 18,887,000 shares, representing 10.1% capital share of Sabanci Building Solutions B.V. (SBS), as stated in the Company's material event disclosure dated 23 October 2023, for the full price of 25,280,098 EUR from the main partner Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding) closing procedures for the acquisition were completed as of 8 December 2023. The transfer of the shares took place as of the said date and the transfer fee was paid.

The General Assembly of the Company's Netherlands-based subsidiary Cimsa Building Solutions B.V. ("CBS B.V.") (formerly Sabancı Building Solutions B.V.) has decided to increase its capital in order to be used in current and ongoing investments, primarily the purchase of Mannok Holding DAC shares, as announced on 28 August 2024. At the meeting of the Company's Board of Directors held on 26 September 2024, it was unanimously accepted to participate in the entire capital increase to be made in CBS B.V.

CBS B.V.'s other partner, H.Ö. Sabancı Holding A.Ş., did not participate in the said capital increase.

- CBS B.V.'s current capital of 187,000,000 Full Euros has been increased by Full EUR 107,486,502 with a premium, to Full EUR 294,486,502 and

- The Company completed the capital increase transaction by paying a total of Full EUR 150,000,000 including Full EUR107,486,502 of capital and Full EUR 42,513,498 of issue premium to CBS B.V.

Following the capital increase, the Company's current share in CBS B.V. capital increased from 50.1% to 68.31%.

The regulatory approvals and other closing conditions for the acquisition of 94.7% of the shares of Mannok Holdings DAC ("Mannok") by Cimsa Ireland Ltd., a 100% subsidiary of the Company's subsidiary Cimsa Building Solutions B.V., have been completed as of 2 October 2024.

According to the contract, the total company value of Mannok is full EUR 330 million and after deducting the financial debts on the closing date and making other adjustments, the share purchase price corresponding to 94.7% of the capital was determined as Full EUR 253,481,140 and the transfer process was completed by making the payment.

For the purpose of presentation of the consolidated financial statements, Çimsa, its subsidiaries and its associate will be together referred as ('the Group').

The consolidated financial statements were authorized for issue by the Board of Directors of Çimsa on 27 February 2025. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after issuance.

The average number of blue-collar employees (a union member/not a union member) of the Group for the year ended 31 December 2024 is 1,236 (2023: 674) and white-collar employees (not a union member) is 776 (2023: 484).

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of presentation

Preparation principles of financial statements

The accompanying condensed consolidated financial statements have been prepared in accordance with the communiqué numbered II-14,1 'Communiqué on the Principles of Financial Reporting in Capital Markets' ('the Communiqué') announced by the Capital Markets Board ('CMB') (hereinafter will be referred to as 'the CMB Reporting Standards') on 13 June 2013 which is published on Official Gazette numbered 28676. In accordance with article 5th of the CMB Reporting Standards, companies should apply Turkish Accounting Standards/Turkish Financial Reporting Standards and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority of Türkiye ('TFRIC'). TFRS is updated through communiqués to be in line with the changes in International Financial Reporting Standards ("TFRS").

The consolidated financial statements are presented in accordance with the "TFRS Taxonomy" published by POA and the formats specified in the Financial Statement Examples and User Guide published by CMB, based on the CMB's financial statement and note formats.

The Company's functional and presentation currency is accepted as Turkish Lira ("TL").

The functional currency of Cimsa Building Solutions B.V. is Euro ("EUR"). Based on TAS 21, the exchange rate used for translating the financial position items is the exchange rate at the balance sheet date; for income statement balances, the average exchange rate of the related period and the consolidated financial statements are presented in TL. The resulting foreign currency gain/loss are recorded under the 'Foreign Currency Translation Differences' account in equity. Non-monetary items denominated in foreign currencies and measured at cost are translated into the functional currency at exchange rates on the date of the initial transaction.

The Group and the Group companies established in Türkiye maintain their books of account and prepare their statutory financial statements ('Statutory Financial Statements') in accordance with rules and principles published by POA, the Turkish Commercial Code ('TCC'), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries. These consolidated financial statements have been prepared in Turkish Lira under the historical cost convention except for available for sale financial assets, assets acquired through business combination, carbon emission rights and obligations derivative instruments and cash flow hedge reserve that are carried at fair value.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1. Basis of presentation (Continued)

Financial reporting in high inflation economies

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2024. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 31 December 2024 and 2023, on the purchasing power basis as of 31 December 2023.

Pursuant to the decision of the Capital Markets Board ("CMB") dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023.

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index ("CPI") of Türkiye published by the Turkish Statistical Institute ("TURKSTAT"). As of 31 December 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date	Index	Adjustment coefficient	Three Years Compound Inflation Rate
31 December 2024	2,684.55	1.00000	291%
31 December 2023	1,859.38	1.44379	268%
31 December 2022	1,128.45	2.37897	156%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period separated financial statements prepared in TL are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the monetary gain/loss account in the separated income statement.
- As of 1 January 2022, it is appropriate to transfer the amounts included in the "defined benefit plans remeasurement gain/(loss) fund" and "net period profit" items, which should be reported under Equity in the opening consolidated statement of financial position, to zero by transferring them to the "Retained earnings" account within the scope of inflation accounting decided.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

2.2 Going concern

The Group has prepared its consolidated financial statements in accordance with going concern principle.

2.3 Offsetting

Financial assets and liabilities are offset and reported in the net amount when there is a legally enforceable right or when there is an intention to settle the assets and liabilities on a net basis or realize the assets and settle the liabilities simultaneously.

2.4 Changes in accounting policies, estimates and errors

Any change in accounting policies resulting from the first-time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognized in the period when the changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and in future periods prospectively.

2.5 Summary of significant accounting policies

Subsidiaries

As at 31 December 2024, the consolidated financial statements include the financial statements of Çimsa's subsidiaries. The consolidated financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements with adjustments and reclassifications for the purpose of fair presentation in accordance with Turkish Financial Reporting Standards and the application of uniform accounting policies and presentation. Subsidiaries are all companies over which the Group has directly or indirectly control The Group controls a company when the Group is exposed to, or has rights to, variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The results of operations of the subsidiaries are included or excluded from the effective dates of the said transactions in accordance with the acquisition or disposal transactions.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. The consolidated financial statements are prepared using common accounting policies for similar transactions and events and are prepared for the same accounting system with the Company.

The financial statements of the companies included in the scope of consolidation have been consolidated through full consolidation method and the book value of the shares of the Group and its subsidiaries is deducted from the related equity. Transactions and balances between the Group and its subsidiaries are mutually eliminated within the scope of consolidation.

Subsidiaries are consolidated from the date on which control is transferred to the Group until the date on which the control is transferred out of the Group. The shares of non-controlling shareholders in the net assets and operating results of subsidiaries are presented as non-controlling interest and non-controlling profit/loss, respectively, in the consolidated balance sheet and profit or loss statement.

Changes in the Group's shareholding in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The book values of the Group's share and non-controlling interests are adjusted to reflect changes in share of the subsidiaries. The difference between the adjustment for non-controlling interests and the fair value of the consideration received or paid is accounted for directly in equity as the Group's share.

If the Group loses control of a subsidiary, profit/loss after sale transaction is calculated as i) the sum of the sales price received and the fair value of the remaining interest and ii) the difference between the previous book values of the assets (including goodwill) and liabilities of the subsidiary and the non-controlling interests. The amounts previously accounted for in other comprehensive income related to the subsidiary and collected in equity are recorded according to the accounting method to be used on the assumption that the Company has sold the relevant assets (for example, in accordance with the relevant TFRS standards, transfer to profit/loss or directly transfer to retained earnings). If the subsidiary has an investment remaining after the sale, its fair value at the date of loss of control is accepted as fair value in the initial recognition under TFRS 9 Financial Instruments or, where applicable, as the cost in the initial recognition of an investment in an associate or jointly controlled entity.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Associates

Investments in associates are accounted by equity method. These are entities in which the Group has significant influence, but not control, over company activities. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, and unrealized losses are also eliminated if the transaction does not indicate that the transferred asset is impaired. The Group has not taken any obligation or made any commitment regarding its Associates.

Investments accounted by equity method are presented in consolidated statement of financial position with additions or deductions of changes on share of the Group on net assets of the affiliate and with deduction of provisions for the decline in the value. The other comprehensive income statement presents shares of financial results of the Group's affiliates. The changes of the amount, not reflected on income or loss of the affiliate, on the equity of the affiliate can requisite an adjustment on the net book value of the affiliate in proportion of the Group's share. The share of the group from these changes is directly accounted under the Group's equity. Exsa's financial statements are prepared for the same period and with respect to the same accounting policies.

The Group considers at each balance sheet date whether there is impairment on the investments accounted by equity method.

Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits, short-term and highly liquid investments that are easily convertible into cash, with an insignificant risk of change in value and with a maturity of three months or less.

Trade receivables

Trade receivables that are created by the way of providing goods or services directly to a debtor are measured at amortized cost, using the effective interest rate method.

The provision for doubtful receivables is reflected in the records as an expense. If there is a concrete indication that the outstanding receivables cannot be collected, provision for doubtful receivables is set for the company. The Company has preferred to apply 'simplified approach' defined in TFRS 9 for the expected credit losses. This method requires the recognition of expected lifetime losses for all trade receivables.

Inventories

Inventories are valued at the lower cost or net realizable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials - purchase cost on a monthly average basis.

Finished goods and work-in-process - cost includes direct material and labor cost, the applicable allocation of fixed and variable overhead costs (considering normal operating capacity) on the basis of monthly average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

Property, plant and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and any impairment in value. The initial cost of property, plant and equipment comprises its purchase price and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenses for the repair of property, plant and equipment are normally charged against income. They are, however, capitalized in exceptional cases if they result in an enlargement or substantial improvement of the respective assets. Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their carrying amounts and are included in the related income and expense accounts, as appropriate.

Land is not subject to depreciation. Depreciation is calculated on all property, plant and equipment on a straight-line basis over the estimated useful life of the asset as below. The economic useful lives of property, plant and equipments are as follows:

	Useful Lives
Land improvements	8–50 years
Buildings	4–50 years
Machinery and equipment	2–50 years
Furniture and fixtures	2–50 years
Motor vehicles	4-14 years
Leasehold improvements	Leasing period

Intangible assets

Intangible assets consist of mineral rights, rights, customer contracts and computer software and are initially valued at the purchase price. Intangible assets are capitalized if future economic benefits can be obtained and the cost can be determined accurately. After initial recording, intangible assets are stated at their cost minus accumulated amortization and accumulated impairment losses. Intangible assets, except for mining rights, are amortized using the straight-line method over the estimated economic life of the asset (5 years).

Where no internally generated intangible asset can be recognized, development expenditure is charged to the consolidated statement of profit or loss in the period in which it is incurred. The estimated useful lives of the intangible assets are determined as either a specific time or perpetual. Amortization is calculated using the straight-line method over the estimated useful life. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The amortization expenses of the intangible assets with certain estimated useful lives are reflected in the consolidated statement of profit or loss in accordance with the function of the intangible asset.

Mining rights are depreciated based on the ratio of the reserve consumed during the year to the total reserve. The remaining amortization period depends on the time the reserves are depleted.

The Group does not have any intangible assets with indefinite useful life.

The carrying values of intangible assets are reviewed for impairment when there is any event or changes in circumstances indicate that the carrying value may not be recoverable.

Carbon Accounting (Green House Gas Emissions)

Emission permits are included in the consolidated financial statements in accordance with "TAS 38 Intangible Assets Standard". Emission permits issued by the government are recorded at nominal value. If the emission permit is granted free of charge, it is recorded as zero. Purchased emission permits are accounted for as intangible assets. If actual emissions exceed the issued emission permits and are already retained, they are included in the consolidated financial statements as a liability. Since the Group produces emissions, it allocates provisions in accordance with "TAS 37 Provisions, Contingent Liabilities and Contingent Assets" and the provision in question will be the market value of the permits required to cover the emissions until the date of the statement of financial position.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Customer Relations

Customer relationships acquired as part of business combinations are reflected in the consolidated financial statements at their fair value at the date of acquisition. Customer relationships have limited useful lives and are measured at cost less accumulated amortization. Amortization of customer relationships is calculated using the straight-line method over their estimated useful lives (between 5 and 15 years).

Derecognition of tangible and intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal.

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment on non-financial assets

At each balance sheet date, the Group assesses whether there is any indication that book value of tangible and intangible assets, calculated by acquisition cost less accumulative amortization, is impaired. When an indication of impairment exists, the Group estimates the recoverable amount of such assets. When individual recoverable value of assets cannot be measured, recoverable value of cash generating unit of that asset is measured.

Recoverable amount is the higher of value in use or fair value less costs to sell. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit by using discount rates before taxes that reflect risks related to that asset. The main estimates that are used during these analyses comprise expected inflation rates, expected increase in sales and cost of sales, expected changes in export-domestic market composition and expected growth rate of the country.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in previous years. Impairment loss on goodwill cannot be reversed in the consolidated statement of profit or loss in future periods.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

Foreign currency transactions

The Company and its subsidiaries translate the transactions in foreign currencies during the period at the ex-change rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at period-end and exchange gains or losses arising on the settlement and translation of foreign currency items have been included in the consolidated statement of profit or loss. Non-monetary items carried at cost that are denominated in foreign currencies are translated at the rates on the initial transaction date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity. On the disposal of the foreign entity, the accumulated foreign exchange differences of that entity, recognized in other comprehensive income and accumulated in a separate component of equity, are reclassified from equity to profit or loss (as an adjustment for reclassification) when the gain or loss on the disposal is recognized.

Transactions in foreign currencies are translated into TL at the exchange rates on the date of the transaction. Assets and liabilities denominated in foreign currencies as of 31 December 2024, 2023 are valued with the buying rate of the Central Bank of the Republic of Türkiye on the balance sheet date, and the resulting foreign exchange differences are reflected in the relevant income and expense accounts.

Foreign currency translation rates used as of respective period-ends are as follows:

Date	31 December 2024 buy	31 December 2024 sell	31 December 2023 buy	31 December 2023 sell
USD /TL	35.2803	35.3438	29.4382	29.4913
EUR/TL	36.7362	36.8024	32.5739	32.6326
GBP/TL	44.2073	44.4378	37.4417	37.6369

Foreign currency average rates used in the consolidated financial statements are as follow:

Date	31 December 2024	1 January 2023
USD/TL	32.7414	23.7269
EUR/TL	35.4110	25.6765
GBP/TL	41.8337	29.4998

Borrowing costs

The borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs include interests and other costs related to the borrowing activity.

General borrowings of the Group are capitalized to the applicable qualifying assets based on a capitalization rate. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other all borrowing costs are booked in the consolidated statement of profit or loss, when incurred.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Provisions, contingent assets and liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Income taxes

Tax provisions are all current period and deferred tax provisions taken into account in the calculation of profit or loss for the period.

Deferred tax is reflected by considering the balance-sheet liability method, taking into account the tax effects of temporary differences between the values of assets and liabilities reflected in the financial reporting and tax base in the legal tax account. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The Group's deferred tax assets are reviewed at the each balance-sheet period and are recognized by considering the possibility that it will be deductible in the future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted as of the balance-sheet date.

Deferred tax can be directly related to equity accounts if it's related to the transactions in connection with the share capital in the same or different period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Provisions for employee benefits/retirement pay provision

a. Defined benefit plan

In accordance with existing social legislation in Turkey, the Group is required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

The Group has reflected a liability using the 'Projected Unit Credit Method' based on the actuarial valuation performed by independent actuaries. The employee termination benefits are discounted to the present value of the estimated future cash outflows using the interest rate estimate of qualified actuaries.

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. All actuarial gains and losses are recognized in equity.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

b. Seniority provision

The Group has a liability to pay seniority incentive premium to the blue-collar workers for five years period in accordance with the collective labor agreement. The Group discounts each first future payment and records the amounts to its consolidated statement of profit or loss.

c. Vacation rights

Liabilities arising from unused vacation rights are accrued in the periods when they are deserved.

Leases

The Group – as lessee

The Group evaluates a contract whether the contract is a lease or whether it is a lease. In the case that the contract assigns the right to control the use of the identified asset for a period of time for a certain amount of time, this contract is a lease or includes a lease. The Group considers the following conditions when assessing whether a contract transfers the right to control the use of a defined asset for a specified period:

a. The contract contains the defined asset; an asset is generally defined by specifying it explicitly or implicitly in the contract.

b. A functional part of the entity is physically separate or represents almost all of the entity's capacity. An asset is not identified if the supplier has a principal right to replace the asset and provides economic benefit therefrom.

c. Having the right to obtain almost all of the economic benefits to be obtained from the use of the defined asset.

d. Have the right to manage the use of the identified asset. The Group considers that the asset has the right to use if the decisions about how and for what purpose the asset is used are determined in advance. The Group has the right to manage the use of the asset when:

   i. The Group has the right to operate the asset during its useful life (or to direct others to operate the asset in its designated manner) and the supplier does not have the right to change these operating instructions or

   ii. The Group has designed the asset (or certain characteristics of the asset) in advance to determine how and for what purpose the asset will be used during its useful life.

The Group recognizes a right of use and a lease obligation on the financial statements at the date of the lease.

Lease liability

Extension and early termination options

The lease obligation is determined by considering the extension and early termination options in the contracts. Most of the extension and early termination options included in the contracts consist of options that are jointly applicable by the Group and the lessor. The Group determines the rental period by including the extension and early termination options in the Group's initiative according to the relevant contract and if the options are reasonably accurate, it is included in the rental period. If the conditions change significantly, the assessment is reviewed by the Group. There is no extension or early termination option used by the Group as of 31 December 2024.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Exemptions and simplifications

Short-term lease payments and payments for leases of low-value assets are not included in the measurement of the lease liabilities in the scope of TFRS 16. Lease payments of these contracts are continued to be recognized in the profit or loss in the related period.

Related parties

A party is related to the Company if:

(a) Directly, or indirectly through one or more intermediaries, the party,
(i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries),
(ii) has an interest in the entity that gives it significant influence over the entity or
(iii) has joint control over the entity,
(b) The party is an associate of the entity,
(c) The party is a joint venture in which the entity is a venture,
(d) The party is a member of the key management personnel of the entity or its parent,
(e) The party is a close member of the family of any individual referred to in (a) or (d),
(f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e) or
(g) The party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, and other similar allowances.

Sale of goods

In accordance with TFRS 15 "Customer Contract Revenue Standard", the Company recognizes revenue in the financial statements in the five-step model below.

- Identification of contracts with customers,
- Identification of performance obligations in contracts,
- Determining the transaction price in contracts,
- Distribution of transaction fee to performance obligations,
- Revenue recognition.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

According to this model, the goods or services undertaken in each contract made primarily with the customers are evaluated and each commitment given to transfer the goods or services is determined as a separate act of obligation. Afterwards, it is determined that the fulfillment obligations will be fulfilled in time or in a certain way. Whether the control of a good or service is over time and the community fulfills its performance obligations in relation to the sale in time, the community measures the progress of the revenue and accounts in their consolidated financial statements. The Company has a performance obligation defined as delivering goods to its customers. According to the Customer's request, shipping and related costs are included exactly and he has no control over the service in question. The Group has a performance obligation defined as delivering goods to its customers. According to the customer's request, transportation and related costs are included directly in the price and he has no control over the service in question.

- It is probable that the economic benefits associated with the transaction will flow to the entity and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Earnings per share

Basic earnings per share in the consolidated statement of profit or loss are calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period.

In Türkiye, companies can increase their share capital by making distribution of free shares to existing shareholders from various internal resources. For the purpose of the earnings per share calculation such share issues are regarded as issued stock. Accordingly, the weighted average number of shares used in earnings per share calculation is derived by giving retroactive effect to the issue of such shares.

Dividend

Dividend receivables are recorded as income in the period in which they are declared. Dividend payables are reflected in the consolidated financial statements as liabilities in the period in which they are declared as an element of profit distribution.

Subsequent events

Subsequent events occurring after the balance sheet date, and which may affect the Group's position at the balance sheet date are reflected in the consolidated financial statements. The issues that occur after the balance sheet date are disclosed in the notes according to their importance.

Trade and settlement date accounting

All financial asset purchases and sales are recognized at the transaction date, in other words, on the date when the Group commits to purchase or sell. Ordinary purchases and sales are purchases and sales where the delivery period of the asset is generally determined in accordance with legislation or regulations in the markets.

Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Financial instruments (Continued)

A financial asset is any asset that is:

- Cash,
- A contractual right to receive cash or another financial asset from another enterprise,
- A contractual right to exchange financial instruments from another enterprise under conditions that are potentially favorable or
- An equity instrument of another enterprise.

A financial liability that is a contractual obligation:

- To deliver cash or another financial asset to another enterprise or
- To exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

When a financial asset or financial liability is recognized initially, it is measured at its cost, which is the fair value of the consideration given (in the case of an asset) or received (in case of a liability) for it. Transaction costs are included (deducted for financial liabilities) in the initial measurement of all financial assets and liabilities.

The fair value is the amount for which a financial instrument could be exchanged in a current transaction between ceiling parties, other than in a faced sale or liquidation, and this best evidenced by a quoted market price, if one exist.

Fair value of financial instruments

The methods and assumptions in fair value estimation of the financial instruments of the Group are explained in Note 35.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Trade receivables included in the category of loans and receivables are recorded in the accounts with their invoiced amounts and are carried at net values discounted by the effective interest rate method in the following periods and if there is provision for doubtful receivables, it should be deducted.

Financial assets

Classification and measurement

The Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value though profit of loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

(a) Financial assets carried at amortized cost

Financial assets that are not quoted in an active market and are not derivative instruments that have fixed or fixed payments, in which management has adopted the contractual cash flow collection business model and the terms of the contract include only the principal and interest payments arising from the principal balance on certain dates, are classified as assets accounted for at amortized cost. If their maturities are shorter than 12 months from the balance sheet date, they are classified as current assets, and if they are longer than 12 months, they are classified as non-current assets. Assets accounted for at amortized cost include "trade receivables", "cash and cash equivalents" Eurobonds classified as financial investments and "other receivables" items in the statement of financial position.

(b) Financial assets at fair value through other comprehensive income

Assets in which the management adopts the business model of collecting contractual cash flows and/or selling, are classified as assets accounted for at fair value. If management does not intend to dispose of the related assets within 12 months from the balance sheet date, the said assets are classified as non-current assets. For the investments made in equity-based financial assets, the company makes an unchangeable choice as an equity investment reflected in other comprehensive income or in the statement of profit or loss of the fair value difference of the investment during the initial recognition.

Financial assets, whose fair value is reflected in other comprehensive income, include 'financial investments' items in the consolidated statement of financial position. In the event that assets of which fair value difference is recorded in other comprehensive income are sold, valuation difference classified into other comprehensive income is classified into previous years profits.

The generally accepted valuation methods used in the calculation of fair value in cases where the assets of which the fair value difference is recorded in other comprehensive income do not have any market value, include some assumptions based on the best estimates of the management, and the values that may occur in the event of purchase/sale transactions may differ from these values.

(c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include currency protected deposit items classified under "financial investments" in the consolidated statement of financial position.

Impairment on financial assets

The Group chooses the simplified application for the impairment calculations and uses the provision matrix, since the trade receivables accounted from the amortized cost in the consolidated financial statements do not contain a significant financing component. With this application, the Group measures the expected credit loss allowance at an amount equal to lifetime expected credit losses when trade receivables are not impaired for certain reasons. In the calculation of expected credit losses, past experience of credit losses are taken into consideration, as well as the Group's forecast for the future.

Financial liabilities

Financial liabilities are recognized initially at fair value and at directly attributable transaction costs and after initial recognition, financial liabilities are subsequently measured at amortized cost by using the effective interest rate method.

Effective interest rate method is the amortized cost method and allocation of the related interest expenses to the related periods. Effective interest rate is the rate reducing the future expected cash payments to present value of the financial liability within an expected life of the asset or in a shorter period.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5. Summary of significant accounting policies (Continued)

Bank borrowings

All borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognized in the consolidated statement of profit or loss when the liabilities are derecognized, as well as through the amortization process.

Trade payables

Trade and other payables are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Derivative financial instruments and hedge accounting

The operations of the Group expose the entity to financial risks mainly due to the change in foreign currency exchange rates and interest rates. The Group mainly utilizes derivative instruments mainly foreign currency forward contracts to hedge its foreign currency risk associated with certain binding commitments and forecasted future transactions. Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is directly recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of profit or loss. The Group's policy to hedge foreign currency risk associated with a binding commitment classifies the related risk as cash flow hedge. When the hedge transaction does not result in the recognition of an asset or a liability, the amounts in equity are recognized in the consolidated statement of profit or loss when the hedged item affects the statement of profit or loss. The changes in the fair value of derivatives that do not qualify as cash flow hedge are recognized in the statement of profit or loss.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

Hedge accounting is discontinued when the hedging instrument expires or is sold, or when it no longer qualifies for hedge accounting. The cumulative gain or loss related with hedge instrument accounted under equity as of such date is continued to be recognized under equity until the expected realization date of the transaction.

When the hedge transaction is no longer expected to occur, the net accumulated gain or loss in equity is recognized in profit or loss of the period.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are accounted directly in equity as 'Hedges funds'. Furthermore, the Group is protected from foreign net investment risk arising from changes in foreign currency financial liabilities and foreign exchange rates. The effective portion of changes in the foreign exchange rates of the foreign currency financial liabilities is accounted under equity as "Hedge funds".

Recognition and derecognition of financial instruments

The Group recognizes a financial asset or financial liability in its consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of financial asset when and only when it loses control of the contractual rights that comprise the financial asset or a portion of financial asset and when risk and benefit related to property. The Group derecognizes a financial liability when a liability is extinguished that is when the obligation specified in the contract is discharged, cancelled and expired.

Research expenses and development costs

When research expenses realized, they are recorded as an expense. Project costs which is related to research of the product or design of the product are considered as an intangible asset if the project successfully applied from commercial and technological aspects. Other development expenses are recorded as an expense when realized. Development costs recorded in the prior period cannot be capitalized in the following period.

2.6 Comparative Information and Restated Consolidated Financial Statements

The financial statements of the Group have been prepared comparatively with the previous period in order to enable information about financial position and performance trends. If the presentation or classification of the financial statements is changed, in order to be comparative, financial statements of the previous periods are also reclassified and significant changes are disclosed.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.7 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2024

Amendments to TAS 1	Classification of Liabilities as Current or Non-Current
Amendments to TFRS 16	Lease Liability in a Sale and Leaseback
Amendments to TAS 1	Non-current Liabilities with Covenants
Amendments to TAS 7 and TFRS 7	Supplier Finance Arrangements
TSRS 1	General Requirements for Disclosure of Sustainability-related Financial Information
TSRS 2	Climate-related Disclosures

Amendments to TAS 1 Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

Amendments to TFRS 16 Lease Liability in a Sale and Leaseback

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments to TFRS 16 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

Amendments to TAS 1 Non-current Liabilities with Covenants

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

Amendments to TAS 7 and TFRS 7 Supplier Finance Arrangements

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

TSRS 2 Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

The Company is within the scope of the application as it meets the criteria specified in the Board decision. There is no obligation for companies within the scope to submit comparative information in the first reporting period and the first year's sustainability report can be published after the financial reports for that period. The Company's fully compliant report with TSRS is targeted to be published in August 2025, as it is required to be declared within nine months of 2025.

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	Insurance Contracts
Amendments to TFRS 17	Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)
Amendments to TAS 21	Lack of Exchangeability

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 Insurance Contracts on 1 January 2025.

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 — Comparative Information

Amendments have been made in TFRS 17 to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

Amendments to TAS 21 Lack of Exchangeability

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.8 Significant accounting judgments, estimates and assumptions

a) Provision for doubtful receivables is an estimated amount that management believes to reflect possible future losses on existing receivables that have collection risk due to current economic conditions. During the impairment test for the receivables, the debtors, other than the key accounts and related parties, are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements and, the renegotiation conditions with these debtors are considered. As of balance sheet date, provisions for doubtful receivables are reflected in Note 8. The Group also uses the simplified approach in TFRS 9 to calculate expected credit losses of trade receivables. This method requires the recognition of expected credit losses for all trade receivables (Note 8).

b) In determining of provision for litigations, the Group considers the probability of legal cases to be resulted against the Group and in case it is resulted against the Group considers its consequences based on the assessments of legal advisor (Note 17).

3. BUSINESS COMBINATIONS

The Group acquired 94.7% of the issued capital of Mannok Holdings Designated Activity Company (Mannok) effective from 1 October 2024 with the closing transaction dated 2 October 2024, thus gaining control of Mannok, which qualifies as a business as defined in TFRS 3 Business Combinations Standard.

As part of the Group's growth strategy in the global building materials market, the acquisition of Mannok, which operates in the production and sale of cement, cement-based products (such as terracotta, precas and aerated concrete) and insulation materials and recycled plastic packaging in the Republic of Ireland, aims to diversify the geography and sectors in which it operates and increase the share of foreign currency-based revenues in the total.

The amounts recognized in relation to the identifiable assets purchased and liabilities assumed are set out in the table below.

Cash and cash equivalents	344,760
Trade receivables	2,280,798
Inventories	1,796,509
Property, plant and equipment (Note 13)	5,329,114
Intangible assets (Note 14)	6,502,365
Trade payables	(1,872,224)
Other liabilities	(2,281,969)
Financial liabilities	(2,026,366)
Deferred tax assets/(liabilities) (Note 29)	(823,353)
Total value of identifiable assets and liabilities	**9,249,634**
Goodwill (Note 17)	820,147
Non-controlling interests	486,165
Total purchase price	**9,583,615**
Cash and equivalents - acquired	**(344,760)**
Cash outflow from acquisition (net)	**(9,238,855)**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

As a result of the full consolidation transaction, the portion of the fair value of the acquired identifiable assets and liabilities exceeding the registered value of the Group's share in the amount of TL 820,147 (EUR 21.7 million) was recorded as goodwill in the financial position statement. The goodwill in question is not deductible for corporate tax purposes.

Mannok contributed EUR 73.4 million to the Group's consolidated revenue, EUR 13.9 million to its EBITDA and EUR 7.9 million to its net profit from the date of acquisition until the end of the relevant reporting period.

If Mannok had been included in the scope of consolidation as of 1 January 2024, its contribution to the Group's consolidated revenue, EBITDA and net profit would have been EUR 299.1 million, EUR 60.4 million and EUR 38.5 million respectively, excluding one-off expenses.

4. SHARES IN OTHER ENTITIES

The assets and liabilities of Exsa, which is consolidated by the equity method, calculated by using the effective percentage of ownership as of 31 December 2024 and 31 December 2023 revenue, expense and net profit for the periods ending 31 December 2024 and 2023 are as follows:

			31 December 2024		31 December 2023	
Associates	Country	Main operating activity	Effective Ownership (%)	Book Value	Effective Ownership (%)	Book Value
Exsa	Türkiye	Investment property and financial instrument	-	-	32.9	3,501,968
			-	**-**		**3,501,968**

Exsa	31 December 2024	31 December 2023
Assets	-	11,363,280
Liabilities	-	(710,908)
Net assets	-	10,652,372
Group's share	**-**	**3,501,968**

Exsa	1 January-31 December 2024	1 January-31 December 2023
Income	-	4,415,619
Expense	-	(4,226,272)
Net profit for the period	-	189,347
Group's share in net profit	**-**	**62,248**

Information regarding the subsidiaries in which the Group has major non-controlling interests is as follows:

	31 December 2024			
Subsidiary	Non-controlling interests %	Gain/(loss) attributable to non-controlling interests	Accumulated non-controlling interests	Dividend paid to non-controlling interests
Afyon Çimento Sanayi T.A.Ş.	49	210,267	1,165,629	95,343

	31 December 2023			
Subsidiary	Non-controlling interests %	Gain/(loss) attributable to non-controlling interests	Accumulated non-controlling interests	Dividend paid to non-controlling interests
Afyon Çimento Sanayi T.A.Ş.	49	702,131	574,413	80,948

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

4. SHARES IN OTHER ENTITIES (Continued)

Condensed financial information of subsidiary Afyon Çimento T.A.Ş., is as follows:

Condensed balance sheet information (Before consolidation adjustments)

	31 December 2024	31 December 2023
Cash and cash equivalents	1,195,966	489,125
Other current assets	868,724	1,326,263
Non-current assets	4,684,947	4,908,810
Total assets	**6,749,637**	**6,724,198**
Short-term borrowings	5,835	64,357
Short-term trade payables	695,805	750,300
Other current liabilities	36,728	113,453
Long-term borrowings	12,514	31,226
Other non-current liabilities	31,484	31,255
Total liabilities	**782,366**	**990,591**
Total equity	**5,967,271**	**5,733,607**

Condensed profit or loss information

	1 January - 31 December 2024	1 January - 31 December 2023
Net sales income	3,240,221	3,757,898
Gross profit	822,229	902,470
Operating profit/(loss)	622,188	746,482
Net financial income/(expense)	316,336	56,946
Net monetary position	(239,259)	(305,474)
Profit/(loss) before tax	700,108	497,959
Net profit for the period	**429,116**	**1,432,921**

Condensed cash flow information

	1 January - 31 December 2024	1 January - 31 December 2023
Cash flows from operating activities	1,182,861	491,699
Cash flows from investing activities	(301,007)	(305,023)
Cash flows from financing activities (excluding dividend)	65,223	(179,900)
Net increase/(decrease) in cash and cash equivalents	947,077	6,776

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

Information regarding the subsidiaries in which the Group has major non-controlling interests is as follows:

	31 December 2024			
Subsidiary	Non-controlling interests %	Gain/(loss) attributable to non-controlling interests	Accumulated non-controlling interests	Dividend paid to non-controlling interests
Cimsa Building Solutions B.V.	31.69	130,476	(24,447)	-

	31 December 2023			
Subsidiary	Non-controlling interests %	Gain/(loss) attributable to non-controlling interests	Accumulated non-controlling interests	Dividend paid to non-controlling interests
Cimsa Building Solutions B.V.	49.9	146,602	(202,181)	-

Condensed financial information of subsidiary Cimsa Building Solutions B.V.is as follows:

Condensed balance sheet information (Before consolidation adjustments)

	31 December 2024	31 December 2023
Cash and cash equivalents	4,432,353	4,593,744
Other current assets	6,452,315	3,398,530
Non-current assets	22,736,158	12,120,786
Total assets	**33,620,826**	**20,113,060**
Short term borrowings	6,753,858	1,423,412
Short-term trade payables	2,233,188	3,023,994
Other current liabilities	5,038,559	1,744,823
Other non-current liabilities	6,988,443	5,538,238
Total liabilities	**21,014,048**	**11,730,467**
Total equity	**12,606,778**	**8,382,593**
Total liabilities and equity	**33,620,826**	**20,113,060**

Condensed profit or loss information

	1 January - 31 December 2024	1 January - 31 December 2023
Net sales income	11,832,078	10,123,848
Gross profit	2,052,383	1,508,898
Operating profit/(loss)	836,286	754,254
Net financial income/(expense)	(283,353)	(353,408)
Profit/(loss) before tax	568,506	400,846
Net profit for the period	**411,726**	**293,792**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

5. SEGMENT REPORTING

Since the majority of the export sales of the Group are to the different geographic regions as one-off basis, the distribution of sales to specific locations is not consistent between years. Therefore, the details of sales are disclosed as domestic and export sales.

The Group manages and organizes its operations depending on the content of the services and goods provided. The Group prepares its segment reporting in accordance with TFRS 8 "Operating Segments". The transfer prices between segments are prepared on the same basis with third parties. For the years ended 31 December 2024 and 2023, the information about the Group's segments consists of sales and profits obtained from cement (including clinker and aggregate) and ready-mix concrete; segment assets and liabilities as of 31 December 2024 and 31 December 2023.

1 January – 31 December 2024	Cement	Ready-Mixed Concrete	Building Materials	Total
Sales	21,513,864	5,341,519	1,295,135	28,150,518
Cost of sales (-)	(16,550,715)	(4,460,918)	(1,094,741)	(22,106,374)
Gross profit/(loss)	4,963,149	880,601	200,394	6,044,144
General administrative, marketing, sales distribution expenses (-)	(2,267,217)	(362,035)	(247,240)	(2,876,492)
Other operating income/(expenses) (-), net	412,314	4,641	2,532	419,487
Research and development expenses (-)	(40,408)	-	-	(40,408)
Operating profit/(loss)	3,067,838	523,207	(44,314)	3,546,731
Income(expenses) from investment activities, net	186,520	-	-	186,520
Operating profit/(loss) before financial income/expenses	3,254,358	523,207	(44,314)	3,733,251
Financial income/(expenses), net	(1,079,415)	-	(2,414)	(1,081,829)
Net monetary position loss	1,253,087	-	-	1,253,087
Profit/(loss) from continuing operations before tax	3,428,030	523,207	(46,728)	3,904,509
Continuing operations tax (expense)/income	(851,621)	-	1,448	(850,173)
Profit/(loss) for the period from continuing operations	2,576,409	523,207	(45,280)	3,054,336

1 January - 31 December 2023	Cement	Ready-Mixed Concrete	Building Materials	Total
Sales	25,592,767	4,011,447	-	29,604,214
Cost of sales (-)	(20,380,723)	(3,405,975)	-	(23,786,698)
Gross profit/(loss)	5,212,044	605,472	-	5,817,516
General administrative, marketing, sales distribution expenses (-)	(1,895,010)	(255,244)	-	(2,150,254)
Other operating income/(expenses) (-), net	1,210,069	8,094	-	1,218,163
Research and development expenses (-)	(26,970)	-	-	(26,970)
Operating profit/(loss)	4,500,133	358,322	-	4,858,455
Income(expenses) from investment activities, net	600,424	-	-	600,424
Profit/loss from investments accounted by equity method	62,248	-	-	62,248
Operating profit/(loss) before financial income/expenses	5,162,805	358,322	-	5,521,127
Financial income/(expenses), net	(1,846,017)	-	-	(1,846,017)
Net monetary position loss	565,874	-	-	565,874
Profit/(loss) from continuing operations before tax	3,882,662	358,322	-	4,240,984
Continuing operations tax (expense)/income	203,784	-	-	203,784
Profit/(loss) for the period from continuing operations	4,086,446	358,322	-	4,444,768

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

31 December 2024	Cement	Ready-Mixed Concrete	Building Materials	Undistributed	Total
Segment assets	45,080,947	2,157,601	14,456,007	-	61,694,555
Financial investments	-	-	-	2,805,970	2,805,970
Undistributed assets	-	-	-	3,103,602	3,103,602
Total assets	**45,080,947**	**2,157,601**	**14,456,007**	**5,909,572**	**67,604,127**
Segment liabilities	25,756,942	885,346	8,924,770	-	35,567,058
Undistributed liabilities	-	-	-	32,037,069	32,037,069
Total liabilities	**25,756,942**	**885,346**	**8,924,770**	**32,037,069**	**67,604,127**

31 December 2023	Cement	Ready-Mixed Concrete	Building Materials	Undistributed	Total
Segment assets	46,491,918	1,600,305	-	-	48,092,223
Financial investments	-	-	-	119,629	119,629
Investments accounted under equity method	-	-	-	3,501,968	3,501,968
Undistributed assets	-	-	-	3,707,676	3,707,676
Total assets	**46,491,918**	**1,600,305**	**-**	**7,329,273**	**55,421,496**
Segment liabilities	21,062,478	524,876	-	-	21,587,354
Undistributed liabilities	-	-	-	33,834,142	33,834,142
Total liabilities	**21,062,478**	**524,876**	**-**	**33,834,142**	**55,421,496**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

5. SEGMENT REPORTING (Continued)

1 January - 31 December 2024

Other segment information	Cement	Ready-Mixed Concrete	Building Materials	Total
Property, plant and equipment	3,545,460	181,792	38,102	3,765,354
Intangible assets	28,542	-	29,685	58,227
Total investment expenses	**3,574,002**	**181,792**	**67,787**	**3,823,581**
Depreciation expenses	(1,661,416)	(6,862)	(44,702)	(1,712,980)
Amortization	(235,975)	-	(10,155)	(246,130)

1 January - 31 December 2023

Other segment information	Cement	Ready-Mixed Concrete	Building Materials	Total
Property, plant and equipment	4,294,304	298,291	-	4,592,595
Intangible assets	234,477	-	-	234,477
Total investment expenses	**4,528,781**	**298,291**	**-**	**4,827,072**
Depreciation expenses	(1,507,190)	(4,720)	-	(1,511,909)
Amortization	(131,592)		-	(131,592)

6. CASH AND CASH EQUIVALENTS

The detail of cash and cash equivalents as of 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024	31 December 2023
Cash	212	84
Cash at banks	7,687,277	9,105,441
Demand deposits	1,579,057	1,349,403
Time deposits	6,108,220	7,756,038
	7,687,489	**9,105,525**
Blocked deposits (-) (*)	(26,255)	(510)
Cash and cash equivalents in consolidated cash flow statements	**7,661,234**	**9,105,015**

(*) Blocked deposits consist of the 1-day temporary balance of collections made within the scope of the direct debit system.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

The detail of bank deposits is stated below:

	31 December 2024	31 December 2023
Turkish Lira	1,990,425	6,371,988
Euro	1,923,719	188,455
US Dollar	3,239,145	2,487,085
British Pound	522,128	1,006
Other	11,860	56,907
	7,687,277	**9,105,441**

Time deposits as of 31 December 2024 and 31 December 2023 are denominated in TL, EUR, USD and GBP with the maturity of less than six months. As of 31 December 2024, effective weighted average interest rate on time deposits is 46.74% for TL, 4.38% for USD, 3.15% for EUR (31 December 2023 TL: 41.15%, USD: 1.27%, EUR: 0.84%). The blocked deposit amount is TL 26,555 as of 31 December 2024 (The blocked deposit amount is TL 510 as of 31 December 2023).

Credit risks of banks with group deposits are evaluated by considering independent data. The market values of cash and cash equivalents approximate to their carrying values, including the interest income accrued at the balance sheet date.

7. FINANCIAL INVESTMENTS

Financial assets	31 December 2024	31 December 2023
Hacı Ömer Sabancı Holding A.Ş.	2,658,311	-
Other financial assets	147,659	119,629
	2,805,970	**119,629**

The shares of Hacı Ömer Sabancı Holding Anonim Şirketi, which are among the Group's assets measured at fair value through other comprehensive income and are traded on the stock exchange, have been valued at fair value as of the balance sheet date using the best bid price on BIST. The fair value difference of TL 46,584 for the accounting period ended 31 December 2024, has been recognized under income and expense from investment activities account.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

8. TRADE RECEIVABLES AND PAYABLES

a. Trade Receivables

Short-term trade receivables	31 December 2024	31 December 2023
Trade receivables	5,676,920	2,957,494
Notes receivable	305,191	453,103
Trade receivables from related parties (Note 32)	435	-
Allowance for doubtful receivables (-)	(307,498)	(15,783)
Less: Provision for expected credit losses	(17,217)	(9,748)
	5,657,831	**3,385,066**

Collection terms of trade receivables', notes receivables' and checks' vary based on the type of the product and agreements made with the customers and the average term is 40 days (31 December 2023 - 42 days). Effective interest rates used when determining the amortized cost are 49.25% for TL, 5.25% for USD and 5.73% for EUR (31 December 2023 - TL: 35.56%, USD: 5.60%, EUR: 6.9%).

The movement of the provision for doubtful receivables for the periods ended 31 December 2024 and 2023 is as follows:

Movements of allowance for doubtful receivables	1 January - 31 December 2024	1 January-31 December 2023
Opening balance	15,783	69,327
Provisions during the period	27,326	8,525
Reversal of the provision (-)	(580)	(1,816)
Increases due to subsidiary acquisitions (*)	277,459	-
Monetary gain/(loss)	(12,490)	(60,253)
Closing Balance	**307,498**	**15,783**

(*) It is the effect of the provisions set aside by the acquired subsidiary (Mannok) for its receivables with low collateral ratio, independent of collection risk.

b. Trade Payables

Short-term trade payables	31 December 2024	31 December 2023
Trade payables	6,334,916	4,312,785
Trade payables to related parties (Note 32)	311,269	305,866
	6,646,185	**4,618,651**

The average payment period of trade payables is 65 days (31 December 2023: 49 days). Effective interest rates used when determining the amortized cost are 49.25% for TL, 5.25% for USD and 5.73% for EUR. (31 December 2023 - TL: 35.56%, USD:5.60%, EUR 6.9%).

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

9. FINANCIAL BORROWINGS

The detail of Group's financial borrowings as of the balance sheet date is stated below:

Financial Borrowings	31 December 2024	31 December 2023
Short-term borrowings	6,505,373	3,374,096
Short-term portion of long-term borrowings	6,756,635	1,591,281
Short-term financial lease liabilities	97,072	80,553
Short-term issued bonds	512,098	163,305
	13,871,178	**5,209,235**
Long-term borrowings	7,136,274	6,185,245
Long-term financial lease liabilities	482,763	508,029
Long term issued bonds	-	581,450
	7,619,037	**7,274,724**
Financial borrowings except TFRS 16	**20,910,380**	**11,895,377**
Total financial borrowings	**21,490,215**	**12,483,959**

The details of the borrowings as of 31 December 2024 are as follows:

Secured/ Unsecured	Interest Type	Currency Type	Weighted Average Interest Rate (%)	Original Balance	Short-Term	Long-Term	31 December 2024
Unsecured	Fixed	EUR	5.75	76,248	2,498,488	352,906	2,851,394
Unsecured	Variable	EUR	Euribor + 3.25	30,000	1,119,147	-	1,119,147
Unsecured	Variable	EUR	Euribor + 3.0	25,000	49,985	865,714	915,699
Secured	Variable	EUR	Euribor + 3.25	150,000	5,504,451	-	5,504,451
Unsecured	Fixed	TL	32.50	500,000	512,098	-	512,098
Unsecured	Fixed	USD	5.25	20,000	726,834	-	726,834
Secured	Fixed	USD	6.19	24,764	183,659	727,709	911,368
Secured	Fixed	TL	26.95	2,184,545	2,184,545	-	2,184,545
Secured	Variable	EUR	Euribor + 2.90	23,000	169,291	677,164	846,455
Secured	Variable	EUR	Euribor + 3.45	56,152	417,909	1,648,609	2,066,518
Secured	Fixed	EUR	6.50	18,050	134,337	529,946	664,283
Unsecured	Variable	USD	Sofr + 2.90	25,000	-	884,486	884,486
Secured	Variable	USD	Sofr + 3.30	19,985	171,790	563,713	735,503
Secured	Variable	USD	Sofr + 3.40	19,859	74,519	656,351	730,870
Secured	Fixed	Other	7.19	1,976	27,053	45,663	72,716
Secured	Fixed	EUR	6.00	5,000	-	184,013	184,013
					13,774,106	**7,136,274**	**20,910,380**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

9. FINANCIAL BORROWINGS (Continued)

The details of the borrowings as of 31 December 2023 are as follows:

Secured/ Unsecured	Interest Type	Currency Type	Weighted Average Interest Rate (%)	Original Balance	Short-Term	Long-Term	31 December 2023
Unsecured	Fixed	TL	36.07	1,765,000	1,883,618	543,482	2,427,100
Unsecured	Variable	TL	TL Ref + 7.25	250,000	244,988	173,674	418,662
Unsecured	Variable	TL	TL Ref + 4.00	140,000	226,850	-	226,850
Secured	Fixed	TL	25.4	640,000	924,026	-	924,026
Unsecured	Fixed	EUR	6.9	30,000	470,299	947,595	1,417,894
Secured	Variable	EUR	Euribor + 2.4	1,702	80,175	-	80,175
Secured	Variable	EUR	Euribor + 3.45	86,075	653,718	3,401,676	4,055,394
Secured	Variable	USD	Sofr +3.30	23,648	188,673	818,229	1,006,902
Secured	Fixed	USD	5.99	23,648	188,673	818,229	1,006,902
Secured	Variable	EUR	Euribor + 2.45	5,004	235,774	-	235,774
Unsecured	Fixed	Other	5.88	8,099	31,888	63,810	95,698
					5,128,682	**6,766,695**	**11,895,377**

The details of the payback plan of credits as of 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Will be paid in 1 year (*)	13,774,106	5,128,682
Will be paid in 1 - 2 years	3,636,205	2,655,683
Will be paid in 2 - 3 years	1,705,529	1,151,298
Will be paid in 3 - 4 years	923,074	1,546,552
Will be paid in 4 - 5 years	695,008	697,296
Will be paid in more than 5 years	176,458	715,866
	20,910,380	**11,895,377**

(*) Short-term loans were used for the purchase of shares of Mannok Holding DAC. The short-term loans used were closed using a 5-year term loan with a 2-year grace period within the framework of the loan agreement signed with the participation of 3 banks on 12 February 2025.

The Group has issued bonds with a nominal value of TL 500,000, a maturity of 385 days, a fixed interest rate, and a term of 1 year, with a value date of 2 December 2022, and a maturity date of 22 December 2023. These bonds have been redeemed.

The Group has issued bonds with a nominal value of TL 500,000, a maturity of 730 days, a fixed interest rate, and a term of 2 years, with a value date of 7 March 2023, and a maturity date of 6 March 2025.

On 24 June 2024, the company signed a loan agreement with the European Bank for Reconstruction and Development (EBRD) for the amount of 25 million Euros, with a maturity of 5 years, with a 2-year grace period for the financing of sustainability investments. With this agreement, EBRD has provided long-term financing to a cement company in Türkiye for the first time.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

The company signed a green loan agreement with the International Finance Corporation (IFC) for a total of 5 years with a 2-year grace period for a total of 5 years, in the amount of 70 million USD on 1 November 2024. The loans received from EBRD and IFC will be used in renewable energy, alternative fuels, alternative raw materials, product transformation and other efficiency investments in the factories located in Mersin, Eşkişehir and Afyon in line with the Company's greenhouse gas emission reduction targets.

The movements of financial borrowings during the year are as follows.

	31 December 2024	31 December 2023
Borrowings at the beginning of the period	11,895,377	13,730,974
Borrowings received	18,582,317	6,533,330
Borrowings paid	(6,666,340)	(5,199,641)
Change in interest accruals	823,985	637,411
Foreign exchange	583,151	747,275
Monetary gain/(loss)	(4,939,736)	(6,914,262)
Foreign currency translation differences	631,626	2,360,290
Total borrowings	**20,910,380**	**11,895,377**

10. OTHER RECEIVABLES AND PAYABLES

a. Other Receivables

Short-Term Other Receivables from Third Parties	31 December 2024	31 December 2023
Other miscellaneous receivables	32,773	29,468
Due from personnel	1,510	1,979
	34,283	**31,447**

Long-Term Other Receivables	31 December 2024	31 December 2023
Deposits and guarantees given	14,698	23,522
	14,698	**23,522**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

10. OTHER RECEIVABLES AND PAYABLES (Continued)

b. Other Payables

Short-Term Other Payables	31 December 2024	31 December 2023
Taxes and funds payable	315,811	163,953
Deposits and guarantees received	19,509	35,162
Other payables due to related parties (Note 32)	22,682	30,541
	358,002	**229,656**

11. INVENTORIES

Inventories	31 December 2024	31 December 2023
Raw materials	2,519,058	1,527,719
Work-in progress	1,484,973	1,073,938
Finished goods	1,272,340	715,081
Goods in transit	238,357	849,678
Other inventories	174,980	-
Inventory impairment provision (-)	(521,642)	(35,465)
	5,168,066	**4,130,951**

Inventory impairment provision movement

Inventory impairment provision movement	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance	35.465	37.733
Provisions during the period (Note 25)	1.060	-
Reversal of the provision (-)(Note 25)	(12.149)	(2.268)
Increases due to subsidiary acquisitions	497.266	-
Closing balance	**521.642**	**35.465**

The Group allocates an allowance for the impairment on the inventories of finished goods, work in progress and raw materials in the cases when their net realizable values are lower than their costs or when they are classified as slow-moving inventories. The provision has been recognized under cost of sales.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

12. PREPAID EXPENSES AND DEFERRED INCOME

a. Prepaid Expenses

Short-Term Prepaid Expenses	31 December 2024	31 December 2023
Prepaid expenses	236,150	348,837
Advances given to suppliers	191,394	64,995
	427,544	**413,832**

Long-Term Prepaid expenses	31 December 2024	31 December 2023
Advances given for the purchase of fixed assets(*)	930,590	1,695,178
	930,590	**1,695,178**

(*)Mainly consists of the advance payment for the investment in the grey cement grinding plant at the factory in America

b. Deferred Income

Short-Term Deferred Income	1 January- 31 December 2024	1 January- 31 December 2023
Advances received	75,193	102,133
Deferred income	102,119	174,983
	177,312	**277,116**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

13. PROPERTY, PLANT AND EQUIPMENT

Cost value	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Opening balance as of 1 January 2024	**929,192**	**2,368,425**	**9,304,120**	**29,064,252**	**1,000,922**	**568,983**	**83,277**	**212,575**	**43,531,746**
Foreign currency translation reserve	-	(120,051)	(432,053)	(1,493,778)	(51,781)	(31,284)	(4,513)	(31,060)	(2,164,520)
Increases due to subsidiary acquisitions (Note 3)	-	40,267	792,345	6,843,355	289,634	14,861	1,034,862	113,384	9,128,708
Additions	431	16,575	53,792	672,925	41,002	254,521	12,207	2,713,901	3,765,354
Disposals	(10,173)	-	(256)	(161,351)	(3,441)	(8,302)	-	-	(183,523)
Transfers from construction in progress	-	74,016	89,775	859,846	-	16,802	-	(1,108,096)	(67,657)
Closing balance as of 31 December 2024	**919,450**	**2,379,232**	**9,807,723**	**35,785,249**	**1,276,336**	**815,581**	**1,125,833**	**1,900,704**	**54,010,108**
Accumulated depreciation									
Opening balance as of 1 January 2024	**-**	**(1,149,554)**	**(3,359,194)**	**(15,565,699)**	**(698,245)**	**(261,036)**	**(76,826)**	**-**	**(21,110,554)**
Foreign currency translation reserve	-	32,268	71,746	401,262	18,595	2,145	2,276	-	528,292
Increases due to subsidiary acquisitions (Note 3)	-	(15,994)	(491,333)	(2,236,515)	(244,233)	(8,524)	(802,995)	-	(3,799,594)
Charge for the period	-	(71,084)	(222,298)	(1,165,189)	(49,618)	(100,419)	(9,968)	-	(1,618,576)
Disposals	-	-	1	91,395	2,332	5,849	-	-	99,577
Closing balance as of 31 December 2024	**-**	**(1,204,364)**	**(4,001,078)**	**(18,474,746)**	**(971,169)**	**(361,985)**	**(887,513)**	**-**	**(25,900,855)**
Net book value as of 31 December 2024	**919,450**	**1,174,868**	**5,806,645**	**17,310,503**	**305,167**	**453,596**	**238,320**	**1,900,704**	**28,109,253**

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

Cost value	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Opening balance as of 1 January 2023	**887,795**	**2,289,927**	**8,743,673**	**25,527,805**	**747,743**	**521,291**	**83,277**	**498,594**	**39,300,105**
Foreign currency translation reserve	-	(12,816)	(40,060)	(27,449)	(539)	(2,473)	-	(2,577)	(85,914)
Additions	41,397	9,657	571,349	1,256,360	147,413	91,546	-	2,474,869	4,592,591
Disposals	-	-	(41)	(124,125)	(48,693)	(36,992)	-	-	(209,851)
Transfers from construction in progress	-	81,657	29,199	2,431,661	154,998	(4,389)	-	(2,758,311)	(65,185)
Closing balance as of 31 December 2023	**929,192**	**2,368,425**	**9,304,120**	**29,064,252**	**1,000,922**	**568,983**	**83,277**	**212,575**	**43,531,746**
Accumulated depreciation									
Opening balance as of 1 January 2023	**-**	**(1,076,394)**	**(3,166,975)**	**(14,656,707)**	**(685,401)**	**(241,515)**	**(67,666)**	**-**	**(19,894,658)**
Foreign currency translation reserve	-	(342)	(8,486)	(20,228)	(287)	(766)	-	-	(30,109)
Charge for the period	-	(72,818)	(183,774)	(1,012,274)	(59,318)	(52,198)	(9,160)	-	(1,389,542)
Disposals	-	-	41	123,510	46,761	33,443	-	-	203,755
Closing balance as of 31 December 2023	**-**	**(1,149,554)**	**(3,359,194)**	**(15,565,699)**	**(698,245)**	**(261,036)**	**(76,826)**	**-**	**(21,110,554)**
Net book value as of 31 December 2023	**929,192**	**1,218,871**	**5,944,926**	**13,498,553**	**302,677**	**307,947**	**6,451**	**212,575**	**22,421,192**

The distribution of depreciation charge for the property, plant and equipment is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Cost of sales	(1,410,257)	(1,097,400)
General administrative expenses	(197,167)	(262,436)
Marketing, sales, and distribution expenses	(10,386)	(28,874)
Research and development expenses	(766)	(832)
	(1,618,576)	**(1,389,542)**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

14. INTANGIBLE ASSETS

Cost value	Mining Rights	Other Intangible Assets	Customer contract and relations	Rights	Brand	Total
Opening balance as of 1 January 2024	836,139	363,395	1,209,097	2,867,351	-	5,275,982
Foreign currency translation reserve	(34,490)	(16,095)	(717,885)	(402,314)	-	(1,170,784)
Increases due to subsidiary acquisitions (Note 3)	1,753,824	154,059	3,352,726	1,628,243	419,125	7,307,977
Additions	-	33,095	-	25,132	-	58,227
Transfers from constructions in progress	-	67,657	-	-	-	67,657
Closing balance as of 31 December 2024	**2,555,473**	**602,111**	**3,843,938**	**4,118,412**	**419,125**	**11,539,059**
Accumulated depreciation						
Opening balance as of 1 January 2024	(506,090)	(233,037)	(247,436)	-	-	(986,563)
Foreign currency translation reserve	2,943	1,625	30,005	(20,723)	-	13,850
Increases due to subsidiary acquisitions (Note 3)	(681,404)	(124,208)	-	-	-	(805,612)
Charge for the period	(24,896)	(52,669)	(158,517)	-	(10,048)	(246,130)
Closing balance as of 31 December 2024	**(1,209,447)**	**(408,289)**	**(375,948)**	**(20,723)**	**(10,048)**	**(2,024,455)**
Net book value as of 31 December 2024	**1,346,026**	**193,822**	**3,467,990**	**4,097,690**	**409,076**	**9,514,604**

Cost value	Mining Rights	Other Intangible Assets	Customer contract and relations	Rights	Brand	Total
Opening balance as of 1 January 2023	690,784	285,868	1,488,053	2,263,705	-	4,728,410
Foreign currency translation reserve	(13,402)	(6,716)	(278,956)	563,961	-	264,887
Additions	158,757	19,058	-	56,661	-	234,476
Disposals	-	-	-	(16,976)	-	(16,976)
Transfers from constructions in progress	-	65,185	-	-	-	65,185
Closing balance as of 31 December 2023	**836,139**	**363,395**	**1,209,097**	**2,867,351**	**-**	**5,275,982**
Accumulated depreciation						
Opening balance as of 1 January 2023	(492,151)	(183,781)	(109,661)	-	-	(785,593)
Foreign currency translation reserve	(5,766)	(4,755)	(58,857)	-	-	(69,378)
Charge for the period	(8,173)	(44,501)	(78,918)	-	-	(131,592)
Closing balance as of 31 December 2023	**(506,090)**	**(233,037)**	**(247,436)**	**-**	**-**	**(986,563)**
Net book value as of 31 December 2023	**330,049**	**130,358**	**961,661**	**2,867,351**	**-**	**4,289,419**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

The mining rights are amortized in proportion to the reserves consumed in the current year to the total reserves. The remaining amortization period depends on the duration of the depletion of the remaining reserves.

The distribution of amortization charge for intangible assets is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Cost of sales	(214,863)	(114,874)
General administrative expenses	(20,969)	(11,210)
Marketing, sales and distribution expenses	(9,997)	(5,345)
Research and development expenses	(301)	(163)
Total	**(246,130)**	**(131,592)**

15. RIGHT-OF-USE ASSETS

Details regarding the right-of-use assets recognized on asset basis are as follows were as follows:

Right-of-Use Assets	1 January 2024	Additions	Depreciation Expense for the Period	Foreign Currency Translation Reserve	31 December 2024
Buildings	274,346	60,256	(39,665)	(28,364)	278,375
Vehicles	240,339	47,809	(54,739)	(24,766)	196,841
	514,685	**108,065**	**(94,404)**	**(53,130)**	**475,216**

The depreciation expense of TL 25,404 for the period ending on 31 December 2024 of the right of use assets has been included in the cost of the goods sold and the part of TL 69,000 has been included in the general administrative expense.

Right-of-Use Assets	1 January 2023	Additions	Depreciation Expense for the Period	Foreign Currency Translation Reserve	31 December 2023
Buildings	278,650	86,752	(52,109)	(38,947)	274,346
Vehicles	198,974	191,872	(57,385)	(93,122)	240,339
Other	14,675	-	(12,873)	(1,802)	-
	492,299	**278,624**	**(122,367)**	**(133,871)**	**514,685**

The depreciation expense of TL 113,782 for the period ending on 31 December 2023 of the right of use assets has been included in the cost of the goods sold and the part of TL 8,585 has been included in the general administrative expense.

16. INVESTMENT PROPERTIES

	31 December 2024
Opening balance	-
Increases due to subsidiary acquisitions	55,623
Fair value gains (Note 27)	4,416
Closing balance	60,039

The fair value of Mannok Holdings DAC's investment properties in the Republic of Ireland as of 31 December 2024 was determined by a valuation firm independent of the Group. The independent appraisal company has sufficient experience and qualifications in measuring the fair value of real estate in the relevant regions. The fair value of the lands owned was determined according to the market comparative approach method, which reflects the current transaction prices for similar real estate. In determining the fair value of the lands, the highest and best of the current use value was used. No different valuation technique was used in the current period. In the current period, the fair value hierarchy level of investment properties measured with a different valuation technique as of 31 December 2024 is 2.

17. GOODWILL

The goodwill amount presented in the Group's financial statements as of 31 December 2024 is related to Eskişehir Cement Factory ('Standart Çimento') acquired in 2005, Çimsa Cement located in TRNC, Bilecik Ready Mixed Concrete Facilities acquired in 2008, Afyon Çimento Sanayi Türk Anonim Şirketi acquired in 2012 and Bunol Factory ("Sabanci Building Solutions B.V.") acquired in 2022. The movement of goodwill for the periods ending 31 December 2024 and 31 December 2023 is stated below.

	31 December 2024	31 December 2023
Eskişehir	2,892,286	2,892,290
Afyon Çimento Sanayi T.A.Ş.	147,583	147,584
Bilecik Hazır Beton	74,179	74,179
Çimsa Cement Free Zone Ltd.	7,268	7,268
Bunol	333,819	333,819
Mannok Holdings DAC	820,147	-
	4,275,282	**3,455,140**

Goodwill amounts associated with cash generating units are subjected to an impairment determination study once a year or more frequently in December when the circumstances indicate impairment. The recoverable value of the cash-generating units has been determined on the basis of value in use or fair value less cost to sell. The recoverable value was determined according to the fair value calculations made according to the discounted cash flow analysis. These calculations include cash flow projections on a TL basis and are based on ten-year plans between 1 January 2025 and 31 December 2034. For the cash flow estimation, 17.7% weighted average cost of capital and cost and sales price increases in line with macroeconomic and market assumptions were taken into account. As a result of these impairment tests, the recoverable value of the goodwill was determined on the registered value as a result of the examination as of 31 December 2024, and no impairment was found.

In the valuation technique applied, the test for impairment of goodwill is based on the following assumptions:

These generally accepted valuation techniques are based on the changing EBITDA/net sales ratio on the basis of cash generating unit with a growth rate of 5% - 9% on the basis of each cash-generating unit and it is extremely sensitive to changes in the Weighted Average Cost of Capital values accepted as 17.7%.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

While the EBITDA/Net Sales ratio is in line with the budgets prepared by the Group management on a cash-generating unit basis for 2024 and beyond, the Weighted Average Cost of Capital ratio depends on some macroeconomic and cement sector-specific variables.

When calculating the estimated recoverable amount, when the discount rate is increased by 1 point from the values used in the assumptions by keeping the other variables constant, or in the same way, when the growth rate is reduced by 1 point from the values used in the assumptions by keeping the other variables constant, the recoverable amount of the cash generating unit does not fall below the book value.

The fair value calculations of the cash-generating unit in question include after-tax cash flow projections, and these projections determined in Turkish Lira are based on ten-year plans approved by Çimsa management. The Group foresees that an analysis for a period longer than five years is more appropriate in evaluating operational results and forward-looking forecasts in the sector it operates in, and therefore bases the impairment test on ten-year projections.

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a. Short-Term Provisions

Short-term provisions	31 December 2024	31 December 2023
Carbon obligations (*)	2,470,231	1,355,049
Provision for litigations	55,048	65,906
Short-term employee benefits	184,395	55,753
Other provisions	140,360	89,053
	2,850,034	**1,565,761**

(*) Mainly consists of the carbon obligations of CBS B.V.

The movement of "Provision for the litigations" as of 31 December 2024 and 31 December 2023 is stated below:

Provision for the litigation movements	1 January-31 December 2024	1 January-31 December 2023
Opening balance	65,906	81,828
Additional provision (Note 26)	12,516	16,350
Reversal of provision (-) (Note 26)	(1,823)	-
Monetary gain/(loss)	(21,551)	(32,272)
Closing balance	**55,048**	**65,906**

As of 31 December 2024, the Group has provided a provision amounting to TL 55,048 for the risky cases against the Company with the opinion obtained from the Company's legal counsels (31 December 2023: TL 65,906).

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b. Long-term provisions

Long-term provisions	31 December 2024	31 December 2023
Long-term employee benefits	214,436	227,351
Other long-term provisions	220,225	30,269
	434,661	**257,620**

Other long-term provisions	31 December 2024	31 December 2023
Recultivation provision	220,225	30,269
	220,225	**30,269**

The operations of the Group such as mining, cement production are subject to the Environment Law, and to the Land Protection and Utilization Law. All liabilities such as taxes, duties and emission fees resulting from this legislation have been fulfilled by the Group. This legislation addresses the costs that could arise from recovering the damage and pollution in the land while vacating the mines. Accordingly, the management calculated the estimated cost of plans that are deemed to meet the requirements of legislation related to the mining areas in which the Group operates. The Group has accounted and disclosed the recultivation provision amounting to TL 220,225 under "Other Long-Term Provisions" as of 31 December 2024. (31 December 2023: TL 30,269).

Movement of recultivation provision as of 31 December 2024 and 31 December 2023 is as follows:

Recultivation provision movement	1 January-31 December 2024	1 January-31 December 2023
Opening balance	30,269	35,788
Additional provision (Note 26)	7,893	6,248
Increases due to subsidiary acquisitions	192,128	-
Monetary gain	(10,066)	(11,767)
Closing balance	**220,225**	**30,269**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

19. COMMITMENTS

The collaterals, pledges and mortgages (CPM) received by the Group as of 31 December 2024 and 31 December 2023 are as follows:

		31 December2024		31 December 2023	
	Currency	Original Amount	TL Amount	Original Amount	TL Amount
Guarantee letter received	TL	3,181,416	3,181,416	2,254,696	3,255,296
Guarantee letter received	USD	31,997	1,127,044	20,594	813,984
Guarantee letter received	Euro	11,252	413,428	9,094	381,167
Guarantee letter received	Other	276	10,753	26	1,125
Guarantee letter received	Other	-	-	250	2,588
Mortgages received	TL	72,516	72,516	73,096	105,536
Mortgages received	Other	-	-	8,250	85,387
Checks and notes received	TL	66,530	66,530	54,134	78,157
Checks and notes received	USD	41,859	1,474,413	47	1,869
Pledge	TL	1,059,653	1,059,653	220,879	318,901
Total CPMs received			**7,405,753**		**5,044,010**

As of 31 December 2024 and, 31 December 2023 the details of the collaterals, pledges and mortgages (CPM) given are as follows:

		31 December2024		31 December 2023	
	Currency	Original Amount	TL Amount	Original Amount	TL Amount
A. Total CPM given for the Company's own legal entity (*)	TL	6,970,410	6,970,410	1,682,248	2,428,804
	USD	3,400	119,759	2,200	86,958
	EUR	152,685	5,610,070	11,268	472,300
	Other	11,700	97,240	-	-
B. Total CPM given in favor of subsidiaries consolidated on line-by-line basis (**)	EUR	191,500	7,036,265	36,000	1,508,896
	USD	45,500	1,602,660	20,000	790,521
C. Total CPM given in favor of other 3rd parties for ordinal trading operations		-	-	-	-
D. Other CPM given		-	-	-	-
i. Total CPM given in favor of parent entity		-	-	-	-
ii. Total CPM given in favor of other Group companies not of scope of clause B and C		-	-	-	-
iii. Total CPM given in favor of other 3rd parties out of scope of clause C		-	-	-	-
			21,436,404		**5,287,479**

(*) It mainly consists of guarantees given for Exim loans.
(**)Consists of the guarantees given by the Company for the loans utilized by the associates of the subsidiary CBS B.V.

The ratio of other GPMs given by the Group to the Group's equity is 0% as of 31 December 2024. (31 December 2023: 0%)

20. EMPLOYEE BENEFITS

a. Employee Benefit Obligations

	31 December 2024	31 December 2023
Social security payables	116,611	62,125
Wage accrual and income tax withholding payable to personnel	18,851	14,749
	135,462	**76,874**

b. Long-Term Employee Benefits

	31 December 2024	31 December 2023
Retirement pay provision	158,916	178,573
Provision for unpaid vacation liability	42,478	40,282
Seniority provision	13,042	8,496
	214,436	**227,351**

In accordance with the existing social legislation in Türkiye, the Group is required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

Such payments are calculated on the basis of one month's pay limited to a maximum of TL 41,828.42 full as of 31 December 2024 (31 December 2023: TL 29,300.04 full). The maximum severance pay is revised semi-annually, and the maximum amount of TL 46,655.43 full effective from 1 January 2025 has been considered in calculating the provision for employment termination benefits of the Group.

In the consolidated financial statements dated 31 December 2024 and 31 December 2023, the actuarial assumptions used in calculating the severance pay liability are as follows:

	31 December 2024	31 December 2023
Net discount rate (%)	3	3

As at 31 December 2024 and 31 December 2023, the movement of "Provision for Employment Termination Benefits" is as follows:sunulmuştur:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	178,573	335,874
Service cost	25,773	26,189
Interest cost	32,964	19,107
Actuarial gain	(3,770)	(515)
Payments	(39,277)	(92,651)
Monetary gain	(35,868)	(111,751)
Foreign currency translation reserve	521	2,320
Closing balance	**158,916**	**178,573**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

The movement of provision for unpaid vacation liability in the period is stated below:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	40,282	33,569
Additional provision	21,935	29,909
Provision paid during the period	(8,640)	(10,000)
Monetary gain	(11,099)	(13,196)
Closing balance	**42,478**	**40,282**

The movement of 'seniority provision' in the period is stated below:

	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	8,496	7,357
Additional provision	12,179	6,665
Provision paid during the period	(3,549)	(2,634)
Monetary gain	(4,084)	(2,892)
Closing balance	**13,042**	**8,496**

21. OTHER ASSETS AND LIABILITIES

a. Other Assets

Other current assets	31 December 2024	31 December 2023
Deferred VAT [1]	158,844	203,309
Other current assets	39,593	5,737
	198,437	**209,046**

Other non-current assets	31 December 2024	31 December 2023
Export VAT [2]	22,240	65,716
Other non-current assets	2,226	2,851
	24,466	**68,567**

[1] According to the estimates of the Group, the portion to be deducted from the VAT payables to be paid within one year is reclassified to other current assets.

[2] According to VAT Law no 11/c, the VAT amount regarding to the goods which are rendered to export dealers by manufacturers is not collected and are recorded to export VAT and deferred VAT accounts. Uncollected VAT is declared on related VAT declaration; accrued VAT is deferred and recorded to deferred VAT accounts. After verification of the realization of export, tax administration makes cancellation for the deferred VAT.

21. OTHER ASSETS AND LIABILITIES (Continued)

b. Other Liabilities

	31 December 2024	31 December 2023
Other short-term liabilities (*)	544,119	746,540
	544,119	**746,540**

(*) Liabilities related to the purchase of petcoke are followed among other short-term liabilities.

22. EQUITY, RESERVES AND OTHER EQUITY ITEMS

As of 31 December 2024 and 31 December 2023, the composition of shareholders is as follows:

	31 December 2024		31 December 2023	
Shareholders (*)	(%)	Amount	(%)	Amount
Hacı Ömer Sabancı Holding A.Ş.	54,54	515,719	54,54	515,719
Akçansa Çimento San. ve Tic. A.Ş.	8,98	84,914	8,98	84,914
Other shareholders	36,48	344,958	36,48	344,958
Nominal share capital	**100**	**945,591**	**100**	**945,591**
Inflation adjustment		2,340,012		2,340,012
Restated share capital		**3,285,603**		**3,285,603**

(*) Public quotation of the Group is 45.03% as of 31 December 2024 (31 December 2023: 45.05%).

As of 31 December 2024, the Company's capital is composed of 945,591 units (31 December 2023: 945,591). The nominal value of the shares is TL 1 per share (31 December 2023: TL 1 per share).

In line with the Board of Directors decision dated 27 January 2021, the validity period of the Company's registered capital ceiling is extended to cover the years 2021-2025; Amendments planned to be made in Articles 6 and 9 of the Company's Articles of Association in order to increase the registered capital ceiling of TL 200,000 and determine it as TL 350,000 and to allow the meetings of the Board of Directors to be held electronically. It was accepted at the Board meeting. The said General Assembly resolution was registered on 21 April 2021 and published in the Trade Registry Gazette of the same date and numbered 10314.

In accordance with the decision of the Board of Directors held on 28 July 2023, the issued capital of the Company with a nominal value of TL 135,084,442 Full will be increased to TL 945,591,094 Full by increasing the nominal value of free of charge TL 810,506,652 full by 600%, it is entirely covered by internal resources; Although the current registered capital ceiling of the Company is TL 350,000,000 Full, since the issued capital to be reached after the capital increase is higher than the registered capital ceiling, utilizing the provision of the sixth paragraph of Article 6 of the Capital Markets Board's Communique on the Registered Capital System numbered II-18.1, the registered capital ceiling is exceeded only once,

The entire amount of the capital increase, which is set at TL 810,506,652 and will be covered from internal sources, will be financed from the real estate sales gain funds in the Other Capital Reserves account in accordance with the Tax Procedure Law. In return for this in the financial statements prepared in accordance with TAS / TFRS according to the Capital Markets Legislation, it will be financed from the Retained Earnings account,

It has been decided that 81,050,665,200 bearer shares, each with a nominal value of 1 (One) cent, to be issued as a result of the free capital increase in question, will be distributed free of charge to the existing shareholders of the Company in proportion to the shares they hold. All transactions regarding the capital increase have been completed and the increase has been concluded.

Legal reserves

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Group's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Group's share capital. The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

Profit Distribution

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from 1 February 2014:

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable instalments and advance dividend can be paid in accordance with profit on interim financial statements of the Company.

Companies should include at least the following in their profit distribution policies:

a) Whether dividends will be distributed, and if distributed, the dividend distribution rate for shareholders and for others participating in the distribution.

b) Payment type of dividend distribution.

c) Time of dividend distribution; on condition that the distribution procedures to be started at the latest of the end of the annual period in which general assembly meeting was held in which the distribution was agreed upon.

d) Whether dividend advances will be distributed, and if distributed, the related principles.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

In accordance with Article 26 of the Articles of Association and in accordance with the CMB Communiqués, the Net Distributable Profit for the Period amounting to TL 2,490,892,519.00 remaining after deducting Legal Liabilities and Non-Controlling Interests from the said consolidated net profit for the year 2023 calculated in accordance with the CMB Legislation shall be distributed as follows,

First Dividend	47,280 TL
Second Dividend	952,720 TL
Total Gross Dividend	**1,000,000 TL**
General Legal Reserves (2nd Order)	95,272 TL
Extraordinary Reserve	1,395,620 TL

22. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

As a result of making the dividend distribution according to the above principles, from the Net Distributable Period Profit in the legal records prepared in accordance with the provisions of the Tax Procedure Law; After the Legal Liabilities are set aside, the gross dividend of TL 1,000,000,000.00 Full to be distributed shall be covered from the net profit of the period, and the remaining amount shall be transferred to extraordinary reserves.

Thus, it was decided at the Ordinary General Assembly meeting of 2023 held on 25 April 2024 to distribute TL 1,000,000,000.00 Full (TL 1,216,100 after inflation) (Gross) Dividend in cash to the shareholders representing TL 945,591,094.00 Full capital from the Profit of 2023, depending on their legal status, as of 29 April 2024.

Foreign currency translation reserves

According to TAS 21 'Effects of Changes in Foreign Exchange Rates', during the consolidation, the assets and liabilities of Group's subsidiaries and joint ventures in foreign countries are translated to Turkish Lira with respect to the exchange rates on the balance sheet date. Income and expense items are translated via the average exchange rates. The differences emerged as a result of using the closing and average exchange rates are accounted for as foreign currency translation reserves in the comprehensive statement of income.

Non-controlling interests

All non-controlling shares are eliminated from the equity accounts, including paid-in capital, of the consolidated subsidiaries and presented as a non-controlling interest in shareholders' equity in the consolidated balance sheet.

Value increase/(decrease) funds of financial investments

The subsidiary Exsa Export Sanayi Mamülleri Satış ve Araştırma A.Ş. ("Exsa") has been consolidated using the equity method with a share of 32.875%. The main shareholder, Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding), has made a Board of Directors decision to merge by taking over its subsidiary Exsa. In this context, Sabancı Holding applied to the Capital Markets Board on 21 June 2023, to obtain the necessary permits and approvals for the merger. According to Sabancı Holding's announcement on the Public Disclosure Platform dated 30 October 2023, the application to the Capital Markets Board for the merger has been updated in line with revised documents to obtain the necessary permits and approvals. As a result of the merger, Exsa shareholders were compensated by giving them Sabancı Holding shares in exchange for their Exsa shares, and the process was completed with the registration on 15 January 2024. In this context, the issuance document approved by the Capital Markets Board for the shares issued by Sabancı Holding due to the capital increase and allocated to Exsa's other shareholders was received on 2 February 2024, and the share exchange transactions were completed on 5 February 2024, finalizing the merger. In exchange for TL 76,927,500 full nominal value shares held in Exsa's capital, Sabancı Holding, as a result of the capital increase due to the merger, allocated TL 27,690,740.94 full nominal value shares representing 1.32% of Sabancı Holding's post-merger capital to the Company. The impact of this transaction has been recognized under Income from Investment Activities Account.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

The historical values and the effects of inflation adjustments of the following accounts under equity for Çimsa Çimento San. ve Tic. A.Ş. as of 31 December 2024, according to TFRS and TPL financial statements are as follows:

31 December 2024 (TFRS)	Historical Value	Inflation Adjustment Effect	Indexed Value
Adjustments to share capital	41,742	2,298,270	2,340,012
Share premiums	575	5,748	6,323
Restricted Reserves	327,702	3,025,414	3,353,116

31 December 2024 (TPL)	Historical Value	Inflation Adjustment Effect	Indexed Value
Adjustments to share capital	54,800	6,193,352	6,248,152
Share premiums	4,271	97,696	101,967
Restricted Reserves	371,261	5,267,764	5,639,025

23. DERIVATIVE FINANCIAL INSTRUMENTS

	31 December2024			31 December 2023		
	Contract Amount	Assets	Liabilities	Contract Amount	Assets	Liabilities
Short term derivative financial instruments						
Interest rate swap	20,750	21,946	-	22,800	37,969	-
Forward foreign exchange transactions (Forwards)	18,750	-	17,859	12,000	-	24,210
Interest rate swap	19,400	-	11,055	-	-	-
Option		-	37,606	-	-	-
Total derivative financial instruments		**21,946**	**66,520**		**37,969**	**24,210**

The Group has signed a contract worth EUR 19,400 on 6 December 2023 to hedge interest rate risk. The maturity date of the contract is 9 July 2029 and EUR 102 has been recognized in other comprehensive income/expense statement as of June 2024. The fair value increase/decrease of the contract is recognized under equity.

The Group regularly enters into forward foreign currency transactions based on GBP/EUR exchange rates with maturities of less than 1 year in order to hedge its exposure to foreign currency risk arising from trading outside its functional currency. As of 31 December 2024, the Group is a party to 15 forward contracts with a total contract value of GBP 18,750 equivalent to EUR 22,081. During the 2024 accounting period, income/expenses arising from forward contracts and fair value increases/decreases of the contracts are recognized under the Profit/Loss statement."

24. REVENUE

Revenue	1 January - 31 December 2024	1 January - 31 December 2023
Domestic sales	14,039,784	19,458,872
Export sales	16,817,569	12,472,456
Sales discounts (-)	(367,670)	(50,456)
Other deductions (-)	(2,339,165)	(2,276,658)
	28,150,518	**29,604,214**
Cost of Sales (-)	(22,106,374)	(23,786,698)
Gross profit	**6,044,144**	**5,817,516**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

25. OPERATING EXPENSES BY NATURE

The detail of costs of sales for the periods between 1 January - 31 December 2024 and 2023 is as follows:

Cost of sales (-)	1 January - 31 December 2024	1 January - 31 December 2023
Direct material and supplies expenses	(7,805,075)	(5,215,228)
Labor expenses	(1,447,856)	(992,097)
Energy costs	(6,268,803)	(7,241,305)
Depreciation and amortization expenses	(1,650,524)	(1,326,056)
Other production expenses	(3,803,269)	(3,078,527)
Total production cost	**(20,975,527)**	**(17,853,213)**
Change in Provision for inventory impairment (Note: 11)	11,089	2,268
Change in work-in process	411,035	(48,093)
Change in finished goods	557,259	206,293
Cost of trade goods sold and other	(2,110,230)	(6,093,953)
	(22,106,374)	**(23,786,698)**

The detail of general administration expenses for the periods between 1 January - 31 December 2024 and 2023 is as follows:

General administrative expenses	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	(1,088,713)	(896,100)
Consultancy expense	(567,123)	(239,391)
Depreciation and amortization expenses	(287,136)	(282,231)
Rent expenses	(133,942)	(114,469)
Insurance expenses	(121,903)	(69,469)
Travel expenses	(86,120)	(64,062)
Tax, duty and charges	(97,758)	(63,235)
Communication and publicity expenses	(76,827)	(75,410)
Representation expenses	(65,992)	(64,251)
IT Expenses	(58,958)	(71,368)
Maintenance and repair expenses	(24,980)	(5,278)
Other miscellaneous expenses	(86,313)	(96,822)
	(2,695,765)	**(2,042,086)**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

The detail of marketing, selling and distribution expense for the periods between 1 January - 31 December 2024 and 2023 is as follows:

Marketing, selling and distribution	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	(89,101)	(56,394)
Depreciation and amortization expenses	(20,383)	(34,219)
Representation expenses	(17,247)	(596)
Travel expenses	(8,219)	(7,589)
Consultancy expenses	(6,196)	(116)
Rent expenses	(2,318)	(2,597)
Insurance expenses	(781)	(765)
Communication and publicity expenses	(20)	(17)
Other miscellaneous expenses	(36,462)	(5,875)
	(180,727)	**(108,168)**

The detail of research and development expense for the periods between 1 January - 31 December 2024 and 2023 is as follows:

Research and development expenses	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	(33,303)	(12,144)
Depreciation and amortization expenses	(1,067)	(995)
Travel expenses	(790)	(2,259)
Outsourced benefits and services	(705)	(1,391)
Other miscellaneous expenses	(4,543)	(10,181)
	(40,408)	**(26,970)**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

26. OTHER OPERATING INCOME AND EXPENSES

Other operating income	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange gain from operating activities	904,405	2,381,855
Sales of scrap and miscellaneous material	26,850	27,737
Reversal of the provision	2,403	1,816
Other income and profit	248,995	150,140
	1,182,653	**2,561,548**

Other operating expense	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange loss from operating activities	(518,845)	(1,064,825)
Donations and grants	(96,666)	(104,744)
Provision expenses	(47,735)	(31,123)
Interest expense on employment termination benefits (Note 20)	(32,964)	(19,107)
Litigation, levy, and court paid expenses	(8,348)	(8,929)
Other expenses	(58,608)	(114,657)
	(763,166)	**(1,343,385)**

27. INCOME AND EXPENSE FROM INVESTMENT ACTIVITIES

Income from investment activities	1 January - 31 December 2024	1 January - 31 December 2023
Dividend income	102,959	-
Income from financial investments	46,584	-
Fixed assets sales income	32,561	15
Gain on fair value of investment property	4,416	-
Income from other investing activities (*)	-	600,409
	186,520	**600,424**

(*) Includes income recognized from matured Eurobonds and CPMs.

28. FFINANCIAL INCOME/EXPENSE

Financial income	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	1,338,384	910,897
Total financial income	**1,338,384**	**910,897**

Financial expenses	1 January - 31 December 2024	1 January - 31 December 2023
Interest expenses of bank borrowings	(2,055,768)	(1,645,517)
Foreign exchange loss on bank	(274,351)	(1,002,366)
Other financial expenses	(90,094)	(109,031)
Total financial expense	**(2,420,213)**	**(2,756,914)**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

29. INCOME TAXES

With the "Law on the Creation of Additional Motor Vehicle Tax and Amendments to Certain Laws and Decree Law No. 375 (Law No. 7456) for the Compensation of Economic Losses Caused by the Earthquakes that Occurred on 6 February 2023", published in the official newspaper dated 15 July 2023, corporate tax rate has been increased from 20% to 25% and the new rate has entered into force as of the 3rd provisional tax period of 2023 (applied as 23% in 2022 and 25% in 2021). With this, With the same Law, the corporate tax reduction, which was previously applied as 1 point for the earnings of exporting institutions exclusively from exports, was increased to 5 points. For institutions that have an industrial registry certificate and are actually engaged in production activities, the corporate tax rate is applied at a 1-point discount for the profits they obtain exclusively from production activities.

This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation and by addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation.

Companies calculate provisional tax based on their quarterly financial profits with the current corporate tax rate and declare and pay it until the evening of the 17th day of the second month following the relevant period. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If there is any provisional tax amount left after the deduction, this amount can be refunded in cash or offset against other tax debts.

Tax deductions are made on dividend payments made to resident companies in Türkiye, those not responsible for and exempt from corporate and income tax, as well as to real persons and non-resident legal entities in Türkiye. The deduction rate, which was previously determined as 15% by the Council of Ministers Decision, was reduced to 10% by the Presidential Decision dated 21 December 2021 and numbered 4936. Dividend payments made from fully taxpayer institutions in Türkiye to fully taxpayer institutions resident in Türkiye are not subject to deduction.

The law on amending the Tax Procedure Law and the Corporate Tax Law was published on January 20, 2022, Law No. It has become law with number 7352, and it has been decided that financial statements will not be subject to inflation correction, regardless of whether the conditions for inflation adjustment within the scope of Article 298 are met for the 2021 and 2022 accounting periods, including the provisional accounting periods, and the 2023 accounting period provisional tax periods. In line with Law No. 7352, inflation adjustment has been applied to the financial statements dated 31 December 2023, and the profit/loss difference resulting from the inflation adjustment has been shown in the previous years' profit/loss account and has not been subject to tax. Profit/loss differences arising from the inflation adjustment made as of the 2024 accounting period are subject to tax.

Within the scope of the Law No. 6637 on the Amendment of Certain Laws and Statutory Decrees published in the Official Gazette dated 7 April 2015, as of 1 July 2015, the cash capital increases in capital companies and the portion of the paid-in capital in newly established companies are announced by the CBRT. Considering the weighted annual average interest rate applied to commercial loans, 50% of the amount calculated until the end of the relevant accounting period can be deducted from the corporate tax base. With the decision numbered 2015/7910 published in the Official Gazette dated 31 December 2021, to 50%;

a) For public companies whose shares are traded on the stock exchange, whose paid or issued capital ratio is 50% or less, registered in the trade registry of the nominal amount of shares tracked as tradable shares in the Central Registry Agency, as of the last day of the year in which the discount is benefited. 25 points, 50 points for those above 50%,

29. INCOME TAXES (Continued)

b) In case the capital increased in cash is used for investments in production and industrial facilities with investment incentive certificates and machinery and equipment of these facilities and/or investments in land and land allocated for the construction of these facilities, an additional 25 points shall be limited to the fixed investment amount included in the investment incentive certificate. The discount in question is applied.

c) It has been stipulated by Article 49 of Law No. 7417, effective as of 5 July 2022, that this discount cannot be used separately for the accounting period in which the decision regarding the capital increase or the articles of association at the initial establishment stage is registered and the four accounting periods following this period, and that this amendment provision will be applied for 5 accounting periods, including the 2022 accounting period, for companies that increased their capital before 5 July 2022 or were established for the first time.

In addition, Pursuant to the Decree on State Aids in Investments dated 15 June 2012 and numbered 2012/3305, the incomes obtained from the investments granted with the incentive certificate are subject to corporate tax at reduced rates, starting from the accounting period in which the investment started to be operated partially or completely, until the amount of contribution to a certain investment is reached. In addition, reduced corporate tax may be applied to the income of the investor from other activities during the investment period, as a deduction from the investment contribution amount, not to exceed the amount of investment expenditure realized and not to exceed 80% of the total amount of contribution to the investment. Within the scope of investment incentive certificates issued for the manufacturing industry (US-97 Code: 15- 37), the investment contribution rates to be applied in tax relief support within the scope of regional and strategic incentive applications for investment expenditures to be made between 1 January 2017 and 31 December 2022, will be applied to the investment valid in each region. By adding 15 points to the contribution rate, corporate tax or income tax reduction is applied at 100% in all regions, and the rate of the investment contribution amount to be applied to the earnings of the investor from other activities during the investment period is 100%.

The tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in shareholders' equity.

As of 31 December 2024 and 2023, income tax provisions have been accrued in accordance with the prevailing tax legislation.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

As of 31 December 2024 and 31 December 2023 corporate tax payables are summarized as follows:

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

Distribution of tax expenses are as follows:

Assets related to the current period taxes	31 December 2024	31 December 2023
Assets related to the current period taxes	86,511	135,923
	86,511	**135,923**

Corporate tax payable	31 December 2024	31 December 2023
Current period corporate tax provision	(244,303)	(487,558)
Less: Prepaid taxes and funds	156,155	419,335
	(88,148)	**(68,223)**

Tax (expense)/income	31 December 2024	31 December 2023
Current tax (expense)/income	(244,303)	(487,558)
Deferred tax (expense)/income	(605,870)	691,342
	(850,173)	**203,784**

The details of the deferred tax assets and liabilities 31 December 2024 and 31 December 2023 are as follows:

Deferred tax assets	31 December 2024	31 December 2023
Property, plant and equipment and intangible assets	1,310,144	1,698,957
Tax losses carried forward	261,358	34,784
Available-for-sale financial assets	118,046	-
Provision for litigations	15,496	15,001
Investment incentive (*)	210,941	-
Provision for unused vacation	11,364	7,500
Provision for employee benefits	32,274	6,999
Recultivation provision	8,153	6,639
Inventory impairment provision	6,094	2,177
Other	138,030	110,377
	2,111,900	**1,882,434**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

29. INCOME TAXES (Continued)

Deferred tax liabilities	31 December 2024	31 December 2023
Property, plant and equipment and intangible assets	(2,433,808)	(923,165)
Fair values of derivative products	(40,866)	(121,632)
Goodwill	(24,738)	(35,716)
Inventories	(22,692)	(32,763)
Internal rate of return adjustment of borrowings	(5,088)	(5,166)
Other	(249,207)	(120,306)
	(2,776,399)	**(1,238,748)**
Deferred tax assets/(liabilities), net	**(664,499)**	**643,686**

(*) Pursuant to the Decree dated 15 June 2012 and numbered 2012/3305 on State Aids in Investments, the earnings from investments subject to an incentive certificate are subject to corporate tax at discounted rates starting from the accounting period in which the investment starts to be operated partially or completely, until the investment reaches a certain investment contribution amount. In addition, discounted corporate tax may be applied to the earnings from other activities of the investor during the investment period, not exceeding the amount of investment expenditure incurred and not exceeding 80% of the total investment contribution amount. As of 31 December 2024, deferred tax asset created within the scope of investment incentives is TL 210,941.

Deferred tax assets/(liabilities) presentation at balance sheet	31 December 2024	31 December 2023
Deferred tax assets	2,111,900	1,882,434
Deferred tax liabilities	(2,776,399)	(1,238,748)
	(664,499)	**643,686**

The movement of the net deferred tax liabilities is as follows:

Deferred tax assets/(liabilities) movement:	31 December 2024	31 December 2023
Opening balance	(643,686)	305,789
Deferred tax (income)/expense	605,870	(691,342)
Accounted under other comprehensive income	(5,033)	153,501
Increase due to acquisition of subsidiary	823,353	-
Other	(116,005)	(411,634)
Closing balance	**664,499**	**(643,686)**

Tax reconciliation:	1 January-31 December 2024	1 January-31 December 2023
Profit before taxation	3,904,509	4,240,984
Effective statutory income tax rate	25%	25%
Tax expense at the effective statutory income tax rate	(976,127)	(1,060,246)
Reconciliation of tax provision calculated with deductible:		
- Effect of assets from tax incentives	210,941	-
- Non-deductible expenses	(34,045)	(57,571)
- Other income exempt from tax	49,442	204,584
- The effect of assets from tax incentives	-	336,929
- Effect of the profit from investments accounted by equity method	-	15,562
- Earthquake tax	-	(156,141)
- Inflation effect and other	(100,384)	920,667
Tax provision expense in the income statement	**(850,173)**	**203,784**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

30. EARNINGS PER SHARE

Earnings per share (EPS) is calculated by dividing the net profit for the period attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Earnings/(loss) per share from continuing operations

	1 January - 31 December 2024	1 January - 31 December 2023
Number of shares	945,591	945,591
Profit attributable to equity holders of the parent - TL	2,687,840	3,596,322
Dividend per share with nominal value of 1 Kr - TL	2.84	3.80

31. NET MONETARY POSITION GAINS/(LOSSES)

The details of the Company's net monetary position gains/(losses) in accordance with TAS 29 as of 31 December 2024 are as follows:

Non-Monetary Items	1 January - 31 December 2024
Statement of Financial Position Items	**428,477**
Inventories	121,549
Prepaid Expenses	9,462
Investments in Subsidiaries	3,185,523
Property, Plant and Equipment	4,679,718
Goodwill	911,824
Right-of-Use Assets	69,007
Deferred Tax Liability	199,949
Paid-in Capital	(1,867,495)
Share Premiums	(7,430)
Repurchased Shares	660,647
Gain/(Loss) on Remeasurement of Defined Benefit Plans	11,196
Hedging Gains/Losses	(2,502)
Restricted Reserves Appropriated from Profit	(1,015,651)
Retained Earnings/Losses	(6,527,320)
Profit or Loss Statement Items	**824,610**
Revenue	(2,565,264)
Cost of Sales	3,113,599
General Administrative Expenses	241,346
Marketing, Sales and Distribution Expenses	23,689
Research and Development Expenses	5,413
Other Income/Income from Operating Activities	(177,130)
Income from Investing Activities	(31,233)
Finance Income/Expenses	214,190
NET MONETARY POSITION GAINS (LOSSES)	**1,253,087**

32. RELATED PARTY DISCLOSURES

Entities are defined as related if one of the entities has control over the other entity or has a significant influence over the other entity's financial and administrative decisions. The Group is controlled by H.Ö. Sabancı Holding A.Ş. For the consolidated financial statements, shareholder companies and financial assets of H.Ö. Sabancı Holding A.Ş. and their associates and subsidiaries and also other companies of Sabancı Group are presented separately, and these companies and top management of the Group are referred to as related parties. The Group has various transactions with related parties. The related party balances as of 31 December 2024 and 31 December 2023 and the related party transactions for the periods ended 31 December 2024 and 31 December 2023 are mainly as follows:

Trade receivables from related parties

	31 December 2024	31 December 2023
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. [2]	435	-
	435	**-**

(2) Joint venture of the parent company; H.Ö. Sabancı Holding A.Ş.

Short-term trade payables to related parties

	31 December 2024	31 December 2023
Enerjisa Elektrik Enerjisi Toptan Satış A,Ş, [2]	47,122	175,751
Enerjisa Müşteri Çözümleri A,Ş,[2]*	195,958	87,114
Akçansa Cement Sanayi ve Ticaret A,Ş,[2]	66,327	26,401
Other	1,862	16,600
	311,269	**305,866**

(*) Within the framework of the contract signed with Enerjisa Müşteri Çözümleri A.Ş. (Enerjisa), the Solar Power Plant (SPP) project built in the Afyon factory was commissioned and activated on 13 September 2023. Within the framework of the contract, maintenance and operation services of the facility will be provided by Enerjisa Customer Solutions for 9 years from the date of commissioning, and a monthly service fee will be paid to Enerjisa Müşteri Çözümleri accordingly. In order to benefit from regional incentives related to investment, an Investment Incentive Certificate was obtained, and the incentive elements began to benefit.

Within the framework of the contract signed with Enerjisa Müşteri Çözümleri A.Ş. dated 26 September 2023, waste heat to power generation (WHR) investment continues at the Eskişehir Plant.

Short-term other payables to related parties

	31 December 2024	31 December 2023
Sabancı Dx [1]	19,688	20,771
Aksigorta Sigortacılık A,Ş, [2]	1,386	161
Teknosa İç ve Dış Ticaret A,Ş, [1]	1,570	6,514
Other	38	3,095
	22,682	**30,541**

Bank balances deposited in related parties

	31 December 2024	31 December 2023
Akbank T.A.Ş. [1]	164,466	1,597,399
	164,466	**1,597,399**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

Borrowings from related parties

	31 December 2024	31 December 2023
Banks loans from Akbank T.A.Ş. [1]	1,464,020	1,847,796
	1,464,020	**1,847,796**

[1] Subsidiary of the parent company; H.Ö. Sabancı Holding A.Ş.
[2] Joint venture of the parent company; H.Ö. Sabancı Holding A.Ş.

Sales to related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. [2]	4,038	19,794
Sabancı Dx. [1]	1,672	822
Other	103	625
	5,813	**21,241**

Purchases and services received from related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. [2]	989,617	2,343,961
Akçansa Cement Sanayi ve Ticaret A.Ş. [2]	426,504	631,252
Enerjisa Müşteri Çözümleri A.Ş. [2]	171,871	-
Aksigorta A.Ş. [1]	113,310	76,620
Sabancı Dx[1]	56,333	67,657
Teknosa İç ve Dış Tic. A.Ş. [1]	10,470	15,343
Other	17,178	27,763
	1,785,283	**3,162,596**

Interest income from related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Akbank T.A.Ş.. [1]	205,080	183,995
	205,080	**183,995**

Interest expenses from related parties

	1 January - 31 December 2024	1 January - 31 December 2023
Akbank T.A.Ş.. [1]	(45,097)	(135,373)
	(45,097)	**(135,373)**

[1] Subsidiary of the parent company; H.Ö. Sabancı Holding A.Ş.
[2] Joint venture of the parent company; H.Ö. Sabancı Holding A.Ş.

Compensation benefits to the top management

The total amount of salaries and similar benefits provided to the chairman and members of the Board of Directors and senior executives such as general manager, assistant general managers in the current period is TL 109,022 (31 December 2023 - TL 88,824) and the premiums paid is TL 3,957 (31 December 2023 - TL 3,819).

33. FOREIGN CURRENCY RISK

Foreign Currency Risk

The Group's foreign currency positions in original currency as of 31 December 2024 and 31 December 2023 are as follows:

As the national currencies of the Group's foreign subsidiaries are not considered as exchange rate risk, they are not included in the foreign currency position.

	31 December 2024				
	TL Equivalent (Functional (Currency)	USD (Original (Currency)	EUR (Original (Currency)	GBP(Original (Currency)	Other(original currency)
Trade receivables	2,322,264	40,971	23,861	5	-
Monetary financial assets	1,410,717	34,288	5,438	29	-
Non-monetary financial assets	-	-	-	-	-
Other	53,556	312	1,158	-	-
Current Assets	**3,786,537**	**75,571**	**30,457**	**34**	**-**
TOTAL ASSETS	**3,786,537**	**75,571**	**30,457**	**34**	
Trade payables	(1,982,341)	(44,790)	(10,577)	(307)	-
Financial liabilities	(6,532,678)	(45,782)	(133,860)	-	-
Other non-monetary liabilities	(35,705)	(256)	(723)	(3)	-
Current Liabilities	**(8,550,724)**	**(90,828)**	**(145,160)**	**(310)**	**-**
TOTAL LIABILITIES	**(8,550,724)**	**(90,828)**	**(145,160)**	**(310)**	**-**
Net foreign currency asset/(liability) position	**(4,764,187)**	**(15,257)**	**(114,703)**	**(276)**	**-**
Off balance sheet derivative financial instruments asset/(liability) position	**6,400,056**	**45,000**	**131,000**	**-**	**-**
Net foreign currency asset/(liability) position	**1,635,869**	**29,743**	**16,297**	**(276)**	**-**
Export	8,242,228	88,818	150,607	25	
Import	2,391,037	59,820	12,212	-	-

	31 December 2023				
	TL Equivalent (Functional (Currency)	USD (Original (Currency)	EUR (Original (Currency)	GBP(Original (Currency)	Other(original currency)
Trade receivables	1,318,833	2,941	16,935	-	33,689
Monetary financial assets	2,733,183	58,690	3,842	104	4,441
Non-monetary financial assets	119,019	-	2,531	-	-
Other	1,745,651	38,807	1,463	-	2,323
Current Assets	**5,916,685**	**100,438**	**24,771**	**104**	**40,453**
TOTAL ASSETS	**5,916,685**	**100,438**	**24,771**	**104**	**40,453**
Trade payables	(659,504)	(4,510)	(8,789)	(94)	(4,187)
Financial liabilities	(3,552,581)	(47,295)	(30,761)	-	(8,133)
Other non-monetary liabilities	(146,161)	(1,808)	(1,235)	(3)	(940)
Current Liabilities	**(4,358,245)**	**(53,613)**	**(40,785)**	**(97)**	**(13,260)**
TOTAL LIABILITIES	**(4,358,245)**	**(53,613)**	**(40,785)**	**(97)**	**(13,260)**
Net foreign currency asset/(liability) position	**1,558,440**	**46,825**	**(16,014)**	**7**	**27,193**
Off balance sheet derivative financial instruments asset/(liability) position	**510,033**	**12,000**	**-**	**-**	**-**
Net foreign currency asset/(liability) position	**2,068,473**	**58,825**	**(16,014)**	**7**	**27,193**
Export	12,472,531	171,461	177,959	37	-
Import	2,550,382	57,137	15,993	4	-

Exchange Rate Risk Sensitivity Analysis

The Group is mainly exposed to currency risk denominated in USD, EUR, and GBP.

The table below shows the Group's sensitivity to a 10% increase in USD, Euro, and GBP exchange rates. The 10% rate is the rate used in the reporting of the currency risk within the Group to the top management and represents the probable change that the management expects in foreign exchange rates. The sensitivity analysis only covers the monetary items denominated in foreign currency and presents the impact of the 10% change in foreign exchange rates of these monetary items at year-end. This analysis covers, as well as external loans, the loans denominated in a currency other than the functional currency of the parties taking the loan. Positive value represents the increase in other equity items in profit/loss.

33. FOREIGN CURRENCY RISK (Continued)

Exchange Rate Risk Sensitivity Analysis (Continued)

	Profit/Loss		Equity	
31 December 2024	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
1- USD net assets/liabilities	587,637	(587,637)	587,637	(587,637)
2- Hedged portion of USD risk (-)	159,047	(159,047)	159,047	(159,047)
3- USD net effect (1+2)	746,684	(746,684)	746,684	(746,684)
4- Net EUR assets/liabilities	646,105	(646,105)	646,105	(646,105)
5- Hedged portion of EUR risk (-)	482,111	(482,111)	482,111	(482,111)
6- EUR net effect (4+6)	1,128,216	(1,128,216)	1,128,216	(1,128,216)
7- Net GBP assets/liabilities	1,529	(1,529)	1,529	(1,529)
8- Hedged portion of GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	1,529	(1,529)	1,529	(1,529)
Total (3+6+9)	**1,876,429**	**(1,876,429)**	**1,876,429**	**(1,876,429)**

	Profit/Loss		Equity	
31 December 2023	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
1- USD net assets/liabilities	894,362	(894,362)	894,362	(894,362)
2- Hedged portion of USD risk (-)	51,096	(51,096)	51,096	(51,096)
3- USD net effect (1+2)	945,458	(945,458)	945,458	(945,458)
4- Net EUR assets/liabilities	308,653	(308,653)	308,653	(308,653)
5- Hedged portion of EUR risk (-)	-	-	-	-
6- EUR net effect (4+6)	308,653	(308,653)	308,653	(308,653)
7- Net GBP assets/liabilities	1,087	(1,087)	1,087	(1,087)
8- Hedged portion of GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	1,087	(1,087)	1,087	(1,087)
10-Net other foreign currency asset/liability	7,751	(7,751)	7,751	(7,751)
11- Hedged portion of other foreign currency risk(-)	-	-	-	-
12-Other Foreign currency net effect (10+11)	7,751	(7,751)	7,751	(7,751)
Total (3+6+9+12)	**1,262,949**	**(1,262,949)**	**1,262,949**	**(1,262,949)**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024
(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

34. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a. Interest rate risk management

The Group is exposed to interest rate risk due to the effect of changes in interest rates on the Group's assets and liabilities having interest returns. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, using interest rate swap contracts and interest rate forward contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

The distribution of interest rate sensitive financial instruments of the Group is as follows:

Interest position table	31 December 2024	31 December 2023
Fixed rate instruments		
Time Deposits	6,108,220	7,756,038
Borrowings	8,107,251	5,871,620

	31 December 2024	31 December 2023
Floating rates instruments		
Borrowings	12,803,129	6,023,757

b. Capital management

The Group manages its capital by maintaining permanence of its operations and on the other hand by reviewing terms of the trade receivables, trade payables and financial liabilities and cash from operations by using the debt and equity ratio in the most efficient way. The Group's top management evaluates the cost of capital and the risks which are associated with every equity account and presents to Board of Directors those which depend on their decision. The Group's objective is to maintain the stability of capital structure by taking new debts or repayment of debts and via dividend payments, depending on the decisions of Board of Directors.

The Company follows the debt-to-equity ratio in the capital management in parallel with other companies in the sector. Net debt is calculated by dividing net debt to total equity. Net debt/equity ratios at 31 December 2024 and 31 December 2023:

	Notes	31 December 2024	31 December 2023
Total financial borrowings	9	21,490,215	12,483,959
Less: Cash and cash equivalents	6	(7,687,489)	(9,105,525)
Net debt		13,802,726	3,378,434
Equity		32,037,070	33,834,138
Total liabilities		**45,839,796**	**37,212,572**
Net debt/Equity ratio (%)		43%	10%

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

34. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

c. Financial risk factors

The Group's principal financial instruments are cash, short-term time deposits and bank borrowings. The main purpose of use of these financial instruments is to raise finance for the Group's operations and to hedge interest rate risk. The Group has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk, interest rate risk and credit risk. As explained below, the Board of Directors is responsible from the procedures necessary to follow and manage these risks.

d. Credit risk management

The majority of the trade receivables are guaranteed by the bank letters and/or credit limits. The credit reviews are performed continuously over the accounts receivable balances of the customers. The Group does not have a significant credit risk arising from any customer.

The aging of the assets that are overdue but not subject to any impairment as of 31 December 2024 and 31 December 2023:

	Receivables			Derivative		
31 December 2024	Trade Receivables	Other Receivables	Deposits at Banks	Financial Instruments	Other	Total
Overdue 1-30 days	344,724	-	-	-	-	344,724
Overdue 1-3 months	60,554	-	-	-	-	60,554
Overdue 3-12 months	6,297	-	-	-	-	6,297
Total overdue receivables	**411,574**	**-**	**-**	**-**	**-**	**411,574**
Secured part via collateral etc.	**187,156**	**-**	**-**	**-**	**-**	**187,156**

	Receivables			Derivative		
31 December 2023	Trade Receivables	Other Receivables	Deposits at Banks	Financial Instruments	Other	Total
Overdue 1-30 days	255,672	-	-	-	-	255,672
Overdue 1-3 months	11,745	-	-	-	-	11,745
Overdue 3-12 months	11,108	-	-	-	-	11,108
Total overdue receivables	**278,525**	**-**	**-**	**-**	**-**	**278,525**
Secured part via collateral etc.	**163,866**	**-**	**-**	**-**	**-**	**163,866**

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

Exposure to credit risks by types of financial instruments

	Receivables						
	Trade Receivables		Other Receivables		Deposits at banks		
31 December 2024	Related Party	Third Party	Related Party	Third Party	Related Party	Third Party	Derivative Financial Instruments
Maximum credit exposures as of report date (1) (A+B+C+D+E)	435	5,657,396	-	48,981	164,466	7,522,811	21,946
- Secured part of maximum credit risk exposure via collateral etc.	-	187,156	-	-	-	-	-
A. Net book value for the financial assets that are neither overdue nor impaired (2)	435	5,334,156	-	48,981	164,466	7,522,811	21,946
B. Carrying amount of financial assets that are renegotiated, otherwise classified as overdue or impaired (3)	-	-	-	-	-	-	-
C. Net book value of financial assets that are overdue but not impaired		411,574					
- Secured part via collateral etc.	-	187,156	-	-	-	-	-
D. Net book value of impaired financial assets	-	-	-	-	-	-	-
- Overdue (gross carrying amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured part via collateral etc.	-	-	-	-	-	-	-
- Not Overdue (gross carrying amount)	-	307,498	-	-	-	-	-
- Impairment (-)	-	(307,498)	-	-	-	-	-
- The part of net value under guarantee with collaterals etc.	-	-	-	-	-	-	-
E. Off-Balance sheet financial assets exposed to credit risk							

(1) When determining the amount, the guarantees received and factors increasing the credibility are not considered.

(2) The guarantees consist of letters of guarantees, guarantee cheques and mortgages received from customers. The portion of the guarantee which covers the risk has not been taken into consideration.

(3) The Group did not have any collection problems with these customers in the past.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

34. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

d. Credit risk management (continued)

Credit risks by type of financial instruments

	Receivables						
	Trade Receivables		Other Receivables		Deposits at banks		
31 December 2023	Related Party	Third Party	Related Party	Third Party	Related Party	Third Party	Derivative Financial Instruments
Maximum credit exposures as of report date (1) (A+B+C+D+E)	-	3,385,066	-	54,969	1,597,399	7,508,042	37,969
- Secured part of maximum credit risk exposure via collateral etc.							
A. Net book value for the financial assets that are neither overdue nor impaired (2)	-	3,106,541	-	54,969	1,597,399	7,508,042	37,969
B. Carrying amount of financial assets that are renegotiated, otherwise classified as overdue or impaired (3)	-	-	-	-	-	-	-
C. Net book value of financial assets that are overdue but not impaired	-	278,525	-	-	-	-	-
- Secured part via collateral etc.	-	163,866	-	-	-	-	-
D. Net book value of impaired financial assets							
- Overdue (gross carrying amount)	-	15,783	-	-	-	-	-
- Impairment (-)	-	(15,783)	-	-	-	-	-
- Secured part via collateral etc.	-		-	-	-	-	-
- Not Overdue (gross carrying amount)	-		-	-	-	-	-
- Impairment (-)	-		-	-	-	-	-
- The part of net value under guarantee with collaterals etc.	-		-	-	-	-	-
E. Off-Balance sheet financial assets exposed to credit risk	-		-	-	-	-	-

(1) When determining the amount, the guarantees received and factors increasing the credibility are not considered.

(2) The guarantees consist of letters of guarantees, guarantee cheques and mortgages received from customers. The portion of the guarantee which covers the risk has not been taken into consideration.

(3) The Group did not have any collection problems with these customers in the past.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024. Currencies other than TL are stated as thousand unless otherwise stated.)

e. Foreign currency risk management

When necessary, the Group enters derivative transactions to manage its exchange rate exposures. In this context, the Group's main preference is foreign currency forward transactions. The Group manages foreign currency purchase/sale forward contracts with maturities less than one year. The details of unrealized foreign currency purchase/sale forward contracts as of the date of the report are disclosed in Note 22.

f. Interest rate risk management

The Group is exposed to the interest rate risk through the impact of interest rate changes on interest bearing assets and liabilities. The interest rate is fixed by making an IRS (Interest Rate Swap) through the bank. The Group changed the interest rate of "3.45%+Euribor" to "3.05%" for its 20,750,000 EUR variable interest and long-term loan, and "3.30%+Sofr" interest to "3.30%+Sofr" for its 25,000,000 USD floating rate and long-term loan with a maturity of 9 July 2029, it is fixed at "2,69%" with a maturity date of 10 February 2027. Transactions were made to hedge cash flow risk and were accounted under equity by applying hedge accounting.

g. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The current and prospective risk of funding the debts is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions.

The breakdown of derivative and non-derivative financial liabilities according to their maturities is shown by considering the period from the balance sheet date to the maturity date and are contractual undiscounted cash flows.

		Contractual Total				
31 December 2024 Contractual maturities	Net Book Value	Cash Outflow (I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Bank borrowings	20,910,380	21,322,531	3,044,414	10,808,601	6,943,019	526,497
Finance lease obligations	579,835	579,835	-	97,072	482,763	-
Trade payables	6,646,185	6,646,185	6,646,185	-	-	-
Other payables, liabilities and deferred income	1,079,433	1,079,433	1,079,433	-	-	-
Total liabilities	**29,215,833**	**29,627,984**	**10,770,032**	**10,905,673**	**7,425,782**	**526,497**
Derivative financial liabilities						
Unrealized purchase/commitments	66,520	66,520	-	-	66,520	-
	66,520	**66,520**	**-**	**-**	**66,520**	**-**

		Contractual Total				
31 December 2023 Contractual maturities	Net Book Value	Cash Outflow (I+II+III+IV)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More Than 5 Years (IV)
Bank borrowings	11,895,377	13,715,759	1,426,947	4,369,174	7,114,576	805,062
Finance lease obligations	588,582	629,784	157,448	472,336	-	-
Trade payables	4,618,651	4,618,651	4,618,651	-	-	-
Other payables, liabilities and deferred income	1,253,312	1,253,309	1,253,309	-	-	-
Total liabilities	**18,355,922**	**20,217,503**	**7,456,355**	**4,841,510**	**7,114,576**	**805,062**
Derivative financial liabilities						
Unrealized purchase/commitments	24,210	24,210	-	-	24,210	-
	24,210	**24,210**	**-**	**-**	**24,210**	**-**

35. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING

31 December 2024	Cash and cash equivalents	Loans and receivables	Financial assets at fair value through other comprehensive income	Financial liabilities at amortized cost	Derivative financial instruments accounted under equity	Derivative financial instruments through income statement	Financial assets through income statement	Carrying value	Note
Financial assets									
Cash and cash equivalents	7,687,489	-	-	-	-	-	-	7,687,489	6
Trade receivables	-	5,657,831	-	-	-	-	-	5,657,831	8
Financial investments	-	-	2,805,970	-	-	-	-	2,805,970	7
Other financial assets	-	1,407,115	-	-	-	-	-	1,407,115	10/12
Derivative financial assets	-	-	-	-	-	21,946	-	21,946	23
Financial liabilities									
Financial liabilities	-	-	-	21,490,215	-	-	-	21,490,215	9
Trade payables	-	-	-	6,646,185	-	-	-	6,646,185	8
Other liabilities	-	-	-	1,079,432	-	-	-	1,079,432	10/12/21
Derivative financial liabilities	-	-	-	-	66,520	-	-	66,520	23
31 December 2023									
Financial assets									
Cash and cash equivalents	9,105,525	-	-	-	-	-	-	9,105,525	6
Trade receivables	-	3,385,066	-	-	-	-	-	3,385,066	8
Financial investments	-	-	119,629	-	-	-	-	119,629	7
Other financial assets	-	2,163,979	-	-	-	-	-	2,163,979	10/12
Derivative financial assets	-	-	-	-	-	37,969	-	37,969	23
Financial liabilities									
Financial liabilities	-	-	-	12,483,959	-	-	-	12,483,959	9
Trade payables	-	-	-	4,618,651	-	-	-	4,618,651	8
Other liabilities	-	-	-	1,253,312	-	-	-	1,253,312	10/12/21
Derivative financial liabilities	-	-	-	-	24,210	-	-	24,210	23

35. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)

The classification and fair value of the financial instruments

The Company estimated the fair value of financial instruments using available market information and appropriate valuation methodologies. However, market data, and judgment is required to estimate the fair values. As a result, the estimates presented here, may not be an indicative of the amounts by which the Company could obtain in a current market transaction.

Financial assets - The fair values of certain financial assets carried at cost, including cash and cash equivalents plus the respective accrued interest and other financial assets are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. The carrying value of trade receivables along with the related allowance for doubtful receivables is estimated to be their fair values.

Financial liabilities - Trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of bank borrowings. The fair value of long-term bank borrowings with variable interest rates are considered to state their respective carrying values since the interest rate applied to bank borrowings are updated periodically by the lender to reflect active market price quotations. The fair values of long-term bank borrowings with fixed interest rates considered to approximate their respective carrying values due to the fact that fixed rate is the rate applicable as of balance sheet date. The fair values of short-term bank borrowings are considered to approximate their respective carrying values due to their short-term nature.

Fair value hierarchy table

The Company classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows.

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted),

Level 2: Other valuation techniques including direct or indirect observable inputs

Level 3: Valuation techniques does not contain observable market inputs

As of 31 December 2024 and 31 December 2023 the fair value hierarchy table of the Company's assets and liabilities at fair value are as follows:

Financial assets and liabilities at fair value		The level of fair value at the reporting date		
	31 December 2024	Level 1	Level 2	Level 3
Financial assets and liabilities at fair value through income/loss				
Financial investments	-	-	-	-
Derivative financial assets	21,946	-	21,946	-
Derivative financial liabilities	-	-	-	-
Financial assets and liabilities at fair value through other comprehensive income/loss				
Financial assets available for sale	2,805,970	-	-	2,805,970
Derivative financial liabilities	(66,520)	-	(66,520)	-
Total	**2,761,395**	**-**	**(44,574)**	**2,805,969**

Financial assets and liabilities at fair value		The level of fair value at the reporting date		
	31 December 2023	Level 1	Level 2	Level 3
Financial assets and liabilities at fair value through income/loss				
Financial investments	-	-	-	-
Derivative financial assets	37,969	-	37,969	-
Derivative financial liabilities	-	-	-	-
Financial assets and liabilities at fair value through other comprehensive income/loss				
Financial assets available for sale	119,629	-	-	119,629
Derivative financial liabilities	(24,210)	-	(24,210)	-
Total	**133,388**	**-**	**13,759**	**119,629**

Fair value of financial instruments

Fair value is defined as the price that collected from the sale of an asset or payable in the ordinary course of business at the measurement date between market participants.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, estimates are necessary to interpret market data to determine fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

Monetary assets:

It is foreseen that cash and cash equivalent recording prices are equal to their fair value due to their short-term nature.

It is foreseen that trade receivables recording prices are equal to their fair value due to their short-term nature.

Monetary liabilities

The carrying values of trade payables are estimated to reflect their fair value due to their short-term nature.

			Fair value level as of reporting date	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Fair value difference reflects other comprehensive income/ loss derivative financial assets and liabilities	(66.520)	(24.210)	Level 2	Level 2
Total	**(66.520)**	**(24.210)**		

			Raporlama tarihi itibarıyla gerçeğe uygun değer seviyesi	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Financial assets and liabilities at fair value through profit or loss	21.946	37.969	Level 2	Level 2
Total	**21.946**	**37.969**		

35. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)

Fair value measurement hierarchy table

The fair value of the financial assets and liabilities is determined as follows:

- First level: Financial assets and liabilities are measured at quoted market prices on the active market for identical assets and liabilities.
- Second level: Financial assets and liabilities are valued using inputs that are used to determine directly or indirectly the marketable price of the related asset or liability other than the quoted price at the first level.
- Third level: Financial assets and liabilities are valued at inputs that are not based on an observable asset in the market for the fair value of the asset or liability.

36. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/INDEPENDENT AUDIT FIRM

	1 January - 31 December 2024	1 January - 31 December 2023
Independent audit fee for the reporting period	23,013	15,127
Fee for other assurance services	150	1,903
Total	**27,649**	**17,030**

37. SUBSEQUENT EVENTS

As stated in the Company's announcement dated 9 January 2025, the application made to the Capital Markets Board with the request for the approval of the amendment planned to be made to Article 6 of the Company's Articles of Association in order to extend the validity period of the registered capital ceiling to cover the years 2025-2029 and to increase the registered capital ceiling of Full TL 350,000,000 to Full TL 10,000,000,000 was approved by the Board's letter dated 20 January 2025 and numbered E-29833736-110.04.04-66509.

The aforementioned amendment text will be submitted to the approval of the shareholders at the first general assembly meeting to be held after obtaining the necessary permissions from the Ministry of Trade.

The short-term loans used for the purchase of Mannok Holdings DAC shares were closed by using a 5-year term loan with a grace period of 2 years within the framework of the loan agreement signed with the participation of 3 banks on 12 February 2025. EUR 75 million of the loan was utilised by Çimsa Çimento San. ve Tic A.Ş. and EUR 150 million of the loan was utilised by Cimsa Ireland Ltd.

"Law on Amendments to Law No. 7524 Tax Laws, Certain Laws and Decree Law No. 375" was published in the Official Gazette dated 2 August 2024 and numbered 32620. With this Law, regulations and amendments have been made on domestic minimum corporate tax application, global minimum tax application and many other tax-related issues. The Group is in the process of assessing the impact of the amendments on the financial statements.

PROFIT DISTRIBUTION SUGGESTION AND CONCLUSION

It is hereby resolved with the unanimous vote of the participants resolved that according to our financial statements for the accounting period 01.01.2024-31.12.2024 prepared by our Company in accordance with the Capital Markets Board's "Communiqué on Principles Regarding Financial Reporting in Capital Markets" (II-14.1) and independently audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., net profit for the period amounting to 3,054,336,000.00 TL was obtained.

Pursuant to Article 26 of the Articles of Association and in accordance with Capital Markets Board's Communiqués, after deducting Legal Liabilities and Non-Controlling Shares from the said consolidated net profit for the year 2024, the Net Distributable Profit for the Period amounting to 2,653,880,881.69 TL shall be distributed as follows

First Category Dividend For Shareholders	47,279,554.70 TL
Second Category Dividend For Shareholders	552,720,445.30 TL
Total Gross Dividend	**600,000,000.00 TL**
General Legal Reserves (Second Category)	55,272,044.53 TL
Extraordinary Reserve (Retained Earnings)	1,998,608,837.16 TL

As a result of the dividend distribution in accordance with the above principles, a gross dividend of TL 600,000,000.00 shall be distributed from the Net Distributable Period Profit in our legal records prepared in accordance with the provisions of the Tax Procedure Law, after the special funds and legal obligations are set aside, by adding retaining earnings,

Thus, the issue of distributing 600,000,000.00-TL (Gross) dividend in cash from the Profit of 2024 to the shareholders representing the capital of 945,591,094.00 TL depending on their legal status, as of 02.04.2025, to be submitted to the approval of the Ordinary General Assembly to be held on 27.03.2025.

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş.
On behalf of the Board of Directors

Chairman of the Board
Burak Turgut ORHUN

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. PROFIT FOR THE YEAR 2023 DISTRIBUTON TABLE (TRY)

1.	**Paid-In / Issued Capital**		**945,591,094.00**
2.	**Total Legal Reserves (According to Legal Records)**		**331,922,238.62**
Information regarding the privilege if there is privilege in profit distribution according to the Certificate of Incorporation			**No**
		Based on CMB Regulations	**Based on Legal Records**
3.	**Current Period Profit**	**3,904,509,000.00**	**713,804,600.44**
4.	**Taxes Payable (-)**	**850,173,000.00**	**34,622,234.20**
5.	**Net Current Period Profit**	**2,687,840,000.00**	**679,182,366.24**
6.	**Losses in Previous Years (-)**		
7.	**Primary Legal Reserve (-)**	**33,959,118.31**	**33,959,118.31**
8.	**Net Distributable Current Period Profit**	**2,653,880,881.69**	**645,223,247.93**
9.	**Donations Made During The Year (+)**	**96,666,000.00**	
10.	**Donation-Added Net Distributable Current Period Profit on which First Dividend Is Calculated**	**2,750,546,881.69**	
11.	**First Dividend to Shareholders**	**47,279,554.70**	**47,279,554.70**
	* Cash	47,279,554.70	47,279,554.70
	* Stock		
	* Total	47,279,554.70	
12.	**Dividend Distributed to Owners of Privileged Shares**		
13.	**Other Dividend Distributed**		
	* To the Employees		
	* To the Members of the Board of Directors		
	* To Non-Shareholders		
14.	**Dividend to Owners of Redeemed Shares**		
15.	**Second Dividend to Shareholders**	**552,720,445.30**	**540,135,586.35**
16.	**Secondary Legal Reserves**	**55,272,044.53**	
17.	**Statutory Reserves**		
18.	**Special Reserves**		**2,536,062.35**
19.	**Extraordinary Reserves**	**1,998,608,837.16**	
20.	**Other Distributable Resources**		**12,584,858.95**
	- Past Year Profit		12,584,858.95
	- Contingency Reserves		
	- Pursuant to the Law and Articles of Association		
	- Other Distributable Reserves		

[*] Deferred tax income has originated according to our financial tables prepared according to TFRS

DIVIDEND RATES TABLE

	TOTAL DISTRIBUTED PROFIT SHARE		TOTAL DISTRIBUTED PROFIT SHARE / NET DISTRIBUTABLE PERIOD SHARE	PROFIT SHARE OCCURRING FORSHARE WITH TRY 1 NOMINAL VALUE	
	CASH (TRY)	FREE OF COST (TRY)	RATIO (%)	AMOUNT (TL)	RATIO (%)
GROSS	600,000,000.00		22.61	0.6345	63.45
NET*	510,000,000.00		19.22	0.5393	53.93

*While calculating the Net Amount, it is assumed that 15% tax deduction will be made.

REPORTING GUIDE

Appendix-1: Çimsa Integrated Annual Report 2024 – Reporting Principles

This reporting principle ("Principle") provides information on the preparation, calculation, and reporting methodologies of the data for the indicators within the scope of limited assurance included in Çimsa Çimento Sanayi ve Ticaret A.Ş.'s ("Company" or "Çimsa") Çimsa Integrated Annual Report 2024 ("Integrated Annual Report").

These indicators cover environmental, social, and economic indicators. It is the responsibility of the Company management to ensure that appropriate procedures are applied to prepare these indicators in accordance with the principle.

The information in this principle covers the fiscal year ending on December 31, 2024, and includes the operations of Çimsa Çimento Sanayi ve Ticaret A.Ş.'s Mersin Plant, Afyon Plant, Eskişehir Plant, Headquarters, Ready-Mixed Concrete Stations, Cyprus Terminal in Türkiye, and Bunol Plant, America Grinding Facility, 3 Terminals in Italy-Germany-Spain, and Sabancı Global Technology Center in Germany outside of Türkiye, as detailed in the "Basic Definitions and Reporting Scope" section.

The environmental and economic indicators of Mannok Holdings DAC (Mannok), which was included in the group in October 2024, have not been included in the Environmental and Economic Indicators due to the incomplete integration process. Social Indicators have been calculated including Mannok Holdings DAC.

The indicators that include subcontractors are specified in the "Basic Definitions and Reporting Scope" section, and subcontractors are not included in the unspecified indicators.

General Reporting Principles

The following principles have been considered in the preparation of this guide document:

- In the preparation of information - emphasizing the fundamental principles of relevance and reliability of the information to the users of the information.
- In the reporting of information - emphasizing the principles of comparability/consistency with previous years and other data, and understandability/transparency that provide clarity to users.

Basic Definitions and Reporting Scope

For the purpose of this report, the Company makes the following definitions:

Type	Indicator	Scope
Social Indicators	**Social Performance**	
	Accidents (#)	During the reporting period, it represents the total number of incidents, including employee deaths, lost-time injuries, first-aid accidents, material damage accidents, restricted work incapacity, and medical treatments, reported to the Social Security Institution, occurring during work-related activities of Company employees and contractor firm employees.
	Fatal Cases (#)	During the reporting period, it represents the number of individuals reported to the Social Security Institution, falling under the definition of "fatal work accident" within the scope of the Occupational Health and Safety Law No. 6331.
	Occupational Diseases (#)	During the reporting period, it represents the number of individuals reported to the Social Security Institution, falling under the definition of "occupational disease" within the scope of the Occupational Health and Safety Law No. 6331.
	Lost Workdays Due to Accidents (#)	During the reporting period, it represents the period from the day the employee or contractor firm employee goes to the hospital due to an accident or occupational disease, reported to the Social Security Institution, until they return to work, excluding fatal accidents.
	Accidents with Lost Days (#)	During the reporting period, it represents the number of accidents recorded as "lost workdays" due to accidents involving Company employees and contractor firm employees, excluding fatal accidents.
	Lost Days/Accident Severity Ratio (%)	During the reporting period, it represents the ratio of absenteeism due to work accidents experienced by male and female employees of the Company to the total working hours, excluding subcontractors.
	Days of Absence (#)	During the reporting period, it represents the number of days employees directly employed by the Company did not come to work due to absenteeism. Absenteeism usually occurs as a result of illness, leave, or accidents, and this number provides information about the continuity rate and workforce productivity of the Company's employees.
	Absence Rate (Permanent Subcontractor Employees) (%)	During the reporting period, it represents the absenteeism rate of permanent subcontractor employees. The absenteeism rate is calculated by dividing the absenteeism days of subcontractor employees during the reporting period by the total working days. This rate is used to show the frequency of absenteeism and potential workforce losses of subcontractor employees.
Social Indicators	**Employee Demographics**	
	Total Number of Employees (Direct Employment) (#)	During the reporting period, it represents the total number of employees tracked by the Company's Human Resources data platform, reported to the Social Security Institution, broken down by gender. Interns and subcontractor employees are not included in the total number of employees.
	Ratio of Female Employees (%)	During the reporting period, it represents the ratio of the total number of female employees tracked by the Company's Human Resources data platform, reported to the Social Security Institution, to the Total Number of Employees. Interns and subcontractor employees are not included in the number of female employees.
	Ratio of Female Employees (%)	During the reporting period, it represents the ratio of the total number of female managers at the first, middle, and senior levels tracked by the Company's Human Resources data platform, reported to the Social Security Institution, to the total number of managers. The Company's first-level managers consist of "Leader and Manager," middle-level managers consist of "Director," and senior-level managers consist of "Deputy General Manager and Plant Manager."
	Number of Managers by Gender (#)	During the reporting period, it represents the number of individuals at the middle and senior management levels tracked by the Company's Human Resources data platform, reported to the Social Security Institution. The Company's first-level managers consist of "Leader and Manager," middle-level managers consist of "Director," and senior-level managers consist of "Deputy General Manager and Plant Manager."
	Ratio of Female Managers at Senior, Middle, and First Levels (%)	During the reporting period, it represents the ratio of the number of female managers at the first, middle, and senior management levels tracked by the Company's Human Resources data platform, reported to the Social Security Institution, to the total number of managers at these levels. The Company's first-level managers consist of "Leader and Manager," middle-level managers consist of "Director," and senior-level managers consist of "Deputy General Manager and Plant Manager."
	Employees in Income-Generating Roles by Gender (#)	During the reporting period, it represents the total number of employees in revenue-generating positions defined by the Company, tracked by the Company's Human Resources data platform, broken down by gender.
	Managers in Income-Generating Roles by Gender (#)	During the reporting period, it represents the total number of managers in revenue-generating positions defined by the Company, tracked by the Company's Human Resources data platform, broken down by gender.
	Ratio of Female Employees in Income-Generating Roles (%)	During the reporting period, it represents the ratio of the number of female employees in revenue-generating positions defined by the Company, tracked by the Company's Human Resources data platform, to the total number of employees in these positions.
	Ratio of Female Managers in Income-Generating Roles (%)	During the reporting period, it represents the ratio of the number of female managers in revenue-generating positions defined by the Company, tracked by the Company's Human Resources data platform, to the total number of managers in these positions.
	Employees in STEM (IT, Engineering, etc.) Roles by Gender (#)	In the reporting period, it refers to number of female and male employees in the Strategic Planning & PMO Directorate, Digital Technologies Directorate, RMC and Aggregate Turkey Sales Directorate, HR Management (Sustainability), Technical Operations (R&D and Process Technologies Management, Plant Directorates, OHS and Environment Management, Investments and Maintenance Directorate, Logistics and System Development. Directorate, VP (Operations) -Raw Material Management) which the Company defines as STEM (Science, Technology, Engineering, Math) positions, monitored through the Company's Human Resources data platform.
	Ratio of Female Employees in STEM (IT, Engineering, etc.) Roles (%)	In the reporting period, it refers to the ratio of the number of female employees to the total number of employees in STEM positions in the Strategic Planning & PMO Directorate, Digital Technologies Directorate, RMC and Aggregate Turkey Sales Directorate, HR Management (Sustainability), Technical Operations (R&D and Process Technologies Management, Plant Directorates, OHS and Environment Management, Investments and Maintenance Directorate, Logistics and System Development Directorate, VP (Operations)-Raw Material Management) which the Company defines as STEM (Science, Technology, Engineering, Math) positions, monitored through the Company's Human Resources data platform.
	Employees Hired (#)	In the reporting period, it refers to the number of employees recruited by the Company and declared to the Social Security Institution with the Declaration of Recruitment within the reporting year, gender, age (under 30, between 30-50, over 50), management level; first level managers "Leader and Manager", mid-level managers "Manager, Group Manager" and senior managers "Assistant General Manager and Plant Manager"
	Ratio of Newly Hired Female Employees (%)	During the reporting period, it represents the ratio of the number of new female hires to the total number of new hires. This ratio is an indicator of gender diversity in the Company's hiring processes and measures the hiring rate of female employees.
	Ratio of Newly Hired Male Employees (%)	During the reporting period, it represents the ratio of the number of new male hires to the total number of new hires. This ratio shows the representation rate of male employees in the Company's hiring processes.
	Newly Hired Female Managers (%)	During the reporting period, it represents the total number of new female managers joining the Company. The number of new female managers is an indicator of gender diversity at the management level.
	Newly Hired Male Managers (%)	This indicator represents the total number of new male managers joining the Company during the reporting period. The number of new male managers shows the gender distribution at the management level.

REPORTING GUIDE

Type	Indicator	Scope
Social Indicators	Employees Left (#)	During the reporting period, it represents the number of employees tracked by the Company's Human Resources data platform, reported to the Social Security Institution, broken down by gender, age (under 30, 30-50, over 50), and management level; first-level managers consist of "Leader and Manager," middle-level managers consist of "Director," and senior-level managers consist of "Deputy General Manager and Plant Manager."
	Total Employee Turnover Rate (%)	During the reporting period, it represents the ratio of the total number of employees leaving the Company, reported to the Social Security Institution, to the total number of employees during the reporting period. It is tracked by gender, age (under 30, 30-50, over 50), and management level; first-level managers consist of "Leader and Manager," middle-level managers consist of "Director," and senior-level managers consist of "Deputy General Manager and Plant Manager."
	Voluntary Employee Turnover Rate (%)	During the reporting period, it represents the ratio of the total number of employees leaving the Company voluntarily, reported to the Social Security Institution, to the total number of employees during the reporting period. It is tracked by gender, age (under 30, 30-50, over 50), and management level; first-level managers consist of "Leader and Manager," middle-level managers consist of "Director," and senior-level managers consist of "Deputy General Manager and Plant Manager.
	Total Voluntary Manager Turnover Rate (Female) (%)	During the reporting period, it represents the total number of female managers leaving the Company voluntarily. This indicator measures the turnover rate of female managers at the management level and provides information about gender-based turnover in the Company's management staff.
	Total Voluntary Manager Turnover Rate (Male) (%)	During the reporting period, it represents the total number of male managers leaving the Company voluntarily. This ratio shows the frequency of male managers leaving the Company and tracks the turnover rate of male managers at the management level.
	Total Voluntary Employee Turnover Rate (Female) (%)	During the reporting period, it represents the total number of female employees leaving the Company voluntarily. This indicator measures the turnover rate of female employees.
	Total Voluntary Employee Turnover Rate (Male) (%)	During the reporting period, it represents the total number of male employees leaving the Company voluntarily. This indicator measures the turnover rate of male employees.
	Employees Returned from Maternity/Parental Leave (#)	During the reporting period, it represents the number of female and male employees returning to work after maternity/paternity leave within the scope of the Labor Law No. 4857 and the Regulation on Part-Time Work After Maternity Leave or Unpaid Leave.
	Employees Returned from Maternitiy/Parental Leave and Continued to Work for 12 Months (#)	During the reporting period, it represents the number of female and male employees continuing to work for 12 months after returning from maternity leave within the scope of the Labor Law No. 4857 and the Regulation on Part-Time Work After Maternity Leave or Unpaid Leave.
	Employees Left Maternity/ Parental Leave (#)	During the reporting period, it represents the number of female employees taking maternity leave and male and female employees taking paternity leave within the scope of the Labor Law No. 4857 and the Regulation on Part-Time Work After Maternity Leave or Unpaid Leave.
	Ratio of Employees Returned from Maternity Leave (Female) (%)	During the reporting period, it represents the ratio of the number of female employees not leaving the Company after returning from maternity leave within the scope of the Labor Law No. 4857 and the Regulation on Part-Time Work After Maternity Leave or Unpaid Leave to the total number of female employees taking maternity leave.
	Ratio of Employees Returned from Parental Leave (Male) (%)	During the reporting period, it represents the ratio of the number of male employees not leaving the Company after returning from maternity leave within the scope of the Labor Law No. 4857 and the Regulation on Part-Time Work After Maternity Leave or Unpaid Leave to the total number of male employees taking maternity leave.
	Ethnicity (#)	During the reporting period, it represents the number of employees' ethnic origins. It refers to the classification of employees into ethnic origin categories based on their nationalities.
	Number of Positions Filled by Internal Candidates	During the reporting period, it represents the number of positions filled by existing employees within the Company through promotion or job change.
	Total Workforce by Age Group	During the reporting period, it represents the distribution of the Company's total employees by age groups (under 30, 30-50, over 50) and gender. The classification of employees by age shows the diversity of age and the participation of different generations in the workforce.
	Total Manager Turnover Rate (Female)	During the reporting period, it represents the turnover rate of female managers. The female manager turnover rate tracks the frequency of female managers leaving the Company.
	Total Manager Turnover Rate (Male)	During the reporting period, it represents the turnover rate of male managers. The male manager turnover rate shows the frequency of male managers leaving the Company and tracks the movement of male managers in management positions.

Type	Indicator	Scope
Social Indicators	**Total Training Hours**	
	Total Training (Direct Employment) (hours)	During the reporting period, it represents the total training hours attended by Company employees tracked by the Human Resources training tracking platform. It is reported by training type (Ethics Principles, Equality, Diversity, Inclusion, Environment and Sustainability, Occupational Health and Safety, and Other Trainings), age (under 30, 30-50, over 50), management level (first-level managers, middle-level managers, and senior-level managers), and gender.
	Total Number of People with OHS Training	During the reporting period, it represents the total number of employees directly employed by the Company who attended occupational health and safety training provided within the scope of the Occupational Health and Safety Law No. 6331.
	Training Types	During the reporting period, it represents the distribution of training hours provided to Company employees by training type (Ethics Rules, Equality, Diversity, Inclusion, Environment and Sustainability, Occupational Health and Safety, and Other Trainings).
	Other Trainings (hour)	During the reporting period, it represents the training hours under the Total Training category, excluding Ethics Principles, Equality, Diversity, Inclusion, Environment and Sustainability, and Occupational Health and Safety trainings.
	Total Cost of Trainings (TL million)	During the reporting period, it represents the total training costs tracked by the Company's accounting system as training expenses. Subcontractors are not included.
	Training per Employee (hour)	During the reporting period, it represents the ratio of the total training hours, including Occupational Health and Safety and other trainings, to the Total Number of Employees. It is tracked by age (under 30, 30-50, over 50), management level; first-level managers consist of "Leader and Manager," middle-level managers consist of "Director," and senior-level managers consist of "Deputy General Manager and Factory Manager," and gender. Subcontractors are not included.
	OHS Training per Employee (hour)	During the reporting period, it represents the ratio of the total Occupational Health and Safety training hours provided to Company employees to the Total Number of Employees. Subcontractors are not included.
	Training Expenditure per Employee (TL)	During the reporting period, it represents the ratio of the total training costs tracked by the Company's accounting system as training expenses to the total number of employees. Subcontractors are not included.
	Total OHS Trainings (Permanent Subcontractor Employees) (hour)	During the reporting period, it represents the total Occupational Health and Safety training hours provided to contractor firm employees within the scope of the Occupational Health and Safety Law No. 6331, according to the hazard class.
	Total Trainings (Permanent Subcontractor Employees) (hour)	During the reporting period, it represents the total training hours provided to contractor firm employees.
	Social Impact	
	Number of Vulnerable Audience Reached Through Inclusion Programs (#)	During the reporting period, it represents the number of children, young people, and disabled individuals reached through the Company's "Equality in Our Work," "Youth Mobilization," "Mersin Disability Week," and Mannok Education Collaboration events.
	Cost of Inclusion Programs (TL million)	During the reporting period, it represents the expenses made for the Company's "İşimiz Eşitlik," "Gençlik Seferberliği," "Mersin Disability Week," and Mannok Education Collaboration projects.
Environmental Indicators	**Environmental Performance**	
	Total Energy Consumption (MWh)	During the reporting period, it represents the total amount of natural gas (volume - m^3), coal (weight - ton), fuel-oil (volume - liter), petcoke, waste oil, waste tires, lignite, RDF, and waste sludge consumed for heating, kitchen, and other natural gas-required operations at Company locations, tracked by purchase invoices from service provider institutions. It is reported on a consolidated basis in MWh.
	Electricity (MWh)	During the reporting period, it represents the total amount of electricity consumed for air conditioning, lighting, use of electrical devices, and other electricity-required operations at Company locations, tracked by purchase invoices from service provider institutions. It is reported on a consolidated basis in MWh.
	Total Renewable Energy Production (MWh)	During the reporting period, it represents the amount of energy produced from waste heat steam production at the Company's Mersin Plant, and the amount of energy produced from solar power plants at the Afyon Plant and Bunol Plant. The production amount is recorded in the SAP system by reading the internal meter of the facility.
	Solar Energy Production (MWh)	During the reporting period, it represents the amount of energy produced from solar power plants at the Company's Afyon and Bunol Plants. The production amount is recorded in the SAP system by reading the internal meter of the facility.
	Electrical Energy Production from Waste Heat Recovery (MWh)	During the reporting period, it represents the amount of energy produced from waste heat steam production at the Company's Mersin Plant. The production amount is recorded in the SAP system by reading the internal meter of the facility.

REPORTING GUIDE

Type	Indicator	Scope
Environmental Indicators	Total Electricity Consumption Sources from Renewable Energy Sources (MWh)	During the reporting period, it represents the total amount of renewable energy purchased with International Renewable Energy Certificate (I-REC) and Guarantee of Origin (GO) Certificate, the amount of renewable energy obtained from the solar energy plant at the Company's Afyon and Bunol Facilities, and the amount of energy produced from waste heat at the Company's Mersin Facility.
	Electricity Procured in Compliance with Renewable Energy Certificate Standards (I-REC, GO) (MWh)	During the reporting period, it represents the amount of geothermal and solar energy purchased with International Renewable Energy Certificate (I-REC) and Guarantee of Origin (GO) Certificate.
	Alternative Raw Material Usage Rate (%)	During the reporting period, it represents the percentage of alternative raw materials used in the Company's production operations, excluding main raw materials. Alternative raw material usage rates are calculated separately for grey and white cement production, excluding ready-mixed concrete.
	Energy Intensity (MWh/TL revenue)	During the reporting period, it represents the ratio of the total energy consumed in MWh to the total revenue in TL obtained during the reporting period, indicating the energy consumption intensity per unit of revenue.
	Renewable Electric Energy Utilization Rate (%) (Location-Based)	It represents the ratio of total renewable energy production to total electricity and renewable energy purchased.
	Renewable Electric Energy Utilization Rate (%) (Market-Based)	It represents the ratio of total energy consumption from renewable energy sources to total renewable energy production and total electricity purchased.
	Scope 1, 2, and 3 Emissions	
	Scope 1 Total Net Greenhouse Gas Emissions (million ton CO_2e/year) (Cement Operations)	During the reporting period, it represents the net emissions resulting from the total emissions from fuel combustion at the Company's locations, excluding emissions from the combustion of alternative fuels. Scope 1 Total Net Greenhouse Gas Emissions include emissions from grey, white, and CAC cement production.
	Scope 1 Total Gross Greenhouse Gas Emissions (All Business Lines) (million ton CO_2e/year)	During the reporting period, it represents the greenhouse gas emissions resulting from process emissions and fuel combustion (natural gas, gasoline, diesel, propane, coal, fuel oil, diesel, petcoke, alternative fuels, R22 and refrigerant gases, and fire extinguishing devices) at all of the Company's locations. The Company calculates greenhouse gas emissions in accordance with the "Global Cement and Concrete Association (GCCA) Sustainability Guidelines for Monitoring and Reporting CO_2 Emissions from Cement Production."
	Scope 1 Cementitious Gross Specific CO_2 Emissions (kg CO_2e/ton)	During the reporting period, it represents the emissions resulting from the production of cementitious materials tracked by the Company's Çimsa database portal, including emissions from conventional fuel supply, alternative fuel supply, calcination process, and non-production fuel supply. The Company calculates greenhouse gas emissions in accordance with the "Global Cement and Concrete Association (GCCA) Sustainability Guidelines for Monitoring and Reporting CO_2 Emissions from Cement Production." Scope 1 Total Gross Specific Greenhouse Gas Emissions include emissions from grey, white, and CAC cement production.
	Scope 1 Cementitious Net Specific CO_2 Emissions (kg CO_2e/ton)	During the reporting period, it represents the net emissions resulting from the production of cementitious materials tracked by the Company's Çimsa database portal, including emissions from conventional fuel supply, alternative fuel supply, calcination process, and non-production fuel supply, excluding emissions from the combustion of alternative fuels. The Company calculates greenhouse gas emissions in accordance with the "Global Cement and Concrete Association (GCCA) Sustainability Guidelines for Monitoring and Reporting CO_2 Emissions from Cement Production." Scope 1 Total Net Specific Greenhouse Gas Emissions include emissions from grey, white, and CAC cement production.
	Greenhouse Gas Emission Intensity (ton CO_2/TL revenue)	During the reporting period, it represents the ratio of the total Scope 1 Total Gross Greenhouse Gas Emissions, Scope 2 Gross Greenhouse Gas Emissions, and Scope 3 Emissions to the total annual revenue reported in the Company's financial statements.
	Scope 2 Total Greenhouse Gas Emissions (Location-Based) (All Business Lines) (ton CO_2e/year)	During the reporting period, it represents the greenhouse gas emissions resulting from electricity consumption tracked by the service provider's invoices. The Company calculates greenhouse gas emissions in accordance with the "Global Cement and Concrete Association (GCCA) Sustainability Guidelines for Monitoring and Reporting CO_2 Emissions from Cement Production."
	Scope 2 Total Greenhouse Gas Emissions (Market-Based) (All Business Lines) (ton CO_2e/year)	During the reporting period, it represents the emissions resulting from electricity consumption tracked by the service provider's invoices, excluding the amount of electricity certified with a renewable energy certificate (IREC). The Company calculates greenhouse gas emissions in accordance with the "Global Cement and Concrete Association (GCCA) Sustainability Guidelines for Monitoring and Reporting CO_2 Emissions from Cement Production."
	Scope 2 Cementitious Specific CO_2 Emissions (Location-Based) (kg CO_2e/ton)	During the reporting period, it represents the emissions resulting from the production of cementitious materials tracked by the Company's Çimsa database portal, based on the unit ton amount of cementitious material produced. The Company calculates greenhouse gas emissions in accordance with the "Global Cement and Concrete Association (GCCA) Sustainability Guidelines for Monitoring and Reporting CO_2 Emissions from Cement Production."
	Scope 2 Cementitious Specific CO_2 Emissions (Market-Based) (kg CO_2e/ton)	During the reporting period, it represents the emissions resulting from the production of cementitious materials tracked by the Company's Çimsa database portal, based on the unit ton amount of cementitious material produced, excluding the amount of electricity certified with a renewable energy certificate (IREC). The Company calculates greenhouse gas emissions in accordance with the "Global Cement and Concrete Association (GCCA) Sustainability Guidelines for Monitoring and Reporting CO_2 Emissions from Cement Production."
	Scope 1 + Scope 2 Cementitious Gross Specific CO_2 Emissions (kg CO_2e/ton)	During the reporting period, it represents the total gross greenhouse gas emissions from cement production, expressed as kg CO_2 equivalent per ton of cementitious material produced. The Company calculates greenhouse gas emissions in accordance with the "Global Cement and Concrete Association (GCCA) Sustainability Guidelines for Monitoring and Reporting CO_2 Emissions from Cement Production."
	Scope 3 Emissions (ton CO_2e/ year)	During the reporting period, it represents the total amount of greenhouse gas emissions calculated according to the main categories of the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard.
	Scope 3 Purchased Goods and Services (ton CO_2e/year)	During the reporting period, it represents the total emissions resulting from the purchase of raw materials, intermediate products, finished products, and services required for the Company's production operations.
	Scope 3 Capital Goods (ton CO_2e/year)	During the reporting period, it represents the total emissions resulting from the production, transportation, and other activities related to the purchase of equipment, machinery, and other fixed assets required for the Company's main and auxiliary activities.
	Scope 3 Fuel and Energy-Related Activities (ton CO_2e/ year)	During the reporting period, it represents the total emissions resulting from the extraction, transportation, and delivery of energy consumed by the Company for its production operations.
	Scope 3 Upstream Transportation and Distribution (ton CO_2e/year)	During the reporting period, it represents the total emissions resulting from the transportation of raw materials, intermediate products, finished products, and services purchased for the Company's production operations to the Company's relevant facilities, as well as the transportation of products for which transportation operations are covered by the Company.
	Scope 3 Downstream Transportation and Distribution (ton CO_2e/year)	During the reporting period, it represents the total emissions resulting from the transportation of finished products produced by the Company to customers via sea, rail, and road transportation.
	Scope 3 End-of-Life Treatment of Sold Products (ton CO_2e/ year)	During the reporting period, it represents the total emissions resulting from the disposal of products sold by the Company at the end of their useful life.
	Scope 3 Processing of Sold Products (ton CO_2e/year)	During the reporting period, it measures the emissions resulting from the processing of sold products by customers. These emissions include greenhouse gas emissions from processes such as processing, use, and final disposal of products.

REPORTING GUIDE

Type	Indicator	Scope
Environmental Indicators	Scope 3 Leased Assets (ton CO_2e/year)	During the reporting period, it includes greenhouse gas emissions resulting from the energy use of assets leased by the Company.
	Scope 3 Waste Generated in Operations (ton CO_2e/year)	During the reporting period, it represents the total emissions resulting from the disposal of waste generated by the Company's production operations and related auxiliary activities, in accordance with the waste management hierarchy.
	Scope 3 Business Travel (ton CO_2e/year)	During the reporting period, it represents the total emissions resulting from domestic and international business travel by Company employees, including transportation and hotel accommodations.
	Scope 3 Employee Commuting (ton CO_2e/year)	During the reporting period, it represents the total emissions resulting from commuting by Company employees to and from Company locations for work purposes during the year, as well as emissions resulting from remote work.
	Total Annual Water Withdrawal by Source	
	Well Water (million L)	During the reporting period, it represents the total amount of groundwater (aquifers) withdrawn for facility operations, tracked and reported by meter readings.
	Municipal Water (million L)	During the reporting period, it represents the total amount of municipal water purchased and tracked by service provider invoices.
	Tanker Water (million L)	During the reporting period, it represents the total amount of water withdrawn by tanker deliveries, tracked by weighbridge measurements.
	Total Recycled Water	
	Recovered Wastewater In-Plant (million L)	During the reporting period, it represents the total amount of water recycled and reused in production within the facility through wastewater treatment equipment.
	Total Water Discharged by Source	
	Wastewater Channel (million L)	During the reporting period, it represents the total amount of domestic wastewater treated and discharged into the wastewater channel at the Company's wastewater treatment facilities.
	Total Annual Water Consumption (million L)	During the reporting period, it represents the total amount of water used in all of the Company's operations. This includes the total amount of water used in production processes and other activities at the facilities.
	Water Performance Parameters	
	Specific Water Consumption (L/ton cementitious)	During the reporting period, it represents the water consumption per ton of cementitious product produced at the Company's plants (Mersin, Afyon, Eskişehir, and Bunol), tracked by meter readings.
	Specific Water Consumption (L/m^3 concrete)	During the reporting period, it represents the water consumption per cubic meter of ready-mixed concrete produced at the Company's facilities, tracked by meter readings.
	Water Intensity (Water Consumption L/TL revenue)	During the reporting period, it represents the ratio of the total amount of water withdrawn and consumed for production operations and human needs to the total revenue reported in the Company's financial statements.
	Recovered/Reuse Water Rate (%)	During the reporting period, it represents the ratio of the total amount of water recycled and reused in operations to the total amount of water withdrawn by the facilities during the reporting period.
	Baseline Water Stress (%)	During the reporting period, it represents the ratio of total groundwater withdrawal to total water withdrawal.
	Percentage of Water Withdrawn from Water-Stressed Areas (%)	During the reporting period, it represents the ratio of the total amount of water withdrawn from water-stressed areas, based on the Water Stress Map (Aqueduct Water Risk Atlas-WRI), to the total amount of water withdrawn by all locations during the reporting period.
Environmental Indicators	**Waste Management**	
	Total Hazardous Waste by Disposal Method (ton)	
	Energy Recovery (ton)	During the reporting period, it represents the amount of hazardous waste generated by the Company and recovered for energy purposes (incineration, thermal recovery, etc.), tracked by the Ministry of Environment, Urbanization, and Climate Change portal (Integrated Environmental Information System) and Waste Declaration Forms.
	Recycling (ton)	During the reporting period, it represents the amount of hazardous waste generated by the Company and sent for recycling, reuse, or recovery, tracked by the Ministry of Environment, Urbanization, and Climate Change portal (Integrated Environmental Information System) and Waste Declaration Forms.
	Landfill (ton)	During the reporting period, it represents the amount of hazardous waste generated by the Company and transported for disposal in a landfill, tracked by the Ministry of Environment, Urbanization, and Climate Change portal (Integrated Environmental Information System) and Waste Declaration Forms.
	Incineration (ton)	During the reporting period, it represents the amount of hazardous waste generated by the Company and incinerated without energy recovery, tracked by the Ministry of Environment, Urbanization, and Climate Change portal (Integrated Environmental Information System) and Waste Declaration Forms.
	Total Non-Hazardous Waste by Disposal Method (ton)	
	Energy Recovery (ton)	During the reporting period, it represents the amount of non-hazardous waste generated by the Company and recovered for energy purposes (incineration, thermal recovery, etc.), tracked by the Ministry of Environment, Urbanization, and Climate Change portal (Integrated Environmental Information System) and Waste Declaration Forms.
	Recycling (ton)	During the reporting period, it represents the amount of non-hazardous waste generated by the Company and sent for recycling, reuse, or recovery, tracked by the Ministry of Environment, Urbanization, and Climate Change portal (Integrated Environmental Information System) and Waste Declaration Forms.
	Landfill (ton)	During the reporting period, it represents the amount of non-hazardous waste generated by the Company and transported for disposal in a landfill, tracked by the Ministry of Environment, Urbanization, and Climate Change portal (Integrated Environmental Information System) and Waste Declaration Forms.
	Incineration (ton)	During the reporting period, it represents the amount of non-hazardous waste generated by the Company and incinerated without energy recovery, tracked by the Ministry of Environment, Urbanization, and Climate Change portal (Integrated Environmental Information System) and Waste Declaration Forms.
	Disposal Method Unknown (ton)	During the reporting period, it represents the amount of non-hazardous waste generated by the Company and delivered to the municipality for disposal, tracked by the Ministry of Environment, Urbanization, and Climate Change portal (Integrated Environmental Information System) and Waste Declaration Forms.
	Total Plastic Consumption (ton)	During the reporting period, it represents the amount of single-use plastic consumption and GEKAP notifications by the Company within a year.
	Total Paper Consumption (ton)	During the reporting period, it represents the amount of paper material consumption reported in the Company's GEKAP notifications.
	Reused/Recycled Waste Ratio (%)	During the reporting period, it represents the ratio of the amount of waste recycled, recovered for energy purposes, and reused by the Company or another organization to the total amount of hazardous and non-hazardous waste generated by the Company.
Economic Indicators	**Environmental Investments and Expenditures**	
	Mitigation Investments (TL Million)	During the reporting period, it represents the investments made by the Company in processes that directly reduce carbon emissions compared to conventional processes, as mapped by the financial reporting system.
	Transition Investments (TL Million)	During the reporting period, it represents the investments made by the Company in the production of transition products that are not classified as sustainable by nature but are produced using sustainable methods, as mapped by the financial reporting system.
	Enabler Investments (TL Million)	During the reporting period, it represents the investments made by the Company to support the necessary infrastructure and accelerate the acquisition of sustainable characteristics for products, as mapped by the financial reporting system.
	Legally Mandatory Expenditures (TL Million)	During the reporting period, it represents the legally required environmental expenditures defined by local authorities in the region where the Company's operations are conducted, as mapped by the financial reporting system.
	Legally non-mandatory Expenditures (TL Million)	During the reporting period, it represents the non-legally required environmental expenditures made in line with market requirements and Company initiatives, as mapped by the financial reporting system.
	Environmental Benefit (Energy) (MWh)	During the reporting period, it represents the reduction in energy consumption achieved through sustainable investments and activities compared to the previous reporting period.
	Environmental Benefit (Water) (L)	During the reporting period, it represents the reduction in water consumption achieved through sustainable investments and activities compared to the previous reporting period.

REPORTING GUIDE

Type	Indicator	Scope
	Sustainable Business Models	
Economic Indicators	Sustainable Products and Services (#)	During the reporting period, it represents the number of products and services classified as sustainable by the Company, based on the European Union Taxonomy (EU Taxonomy) and the clinker ratio used in the production of slag-added ready-mixed concrete and cement. The Company has classified products and services that provide environmental and social benefits, including reduction and facilitation products.
	Sustainable Products and Services Revenues (TL Million)	During the reporting period, this refers to the revenue obtained from products and services that provide environmental and social benefits, classified by the Company in accordance with the definition of sustainable products considering the European Union Taxonomy (EU Taxonomy), based on the clinker ratios used in the production of ready-mix concrete with slag and cement. It is based on the approach that falling below 80% clinker ratio would create a benefit.
	Ratio of Sustainable Products and Services Revenue to Total Revenue (%)	During the reporting period, it represents the ratio of the revenue obtained by the Company from sustainable products and services, which can be mapped with the Company's financial reporting system, to the revenue disclosed in the Company's year-end financial report.

Data Preparation

Social Indicators

Occupational Health and Safety Data

The definitions and formulas below are used in calculating occupational health and safety indicators. Workplace accidents recorded by the Company during the reporting period, fatal cases among these accidents, and the number of employees reported with occupational diseases have been evaluated.

The number of accidents refers to the total number of work accidents. It has been tracked and calculated through the table listing SGK notifications.

During the reporting period, the Lost Time Injury Rate, which is the ratio of days not worked by the Company's employees (due to accidents, temporary incapacity, etc.) to the total working hours of the relevant year, has been evaluated.

Formulas:

Lost Time & Accident Severity Ration = (Number of Lost Days x 1,000) / Working Hours

Accident Frequency Ratio = (Number of Lost Time Injuries x 1,000,000) / Working Hours

Employee Distribution Data

The definitions and formulas below are used in calculating the indicators of female employee distribution. The data required to calculate the total number of employees, total number of female and male employees, the ratio of top-level, mid-level, and first-level female managers, the ratio of female employees in STEM (IT, engineering, etc.) roles, and the ratio of female employees and managers in revenue-generating roles in this indicator group were created as of December 31, 2024, from the "Employee List Report," including gender, position, STEM, and revenue-generating role information. All data cover directly employed personnel; interns and contractor company employees are not included.

The total number of employees has been calculated based on the information in the year-end activity reports or HR systems of companies as of December 31, 2024. The number of employees stated in the financial report represents the average number of employees during the relevant period.

Formulas:

Ratio of Female Employee= Number of Female Employees / Total Number of Employees

Top-Level Female Manager Ratio = Number of Top-Level Female Managers / Total Number of Top-Level Managers

Mid-Level Female Manager Ratio = Number of Mid-Level Female Managers / Total Number of Mid-Level Managers

First-Level Female Manager Ratio = Number of First-Level Female Managers / Total Number of First-Level Managers

Ratio of Female Employee in STEM (IT, engineering, etc.) Roles = Number of Female Employees in STEM Roles / Total Number of Employees in STEM Roles

Ratio of Female Manager in Revenue-Generating Roles = Number of Female Managers in Revenue-Generating Roles / Total Number of Managers in Revenue-Generating Roles

Maternity/Parental Leave

Maternity/Parental leave refers to the number of employees who benefited from maternity/parental leaves during the reporting period and returned to work within the same reporting period.

Formula:

Employees Returned from Maternity/Parental Leave = Number of Employees Who Returned to Work After Maternity or Parental Leave / Number of Employees Who Took Maternity of Parental Leave

Training

Total training hours refer to the total number of hours of training provided during the reporting year, based on age group (under 30, between 30-50, over 50), gender (female, male), management level (first, mid, and top-level), and training type (Ethical Rules, Mandatory OHS, Non-Mandatory OHS, Equality, Diversity, and Inclusion Training, Sustainability and Environmental Training, and Other).

Total training cost refers to the total training expenditure in the reporting year based on the same categories.

Average annual training hours and costs per employee (Çimsa Employees) were calculated for each breakdown using the formulas below.

Formula:

Training per Employee (Çimsa Employees) = Total Training Hours Provided to Employees / Total Number of Employees

Training Expenditure per Employee (Çimsa Employees) = Total Training Cost (TL) / Total Number of Employees

Recruitment and Turnover

Recruitment data refers to the number of employees hired during the reporting period, while turnover rate represents the number of employees who left during the reporting period broken down by gender, age, and management level, and the ratio of this to the total number of employees. Voluntary turnover rate is calculated in the same way, including breakdowns by gender, age, and management level, representing the ratio of employees who left voluntarily to the total number of employees in the same period.

Formula:

*Total Employee Turnover Rate = Total Number of Employees Who Left / Total Number of Employees During the Reporting Period * 100*

Inclusion Program

Refers to the number of vulnerable audiences (youth, women, and persons with disabilities, etc.) reached and the total amount spent through reporting programs.

During the reporting period, in cooperation with Mersin Metropolitan Municipality, 50 electric wheelchairs were donated to people with disabilities in need in 2024 as part of Disability Week.

In 2024, a total of 2,052 students were reached through various activities and aid under the "Equality at Work (600), Youth Mobilization (87), Mannok Educational Cooperation (1,365)" projects.

Environmental Indicators

Fuel Calorific Values by Type (GJ/ton)

Within the scope of energy consumption data, primary fuel sources including electricity, natural gas, coal, fuel-oil, and alternative fuels (ELT – end-of-life tires, oily waste, RDF – refuse-derived fuels, and other waste) are reported.

Electricity consumption data is obtained from service provider meters and invoices.

The range of energy conversion factors used by the Company (thermal values used in facilities) is shown in the table below:

Greenhouse Gas Emission Intensity (tCO_2-e / TL revenue)

Greenhouse gas intensity is calculated by dividing the Company's total gross Scope 1, Scope 2, and Scope 3 emissions during the reporting period by the total TL revenue.

The total TL revenue represents the total revenue of the Company as of year-end 2024 stated in the Çimsa Financial Statement Independent Auditor Report.

Fuel Type	Calorific Value	Unit
Refuse-Derived Fuel	16,57	Gj/ton
Biomass	12,48	Gj/ton
Fuel Oil	39,73	Gj/ton
Calorific Liquid Waste	34,78	Gj/ton

Fuel Type	Calorific Value	Unit
Lignite-Imported	23,88	Gj/ton
Lignite-Domestic	36,34	Gj/ton
Petroleum Coke	32,34	Gj/ton
ELT	30,44	Gj/ton
Natural Gas	46,67	Gj/ton

REPORTING GUIDE

Formulas:

Greenhouse Gas Emission Intensity = (Total Gross Scope 1 + Scope 2 + Scope 3 Emissions) tCO_2-e / TL Revenue

Energy Intensity (MWh / TL revenue)

Energy intensity is calculated by dividing the total energy consumed by the Company (MWh) during the reporting period by the total TL revenue.

Formulas:

Energy Intensity = Total Energy Consumption (MWh) / TL Revenue (TL)

Renewable Electric Energy Utilization Rate (Location-Based)

Represents the ratio of total renewable energy generation to the sum of total purchased electricity and renewable energy.

Formulas:

Represents the ratio of total renewable energy generation to the sum of total purchased electricity and renewable energy.

Renewable Electric Energy Utilization Rate (Market-Based)

Represents the ratio of total renewable energy consumption from renewable sources to the sum of total renewable energy generation and purchased electricity.

Formulas:

Renewable Electric Energy Utilization Rate (Market-Based)= Total Renewable Energy Consumption / (Total Renewable Energy Generation + Purchased Electricity)

BMP Rate (Ratio of prioritized locations with initiated BMP studies)

Refers to the ratio of the number of locations where BMP studies have been initiated to the total number of prioritized locations.

Formulas:

*BMP Rate (Ratio of prioritized locations with initiated BMP studies)= (Number of Locations Where BMP Studies Started / Number of Prioritized Locations) * 100*

Scope 1, 2, and 3 Emissions (ton CO_2e)

Scope 1 and Scope 2 emissions are calculated using the Cement CO_2 and Energy Protocol Version 3.1 provided by the World Business Council for Sustainable Development – Cement Sustainability Initiative (WBCSD).

Scope 3 emissions are calculated based on the GHG Protocol Corporate Value Chain (Scope 3) Standard under the operational control principle.

Water Management

Water drawn from wells is used to cool the cement product discharged from kilns in the plants, and consumption is monitored via monthly forms. In offices, water consumption from the grid is calculated by dividing the invoice amounts issued by the supplier by the unit water cost.

For wastewater discharge, 100 L/day/person usage, stated in the Project Technical Specifications of İller Bankası, is assumed.

Formulas:

Water Water Discharged (million liters) = (Total Direct Employees + Subcontractor Employees) x 100 L/day x 365 days

Waste Management

Hazardous and non-hazardous waste amounts in Çimsa Cement Inc. facilities are reported in accordance with the Regulation on Waste Management. Waste is classified as hazardous and non-hazardous based on the list of waste and the nature of the generating process.

Amount of waste is tracked via declaration forms, GEKAP, and the MOTAT (Mobile Hazardous Waste Tracking System).

Formulas:

Recycled Waste Ratio = (Total Recycled Hazardous + Non-Hazardous Waste) / (Total Hazardous + Non-Hazardous Waste Sent for Disposal)

Economic Indicators

The definitions and formulas provided below are used in the calculation of economic indicators.

Sustainable Business Model

The number of sustainable products and services has been defined as 11. This figure represents the number of products and services produced by the Company with a clinker usage ratio below 80%.

In addition to this, cement types that reduce environmental impact through composition or production methods (i.e., although not directly aligned with sustainable technologies, still contributing positively) are evaluated as transition products.

Formula:

Ratio of Sustainable Product and Service Revenue to Total Revenue = Total Revenue from Sustainable Products and Services / Total Revenue (TL)

Environmental Investments and Expenses

Environmental investments refer to expenses incurred for activities such as waste prevention, treatment, disposal, environmental management, energy efficiency, emissions reduction, and compliance with environmental obligations.

Environmental expenditures consist of both mandatory (waste disposal, environmental fees, etc.) and non-mandatory expenses (e.g., sustainability consulting).

Reaffirmation Statement

In reporting and measuring data with third-party verification, a certain level of estimation is inevitable. If the change in Company-level data exceeds 5%, a reaffirmation decision can be made.

GRI 2-5

LIMITED ASSURANCE REPORT

GRI 2-5

Deloitte.

INDEPENDENT ASSURANCE REPORT

DRT Bağımsız Denetim ve SMMM A.Ş. ("Deloitte") independent auditor's limited assurance report to the Board of Directors of Çimsa Çimento Sanayi ve Ticaret A.Ş. ("Çimsa" or the "Company") on the 2024 Integrated Sustainability Report for the year ended 31 December 2024.

Scope of Limited Assurance Engagement

We have been engaged to perform a limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and (ISAE) 3410 ("Standards") on whether the Selected Sustainability Information listed below (the "Selected Information") in the Company's Integrated Sustainability Report for the year ended 31 December 2024 (the "2024 Sustainability Report") has been prepared in accordance with the principles set out in the Reporting Guidance section of the Company's Annual Report on pages 318-329.

Our assurance review does not cover information related to previous periods, other information included in the 2024 Integrated Annual Report, or Sustainability Information or any other information related to the 2024 Integrated Annual Report (including any images, audio files, or embedded videos).

Selected non-financial performance data for limited assurance

We have been engaged by the Company to perform limited assurance procedures on the accuracy of the following key performance indicators included in the 2024 Integrated Sustainability Report for the year ended 31 December 2024. The scope of the indicators subject to limited assurance procedures and found on pages 186-199 marked with an of the 2024 Integrated Sustainability Report for the year ended 31 December 2024 is as follows:

Social Indicators

Social Performance

- Number of Accidents (#)
- Number of Fatal Cases (#)
- Number of Occupational Diseases (#)
- Lost Workdays due to Accidents (#)
- Accidents with Lost Days (#)
- Lost Time/Accident Severity Ratio (%)
- Number of days of absence
- Rate of absence of permanent subcontractor employees

Employee Demographics

- Total Workforce (Direct Employment) (#)
  - Ratio of Female Employees (%)
  - Ratio of Female Executive Employees (%)
- Total Number of Management Level Employees (#)
- Total Number of Management Level Employees - by gender (#)
- Total Number of Management Level Employees - by age group (#)
- Number of Senior Manager (N-1) (#)
  - Top Level Female Manager Ratio (%)
- Number of Middle Manager (#)
  - Mid-Level Female Manager Ratio (%)
- Number of First-Level Manager (#)
  - First-Level Female Manager Ratio (%)
- Employees in Income Generating Roles (#)
  - Ratio of Female Employee in Income Generating Roles (%)
- Managers in Income Generating Roles (#)
  - Ratio of Female Managers in Income Generating Roles (%)
- Employees in STEM (IT, Engineering, etc.) Roles (#)
  - Ratio of Female Employees in STEM Roles (%)
- Employees Hired (#)
- Employees Hired – by gender (#)
  - Ratio of Newly Hired Female Employees (%)
  - Ratio of Newly Hired Male Employees (%)
- Employees Hired – by age group (#)
- Employees Hired – By management level (#)
  - Newly Hired Female Managers
  - Newly Hired Male Managers
- Employees Left(#)
- Employees Left – by gender (#)
- Employees Left – by age group (#)
- Total Employee Turnover Rate (%)
  - Total Manager Turnover Rate (female) (%)
  - Total Manager Turnover Rate (male) (%)
- Voluntarily Employee Turnover Rate (%)
- Voluntarily Employee Turnover – by gender (#)
  - Total Voluntarily Employee Turnover Rate(female) (%)
  - Total Voluntary Employee Turnover Rate (male) (%)
- Voluntarily Employee Turnover - by age group (#)
- Total Voluntarily Manager Turnover (female) (%)
- Total Voluntarily Manager Turnover (male) (%)
- Employees Left for Maternity/Parental Leave (#)
- Employees Returned from Maternity/Parental Leave (#)
- Employees Returned from Maternity/Paternity Leave and Continued to Work for 12 Months (#)
  - Ratio of Females Returned from Maternity Leave (%)
  - Ratio of Males Returned from Parentel Leave (%)
- Ethnicity (#)
  - Turkish
  - American
  - Spanish
  - Brezilian
  - Colombian
  - German
  - Indian
  - İtalian
  - English/British
  - Azeri
  - Other
- Number of positions filled with Internal Candidates (#)
- Total workforce by age group (#)
- Total workforce - Female employees (#)
- Total workforce - Male employees (#)

Total Training Hours

- Total Training (Direct Employment) (hours)
- Total Training (Direct Employment) (hours) – by gender
- Total Training (Direct Employment) (hours) – by age group
- Total Training (Direct Employment) (hours) – by management level
- OHS Training (Direct Employment)
- Training Types (hours)
- Ethics Principles Training (hours)
- (OHS) Training (hours)
  - Mandatory
  - Non-mandatory
- Trainings on Equality, Diversity, and Inclusion (hours)
- Trainings on Environment and Sustainability (hours)
- Other Trainings (hours)
- Total Cost of Trainings (Direct Employment) (million TL)
- Training per Employee (Direct Employment) (hours)
- OHS Training Per Employee (Direct Employment) (hours)
- Training Expenditure per Employee (TL)
- Total Trainings (Permanent Subcontractor Employees)
  - Total OHS Training (hour)

Social Impact

- Number of Vulnerable Audiences Reached by Inclusion Programs (#)
- Cost of Inclusion Programs (million TL)

Environmental Indicators

Environmental Indicators

- Total Energy Consumption (MWh)
- Total Renewable Energy Production (MWh)
- Electricity Procured in Compliance with Renewable Energy Certificate Standart (I-REC) (MWh)
- Total Renewable Energy Production (MWh)
- Total Energy Consumption from Self-Generated Renewable Energy Sources
- Energy Intensity (MWh/TL revenue)
- Alternative Raw Material Usage Rate (Cement) - Grey (%)
- Alternative Raw Material Usage Rate (Cement) - White (%)
- Renewable Electric Energy Utilization Rate (Location-Based)%
- Renewable Electric Energy Utilization Rate (Market-Based) %

Scope 1,2 and 3 Emissions

- Scope 1 Total Net Greenhouse Gas Emissions (Cement) (million ton CO_2 eq/ year)
- Scope 1 Total Gross Greenhouse Gas Emissions (All business lines) (million ton CO_2 eq/ year)
- Scope 1 Cementitious Gross Specific Greenhouse Gas Emissions (ton CO_2 eq/ year)
- Scope 1 Cementitious Net Specific Greenhouse Gas Emissions (million ton CO_2 eq/ year)
- Greenhouse Gas Emissions Intensity (t0n CO_2/TL revenue
- Scope 2 Total Greenhouse Gas CO_2 Emission (Location based) (ton CO_2 eq./year)
- Scope 2 Total Greenhouse Gas CO_2 Emission (Market based) (ton CO_2 eq./year) (All business lines)
- Scope 2 Cementitious Specific CO_2 Emission (Location based) (kg CO_2 eq./year)
- Scope 2 Cementitious Specific CO_2 Emission (Market based) (kg CO_2 eq./year)
- Scope 3 Emissions (ton CO_2 eq./year)
  - Purchased Goods & Services
  - Capital Goods

GRI 2-5

LIMITED ASSURANCE REPORT

GRI 2-5

Deloitte.

- Fuel and Energy Related Activities
- Upstream Transportation & Distribution
- Downstream Transportation & Distribution
- Business Travels
- Employee Commuting
- Waste Generated in Operations
- Processing of Sold Products
- End of Life Treatment of Sold Products
- Leased Assets

» Scope 1& Scope 2 Cementitious Gross Spesific CO_2 Emissions

Total Annual Water Withdrawal by Source
» Fresh Water Withdrawn (million L)
» Well Water (million L)
» Municipal Water (million L)
» Tanker Water (million L)

Recovered Water Amount
» Recovered Wastewater In-Plant

Wastewater Discharged by Source
» Wastewater Channel
» Discharge

Total Annual Water Consumption

Water Performance Parameters
» Specific Water Consumption (cementitious)
» Specific Water Consumption (concrete)
» Water Intensity
» Recovered/Reused Water Rate
» Percentage of Water Withdrawn from Water-Stressed Areas
» Baseline Water Stress

Waste Management
» Total Hazardous Waste by Disposal Method (ton)
- Energy Recovery (ton)
- Recycling (ton)
- Landfill (ton)
- Incineration (ton)

» Non-Hazardous Waste by Disposal Method (ton)
- Energy Recovery (ton)
- Recycling (ton)
- Landfill (ton)
- Incineration (ton)
- Disposal Method Unknown (ton)

» Total Plastic Consumption (ton)
» Total Paper Consumption (ton)
» Reused/Recycled Waste Ratio (%)

Economic Indicators

Environmental Investments & Expenditures
» Mitigation Investments (Millionn TL)
» Transition Investments (Million TL)
» Enabler Investments (Million TL)
» Legally Mandatory Expenditures (Million TL)
» Legally Non-Mandatory Expenditures (Million TL)
» Benefit Arising from Sustainable Investments/Activities (Mwh, L, TL, t CO_2)

Sustainable Business Model
» oSustainable Products and Services (#)
» Sustainable Product and Services Revenues (Million TL)
» Ratio of Sustainable Product and Services Revenue to Total Revenue (%)

Structural constraints

All assurance engagements have inherent limitations due to the selective testing of the information under review. Fraud, error or non-compliance may therefore occur and not be detected. In addition, non-financial information, such as non-financial information contained in reporting documents, is subject to more structural limitations than financial information, given the nature and methods used to identify, calculate and sample or estimate such information.
Our audit provides limited assurance as defined in ISAE 3000 (Revised) and ISAE 3410. The procedures performed as part of a limited assurance engagement differ in nature and timing - and to a lesser extent - from a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore significantly narrower than the scope of a reasonable assurance engagement.

Special Purpose

Our work has been undertaken to inform the Company's Board of Directors of the matters we are required to report in this report and for no other purpose. To the extent permitted by law, we accept no responsibility to any person or entity other than the Company's Board of Directors for the assurance audit we have conducted or the conclusion we have reached.
This report has not been prepared within the framework of the obligation for certain businesses to comply with the Turkey Sustainability Reporting Standards (TSRS) published by the Public Oversight Authority ("KGK") in the Official Gazette dated 29/12/2023, which mandates mandatory sustainability reporting as of 01/01/2024. According to the KGK Decision published in the Official Gazette on 5 September 2024, these businesses are required to undergo limited assurance audits for their mandatory sustainability reporting. In the upcoming period, a separate sustainability report and limited assurance report will be prepared within this framework.

Our Independence and Competence

We comply with the independence and other ethical provisions of the Code of Ethics for Accounting Professionals published by the International Ethics Standards Board for Accounting Professionals, which sets out the basic principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.
We apply the International Standard for Quality Management 1 (ISQM 1) and accordingly maintain a robust system of quality control, including policies and procedures that document compliance with relevant ethical and professional standards and requirements in laws or regulations.

Responsibilities of Management

The Company Executives are responsible for the preparation, accuracy and completeness of the sustainability information and statements in the report. The Company Managers are responsible for setting the Company's sustainability goals, establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Responsibilities of the Auditor

Our responsibility is to reach a conclusion on the Selected Information based on our procedures. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements and, in particular, International Standard on Assurance Engagements (ISAE 3000) (Revised) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) on Assurance Engagements Other than Independent Audits.
The assurance audit performed represents a limited assurance audit. The nature, timing and extent of the procedures performed in a limited assurance audit are limited compared to those required in a reasonable assurance audit. As a result, the level of assurance obtained in a limited assurance audit is lower.

Our Key Assurance Procedures

We carried out limited assurance on the accuracy of the selected key performance indicators specified below in the section "Selected non-financial performance data for limited assurance" related to 2024 year and included into the Report.
To achieve limited assurance, the ISAE 3000 (Revised) and ISAE 3410 requires that we review the processes, systems and competencies used to compile the areas on which we provide our assurance. Considering the risk of material error, we planned and performed our work to obtain all of the information and explanations we considered necessary to provide sufficient evidence to support our assurance conclusion.
To form our conclusions, we undertook the following procedures:
» Analyzed on a sample basis the key systems, processes, policies and controls relating to the collation, aggregation, validation and reporting processes of the selected sustainability performance indicators;
» Conducted interviews with employees of the Company responsible for sustainability performance, policies and corresponding reporting;
» Conducted selective substantive testing to confirm the accuracy of received data to the selected key performance indicators;
» Made enquiries of management and senior executives to obtain an understanding of the overall governance and internal control environment, risk management, materiality assessment and stakeholder engagement processes relevant to the identification, management and reporting of sustainability issues; and

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Limited assurance conclusion

Based on our work and the assurance procedures performed, nothing has come to our attention that causes us to believe, in our opinion, that the Selected Information referred to above in the Company's 2024 Integrated Sustainability Report for the year ended 31 December 2024, for which we were engaged to provide limited assurance, has not been prepared, in all material respects, in accordance with the Reporting Manual, as described in the "Auditor's Responsibilities" section above.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED



Tolga Sirkecioğlu, SMMM
Partner

Istanbul, March 27, 2025
Istanbul, August 12 2025 (As revised for Greenhouse Gas Emission Intensity and Scope 3 Emissions indicators)

GRI CONTENT INDEX

GRI CONTENT INDEX ESSENTIALS SERVICE 2025

Statement of Use: Çimsa has prepared its report covering the period between January 1, 2024 and December 31, 2024 in accordance with GRI Standards.
GRI 1 Used: GRI 1: Foundation 2021
Applicable GRI Sector Standard(s): /

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	About Çimsa, pp.4-9 https://cimsa.com.tr/en/corporate/about-cimsa/			
	2-2 Entities included in the organization's sustainability reporting	Introduction and About the Report, p.3			
	2-3 Reporting period, frequency and contact point	Introduction and About the Report, p.3 ; Contact, p:348			
	2-4 Restatements of information	GRI Content Index: There is no restated information in the report.			
	2-5 External assurance	Introduction and About the Report, p.3; Limited Assurance Report, p.:330			
	2-6 Activities, value chain and other business relationships	About Çimsa, p. 4-9 ; Business Model and Strategy, p.20 ; Value Creation Model, pp.22-23; Transformation with Responsible Supply Chain Management, pp.53-54 https://cimsa.com.tr/en/corporate/about-cimsa/			
	2-7 Employees	Employee Demographics, p.159-161			
	2-8 Workers who are not employees	GRI Content Index: The number of our subcontractors as of December 31, 2024 is 1,526. (Catering services, waste services, raw material transportation and production, maintenance service, ready-mixed concrete transport, IT service, container filling and weigh bridge, cleaning service, transformer center operation etc.)			
	2-9 Governance structure and composition	Corporate Governance, p.111			
	2-10 Nomination and selection of the highest governance body	Board of Directors Annual Report, p.215			
	2-11 Chair of the highest governance body	Board of Directors annual Report, p.202			
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, pp.120-121			
	2-13 Delegation of responsibility for managing impacts	Sustainability Management, p.25			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management, p.25, Corporate Governance, pp.20-121			
	2-15 Conflicts of interest	Ethics and Compliance, pp.126-127			
	2-16 Communication of critical concerns	Ethics and Compliance, pp.126-127 ; Stakeholder Engagement and Management, p.29			
	2-17 Collective knowledge of the highest governance body	Board of Directors annual Report, pp.202-2023			
	2-18 Evaluation of the performance of the highest governance body	Board of DirectorsAnnual Report, pp.217-218			
	2-19 Remuneration policies	https://cimsa.com.tr/en/wp-content/uploads/sites/3/2023/06/remuneration-policy.pdf https://cimsa.com.tr/en/human-resources/wage-management-and-benefits/			
	2-20 Process to determine remuneration	https://cimsa.com.tr/en/wp-content/uploads/sites/3/2023/06/remuneration-policy.pdf https://cimsa.com.tr/en/human-resources/wage-management-and-benefits/			
	2-21 Annual total compensation ratio		2-21 a; 2-21 b; 2-21 c	Confidentiality constraints	This information is not disclosed because there is no legal obligation to disclose the fees and because of the potential to create competitive disadvantage.
	2-22 Statement on sustainable development strategy	Sustainability Strategy, p.24; Contribute SDGs, pp.174-175			
	2-23 Policy commitments	Sustainability Management, p.25			
	2-24 Embedding policy commitments	Sustainability Management, p.25			
	2-25 Processes to remediate negative impacts	Sustainability Management, p.25 ; Our Stakeholder Relations, pp.177-179			
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement and Management, p.25 ; Our Stakeholder Relations, pp.177-179			
	2-27 Compliance with laws and regulations	Ethics and Compliance, pp.126-127			
	2-28 Membership associations	Corporate Memberships, pp.180-181			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Management, p.25 ; Our Stakeholder Relations, pp.177-179			
	2-30 Collective bargaining agreements	Employee Representatives Meetings, p.103 ; Board of Directors Annual Report, p.231; Employee Demographics, p.186			

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for all disclosures are included correctly and aligned with the appropriate sections in the body of the report. This service was performed on the Turkish version of the report.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Öncelikli Konular					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Priorities, pp.26-28			
	3-2 List of material topics	Sustainability Priorities, p.27			
Financial Performance and Risk Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Performance, p.32; Economic Performance, p.193			
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Related Risks and Opportunitiews Descriptions, p.46-47; TSRS 1 and 2 Risks and Opportunities Descriptions, pp.142-162			
	201-3 Defined benefit plan obligations and other retirement plans	Benefits Provided to Employees , pp.286-287			
	201-4 Financial assistance received from government	GRI Content Index: Incentives and supports received from the government during the reporting period are 190,771,701 TL.			
Management of Sustainability Risks and Opportunities					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Climate Related Risks and Opportunities Descriptions, pp.46-47; TSRS 1 and 2 Risks and Opportunities Descriptions:142-162			
Growth in International Market					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Financial Perfomance , p.33			
Responsible Investment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation with Responsible Investments, pp.56-61			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Transformation with Responsible Investments, pp.56-61			
	203-2 Significant indirect economic impacts	Financial Performance, pp.32-33; Transformation with Responsible Investments, pp.56-61			
Management of Risks and Opportunities of the Climate Crisis					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation in a Climate Change Environment, pp.37-39 ; TSRS 1 and 2 Risks and Opportunities Descriptions pp:142-162			
Renewable Energy and Energy Efficiency					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Energy Efficiency and Renewable Energy, pp.41-45;Transformation with Responsible Investments, pp.56-61			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Performance, p.194			
	302-2 Energy consumption outside of the organization	Environmental Performance, p.194			
	302-3 Energy intensity	Environmental Performance, p.194			
	302-4 Reduction of energy consumption	Energy Efficiency and Renewable Energy, pp.41-45; Renewable Energy Investments, pp.60-61			
	302-5 Reductions in energy requirements of products and services	Transformation with Innovative and Sustainable Products, pp.81-85			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Greenhouse Gas Emissions Management and Net Zero Target					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation in a Climate Change Environment, pp.37-39			
Carbon Pricing and Taxation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.26-28; Climate Related Risks and Opportunities Descriptions, p.46-47 ; Scenario Plans p.149			
Alternative Fuel and Raw Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation in Circular Economy and Waste Management, pp.54-55			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Transformation in Circular Economy and Waste Management, p.54-55			
	306-2 Management of significant waste-related impacts	Transformation in Circular Economy and Waste Management, p.54-55			
	306-3 Waste generated	Environmental Performance, p.198			
	306-4 Waste diverted from disposal	Environmental Performance, p.198			
	306-5 Waste directed to disposal	Environmental Performance, p.198			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Environmental Performance, p.198			
	301-2 Recycled input materials used	Transformation in Circular Economy and Waste Management, p.54; Environmental Performance, p.198			
Pollutant Air Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation in a Climate Change Environment, pp.37-39; Transformation in Environmental Excellence, p.48			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Performance, p.195			
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance, p.195			
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance, p.195			
	305-4 GHG emissions intensity	Environmental Performance, p.195			
	305-5 Reduction of GHG emissions	Transformation in a Climate Change Environment, pp.37-39			
	305-6 Emissions of ozone-depleting substances	Environmental Performance, p.196			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Environmental Performance, p.196			

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION Requirement(S) Omitted	OMISSION Reason	OMISSION Explanation
Water Management and Protection of Water Resources					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation in Water Management, pp.48-50			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Transformation in Water Management, pp.48-50			
	303-2 Management of water discharge-related impacts	Transformation in Water Management, pp.48-50			
	303-3 Water withdrawal	Environmental Performance, p.197			
	303-4 Water discharge	Environmental Performance, p.197			
	303-5 Water consumption	Environmental Performance, p.197			
Conservation of Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation in Biodiversity, pp.51-52			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Transformation in Biodiversity, pp.51-52; Environmental Performance, p.194			
	304-2 Significant impacts of activities, products, and services on biodiversity	Transformation in Biodiversity, pp.51-52			
	304-3 Habitats protected or restored	Transformation in Biodiversity, pp.51-52; Environmental Performance, p.194			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Transformation in Biodiversity, pp.51-52; Environmental Performance, p.194			
Business Continuity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Business Continuity, p.130			
Ethics and Compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Ethics and Compliance, pp.126-127			
Human Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Human Rights, pp.128-129			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights, p.128 https://cimsa.com.tr/en/wp-content/uploads/sites/3/2023/03/EYS-EN-IK-PL-01-Human-Rights-Policy-1.pdf			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights, p.128 https://cimsa.com.tr/en/wp-content/uploads/sites/3/2023/03/EYS-EN-IK-PL-01-Human-Rights-Policy-1.pdf			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, p.128 https://cimsa.com.tr/wp-content/uploads/2022/08/EYSIK-PL-01-Cimsa-Insan-Haklari-Politikasi.pdf			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION Requirement(S) Omitted	OMISSION Reason	OMISSION Explanation
Combating Corruption and Bribery					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27 ; Anti-Bribery and Anti-Corruption p.131			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Bribery and Anti-Corruption p.131; Ethics and Compliance, pp.126-127			
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Bribery and Anti-Corruption p.131; Ethics and Compliance, pp.126-127 https://cimsa.com.tr/en/sustainability/policies/code-of-business-ethics/ https://cimsa.com.tr/en/sustainability/policies/anti-bribery-and-anti-corruption-policy/			
	205-3 Confirmed incidents of corruption and actions taken	GRI Content Index: There were no confirmed cases of corruption during the reporting period.			
Responsible Supply Chain Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27 ; Transformation with Responsible Supply Chain Management, pp.62-63			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Transformation with Responsible Supply Chain Management, p.63			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Transformation with Responsible Supply Chain Management, p.62			
	308-2 Negative environmental impacts in the supply chain and actions taken	Transformation with Responsible Supply Chain Management, pp.62-63			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Transformation with Responsible Supply Chain Management, pp.62-63			
	414-2 Negative social impacts in the supply chain and actions taken	Transformation with Responsible Supply Chain Management, pp.62-63			

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation in Occupational Health and Safety, pp.104-108			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Transformation in Occupational Health and Safety, pp.104-105			
	403-2 Hazard identification, risk assessment, and incident investigation	Transformation in Occupational Health and Safety, pp.104-105			
	403-3 Occupational health services	Transformation in Occupational Health and Safety, pp.104-105			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Transformation in Occupational Health and Safety, pp.104-105			
	403-5 Worker training on occupational health and safety	Transformation in Occupational Health and Safety, pp.106-107; Employee Demographics, p.189			
	403-6 Promotion of worker health	Transformation in Occupational Health and Safety, pp.104-105			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Transformation in Occupational Health and Safety, pp.104-108			
	403-8 Workers covered by an occupational health and safety management system	Transformation in Occupational Health and Safety, pp.105-106			
	403-9 Work-related injuries	Social Performance, pp.190-191			
	403-10 Work-related ill health	Social Performance, pp.190-191			
Resilience and Well-Being in the Workforce					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation in Occupational Health and Safety, pp.104-108			
Employee Engagement and Development					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation with Strategic Workforce, Employee Experience and Engagement, pp.89-103; Employee Engagement, pp.102-103			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Demographics, pp.189			
	404-2 Programs for upgrading employee skills and transition assistance programs	Recruiting and Retaining the Best Talent, pp.92-96			
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Demographics, pp.188-189			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Demographics, pp.161-163			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Board of Directors Annual Report, p.231			
	401-3 Parental leave	Employee Demographics, pp.188-189			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	https://cimsa.com.tr/en/wp-content/uploads/sites/3/2023/03/EYS-EN-IK-PL-01-Human-Rights-Policy-1.pdf			

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			Requirement(S) Omitted	Reason	Explanation
Equality and Inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Strengthening the Human Focus for Sustainable Living, pp.97-101			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	GRI Content Index: The ratio of standard entry level wages to minimum wage is determined according to the "Equal work, equal pay" principle at Çimsa, and this ratio is 55% for white collar and 68% for blue collar.			
	202-2 Proportion of senior management hired from the local community	There is 1 foreign nationality represented among the 6 members in the Board of Directors, and 1 foreign nationality represented among the 7 members in the Executive Board.			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Demographics, p.187			
	405-2 Ratio of basic salary and remuneration of women to men	Strengthening the Human Focus for Sustainable Living, p.97			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Rights, pp.128-129 https://cimsa.com.tr/en/wp-content/uploads/sites/3/2023/03/EYS-EN-IK-PL-01-Human-Rights-Policy-1.pdf			
Corporate Governance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Corporate Governance, pp.119-122			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Other Expenses From Main Operations, p.294			
GRI 415: Public Policy 2016	415-1 Political contributions	GRI Content Index: Çimsa does not donate to any parties.			
Corporate Social Responsibility					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation with Social Contributions, pp.109-115			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	GRI Content Index: There are no cases of violations involving the rights of indigenous peoples.			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Transformation with Social Contributions, p.109-115; Our Relations with Stakeholders, pp.177-179			
	413-2 Operations with significant actual and potential negative impacts on local communities	GRI Content Index: We do not have operations that have significant actual or potential adverse impacts on local communities.			
Digitalization					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation with Digitalization, pp.74-75			
R&D, Innovation and Technology					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; R&D, Innovation and Technology, pp.67-73			
Customer Orientation and Experience					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation in Customer Experience and Engagement, pp.76-77 ; Transformation with Innovative and Sustainable Products, pp.81-85			
Sustainable Products and Product Quality					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Priorities, p.27; Transformation with Innovative and Sustainable Products, pp.81-85			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Transformation with Innovative and Sustainable Products, pp.81-85			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Content Index: No such case was encountered during the reporting period			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Transformation with Innovative and Sustainable Products, pp.81-85			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Content Index: No such case was encountered during the reporting period			

SASB REFERENCE TABLE

ACTIVITY INDICATORS

Production amounts in reporting period by basic segments EM-CM-000.A	Cement Production: 5,31 milllion tons Ready-Mixed Concrete Production: 2,48 million m^3

CALCULATION INDICATORS

Greenhouse Gas Emissions

EM-CM-110 a.1 Gross Scope 1 emissions (% value of part within emission limiting regulations)	Although there is currently no legal regulation limiting CO_2 emissions in Turkey, with the start of the Border Carbon Regulation Mechanism (CCRM) transition period as of October 1, 2023, reports are made to the importer on a regular quarterly basis upon request. As of 2026, the CCRM will be subject to taxation. Free allowances under the EU Emissions Trading System (ETS) will also be phased out, resulting in additional costs for companies operating under the ETS and SDCC taxation mechanism. Following all new regulations, we have an SBTi target to reduce gross Scope 1 and Scope 2 greenhouse gas emissions per ton of cement product by 42.1% by 2033 compared to the base year 2021, and within this target, we have an SBTi target to reduce gross Scope 1 greenhouse gas emissions per ton of cement product by 39.3% in the same time frame." Çimsa's total gross Scope 1 emission for 2023 was realized as 4.75 million tons of CO_2/year. Çimsa calculates and calculates its relevant emissions using internationally recognized standards and methodologies, subjects them to limited assurance declaration and publishes them periodically.
EM-CM-110 a.2 Information about the long- and short-term strategies developed to manage Scope 1 emissions, emission reduction targets, and performance analyses obtained during the reporting period proportional to these targets	The basis of Çimsa's emission reduction strategy is based on increasing energy efficiency, diversifying energy sources, expanding the use of renewable energy, developing low-emission alternative fuel and raw material options, and transforming the product portfolio. In 2024, the total emission intensity of Scope 1 and Scope 2 per cement product was reduced by 15% compared to 2021. For detailed information on the subject, please see the **"Sustainable Transformation"** section.

Air Quality

EM-CM-120 a.1	
Emission amounts for each of the following air pollutants:	
. NOx (except N_2O)	. Total NOx Emission: 1,474 tons
. SOx	. Total SO_2 Emission: 68 tons
. Particulate Matter (PM10)	. Particulate Matter (PM): 0 kg
. Dioxin/Furane	. Total Dioxin Furan Emission: 0.011 g
. Volatile Organic Compounds (VOCs)	. Total Volatile Organic Compound (VOC) Emission: 15 tons
. Polycyclic Aromatic Hydrocarbons (PAHs)	. Polycyclic Aromatic Hydrocarbons (PAHs): 0 tons
. Heavy Metals	. Total Pollutant Heavy Metal Emission: 0.03 tons

Energy Management

EM-CM-130 a.1	
Tüketilen toplam enerji	. Total Energy Consumption 6,360,983 MWh, 22.9 million GJ
Usage from the grid:(%)	. Usage from the Grid:592,526 MWh, 92%
Alternative energy (%)	. Ratio of Renewable Energy in Electricity Usage: 63%
Renewable energy (%)	. Renewable Energy Use: 362,650 MWh, 63%

Water Management

EM-CM-140 a.1	
Total water draw Total water consumption Water sent for recycling (%)	. Total Annual Amount of Water Withdrawn:2.33 million L, 2.330 thousand m^3 . Total Annual Amount of Water Consumed:2.33 million L, 2.330 thousand m^3 . 8%
Rate of water drawn in regions with high or very high water problems	The volume withdrawn in water-stressed areas accounts for 99.6% of the total water withdrawal.

Waste Management

EM-CM-150a.1	
Amount of waste produced Rate of hazardous materials(%) Rate of recycled wastes (%)	. Non-Hazardous Waste Amount: 6,876 tons . Hazardous Waste Amount: 460 tons . Hazardous Waste Rate: 6.3% . Reused/Recycled Waste Rate: 85%

Effects on Biodiversity

EM-CM-160 a.1 Information on environmental management policies and systems in force in production points in operation	Çimsa's domestic and international facilities are subject to management systems standards. For detailed information on the subject, please refer to the **Integrated Management Systems** section.
EEM-CM-160 a.2 Ratio of negatively affected land area, affected, and rehabilitated land area (%)	. Active Quarry Area:563 ha . Rehabilitated Field Area: 51 ha . Ratio of negatively affected land area, affected and rehabilitated land area 9.1%

Workforce Health and Safety

EM-CM-320 a.1 For full-time and subcontracted employees; Total Recordable Incident Rate (TRIR) Near Miss Frequency Rate (NMFR)	. Direct Employment Accident Frequency Rate: 1.40 . Subcontractor Accident Frequency Rate: 1.63 . Direct Employment Accident Near Miss Frequency Rate: 4.55 . Subcontractor Accident Near Miss Frequency Rate: 0.94
EM-CM-320 a.2 Number of reported silicosis cases	7 cases of silicosis were encountered during the reporting period.

Product Innovation

EM-CM-410 a.1 Percentage of products that meet the criteria of sustainable building design and construction certificates	During the reporting period, this rate was 14.04%
EM-CM-410 a.2 Total market and market share of products which reduce negative effects caused by energy, water, and/or materials during use and/or production	Calcium Aluminate Cement (CAC) is our product that falls into this category. In 2023, 74 thousand tons of CAC were sold. CAC's share in our total cement sales is 1.07%. Çimsa holds the CAC market dominance in Türkiye and is the third largest producer in the global CAC market. In the global CAC market, Çimsa's CAC sales rate is 7% and 5% in European market. In addition, in 2024, the ratio of the revenues of our 6 European Union Taxonomy compliant products to total revenues was realized as 3.4%.

Honesty and Transparency in Pricing

EM-CM-520 a.1 Amount of total monetary loss for legal proceedings for cartelization, price fixing, and monopolizing activities	No legal proceedings that have resulted in monetary loss for Çimsa were concluded in the reporting period.

ABBREVIATIONS AND TECHNICAL GLOSSARY

Abbreviation	Full Form
AAC	Autoclaved Aerated Concrete
USA	United States of America
AFAD	Disaster and Emergency Management Presidency
AI	Artificial Intelligence
R&D	Research and Development
UN	United Nations
BIST	Borsa Istanbul
BMP	Biodiversity Management Plan
CAC	Calcium Aluminate Cement
CBS BV	Cimsa Building Solutions B.V.
CCUS	Carbon Capture, Utuilization and Storage
CDP	Carbon Disclosure Project
CMS	Cimsa Manufacturing System
CoP	UN Global Compact Communication on Progress
COP29	Conference of the Parties 29
CSC	Concrete Sustainability Council
ÇEİS	Cement Industry Employers' Association
EMS	Environmental Management System
DE&I	Diversity, Equity & Inclusion
DKM	Nature Conservation Center
EBRD	European Bank for Reconstrucyion and Development
ECB	European Central Bank
EPD	Environmental Product Declaration
EPS	Expanded Polystyrene
ERP	Enterprise Resource Planning
ERTA	Integrated Reporting Türkiye Association
ETS	Emissions Trading System
FAU	Friedrich-Alexander-University
FCPA	The Foreign Corrupt Practices Act-American Foreign Corrupt Practices Act
GCCA	Global Cement and Concrete Association
GEN AI	Generative Artificial Intelligence
SPP	Solar Power Plant
GM	General Manager
VP	Vice President
GRI	Global Reporting Initiative
GDP	Gross Domestic Product
IADA	International Annual Report Design Awards
IDDI	Industrial Deep Decarbonisation Initiative
IFC	International Finance Corporation
IFRS Foundation	International Financial Reporting Standards Foundation
ILO	International Labour Organization
IMF	International Monetary Fund
I-REC	International Renewable Energy Certificate
ISSB	International Sustainability Standards Board
OHS	Occupational Health and Safety
JCR	Japan Credit Rating Agency
KGK	Public Oversight Authority
PPE	Personal Protective Equipment
TRNC	Turkish Republic of Northern Cyprus

Abbreviation	Full Form
AFR	Accident Frequency Rate
LCA	Life Cycle Analysis
LTIFR	Lost Time Injury Frequency Rate
MBA	Master of Business Administration
MEF	Modern Education University of Science
NAAP	Natural Assets Action Plans)
NCQG	The New Collective Quantified Goal
NEET	Not in Employment, Education or Training
NOx	Nitrogen Oxides
NPS	Net Promoter Score
OBP	Organizational Success Plan
OECD	Organisation for Economic Co-operation and Development
OKR	Objectives Key Result
ELT	End-of-life Tire
PEP	Politically Exposed Person
PIR	Polyisocyanurate
RPA	Robotic Process Automation
SASB	Sustainability Accounting Standards Board
SAYEM	Industry Innovation Network Mechanism
SBTi	Science Based Targets initiative
SCM	Supplementary Cementitious Materials
CBAM	Carbon Border Adjusment Mechanism
CEMS	Continuous Emission Measurement Systems
SGTC	Sabanci Global Technology Center Gmbh
SDG	United Nations Sustainable Development Goals
CMN	Capital Markets Board
NGO	Non-Governmental Organization
TCFD	Task Force on Climate Related Financial Disclosures
TCMB	Central Bank of the Republic of Turkey
THBB	Ready Mixed Concrete Association of Turkey
TMS	Turkey Deposit Insurance
TİSK	Confederation of Employer Associations of Turkey
TİDE	Internal Audit Institute of Turkey
TOCEV	Tüvana reading eager children education foundation
TCC	Turkish Commercial Code
TUIK	Turkish Statistical Institute
TUM	Technical University of Munich
CPI	Consumer Price Index
UN WEPs	United Nations Women's Empowerment Principles
UNGC	United Nations Global Compact
VR	Virtual Reality
WASH	Water,Sanitation, Health
WBCSD	World Business Council for Sustainable Development
WEPs	Women's Empowerment Principles
WHR	Waste Heat Recovery
WMS	Warehouse Management System
YNKD	New Generation Career Experience

ABBREVIATIONS AND TECHNICAL GLOSSARY

	Term	Sector Specific Definition
1	3D Concrete Printer	This is a technology used to create three-dimensional objects by adding concrete material on top of a layer.
2	Aggregate	Aggregates are fine or coarse granular materials used in the production of cement. Aggregates can be natural or artificial materials such as sand, gravel or crushed stone.
3	Waste Heat Recovery (WHR)	Waste heat generated during the cement production process is captured through heat recovery systems and reused within the plant or utilized in energy production.
4	Waste Derived Fuel	It is an alternative fuel type in which waste materials are processed into fuel instead of traditional fossil fuels used in cement production.
5	European Union Taxonomy	A classification system that translates the European Union's climate and environmental objectives into criteria for specific economic activities for investment purposes.
6	Biodiversity Management Plan	A Biodiversity Management Plan (BMP) is a strategic plan developed for the conservation and sustainable management of biodiversity in a region and for minimizing negative impacts on the ecosystem.
7	Biomass	This is a source of energy obtained by combustion or fermentation of organic materials such as plant waste, wood, manure, etc.
8	Concrete Demolition Waste (CDW)	Concrete demolition waste is concrete fragments from construction or demolition projects that are suitable for recycling. These wastes can be reused in recycling facilities to produce new construction materials.
9	Mill	It is an equipment used for grinding raw materials in cement production. In this process, raw materials are ground into fine powder and become available for cement production.
10	Digital Twin	Digital Twin, a technology used in the cement industry, is a virtual replica or representation of a physical cement production plant by creating a digital model of the plant, enabling more effective management of its operation, efficiency and maintenance.
11	Eco-hybrid	Eco-hybrid systems are complex energy management systems used in the cement industry and integrate different energy sources to improve environmental sustainability.
12	Emissions Trading System (ETS)	It is a policy instrument used to incentivize the reduction of carbon emissions. In this system, companies in a particular sector or region are given emission quotas. Companies have to pay a surcharge for emissions that exceed these quotas, while companies that reduce their emissions can sell their excess quotas. The ETS provides a mechanism to incentivize the achievement of carbon emission reduction targets, while encouraging economic efficiency and innovation. This system is often used to reduce greenhouse gas emissions and combat climate change.
13	Integrated Cement Plant	These are the plants that realize clinker production and cement grinding processes within the same facility.
14	EPS Isolation	EPS (Expanded Polystyrene) insulation is a lightweight and high insulation performance insulation made of expanded polystyrene material. It is used in roofs, walls and floors of buildings to provide thermal insulation.
15	Raw Meal	It is an important stage where the raw materials used in cement production are ground into fine powder and used for clinker production. This fine powdered material is called "raw meal".
16	Aerated Concrete	It is a lightweight, durable and highly heat insulating building material. It is produced by combining sand, cement, lime, gypsum and aluminum powder and hardened by autoclaving. It is widely used in the construction industry as it is fire resistant, energy efficient and environmentally friendly.
17	Ready Mixed Concrete Station	These are the plants where the concrete mix is produced and processed in accordance with predetermined formulations and delivered to customers.
18	Hydration	This is a process in which cement and water combine and react chemically to initiate the hardening process of concrete. It is also referred to as clumping.
19	Calcined clay	It is one of the raw materials used in cement production and is a material used in clinker production by subjecting it to a high-temperature calcination process. Calcined clay is used as a raw material containing calcium oxide (CaO) and other cement components in clinker production.
20	Calcium Aluminate Cement (CAC)	It is a special type of cement that contains calcium aluminate ($CaAl_2O_4$) as its main component, has fast bonding properties and is used especially in applications requiring fast strength.
21	Scope 1 Emission	This refers to greenhouse gas emissions that are directly related to the production process and are usually caused by on-site combustion processes.
22	Scope 2 Emission	This refers to GHG emissions that arise outside of the production process but are caused by the facility's energy consumption, such as electricity, heat or steam.
23	Scope 3 Emission	This refers to greenhouse gas emissions from indirect activities outside the production process, such as the supply chain, business travel and waste management.
24	Carbon Capture, Utilization and Storage (CCUS)	CCUS is a set of technologies and processes that capture carbon from the atmosphere for use or storage in high carbon emitting sectors such as the cement industry.
25	Butterfly Model	The Butterfly Model represents the biological and technical cycles in the circular economy, ensuring that waste is minimized through recovery and reuse.
26	Clinker	This is a raw material used in the production of cement, which is ground into cement and fired at high temperature.
27	Grinding Plant	These are the facilities where clinker is pulverized into fine powder and cement grinding is carried out in cement production.
28	Penetration	It is used in the field of information technologies, especially in the context of cyber security and network security. Penetration testing refers to a testing process to detect weak points and vulnerabilities in a network or system.
29	PIR Isolation	PIR (Polyisocyanurate) insulation is an insulation material with high heat resistance, produced from polyisocyanurate foam.
30	Precast	Precast is a term used for ready-mixed concrete elements that are pre-produced in the factory and assembled on site. Precast concrete is produced in the desired shapes and specifications by pouring into molds, then transported and assembled on site.
31	Carbon Border Adjustment Mechanism (CBAM)	It is a system used to offset the impact of policies to reduce carbon emissions. This system helps companies operating in carbon-intensive sectors to offset their carbon costs in import and export transactions. Thus, it allows environmental objectives to be met while maintaining competitiveness.
32	Terminal	They are facilities where cement and other building materials are stored and transported and are usually located near a port or railroad.
33	Transmixer / Mixer	A transmixer or mixer is a mobile equipment used in the production of ready-mixed concrete by mixing cement and aggregates.
34	Supplementary Cementitious Materials	Supplementary Cementitious Materials are pozzolanic or hydraulic materials that partially replace cement and increase the durability of concrete while reducing carbon emissions. They consist of components such as fly ash, blast furnace slag, silica fume and natural pozzolans.
35	Green Financing	These are financial resources and investments provided to support environmentally friendly and sustainable projects, such as renewable energy projects, energy efficiency efforts and low-carbon infrastructure projects.
36	Green Financing Framework	It is a set of policies and strategies that determine how a company or organization will manage green financing instruments (green bonds, loans, etc.) and which projects the funds will be used for. This framework ensures that investors and stakeholders are transparently informed about the process.

GRI 2-3

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