

INTEGRATED REPORT 2023

“Green is the New Gold”
A Net Zero Future for Happy Tomorrows



CEMENT



Net zero future with OYAK CEMENT, CONFIDENTLY...

Towards a net zero future;

The Paris Agreement aims to reduce the rise in global temperatures this century from pre-industrial levels to the threatened level of climate change by keeping the temperature rise below 2°C, strengthening the global response and limiting the temperature rise by 1.5°C and more, and to continue efforts to limit global warming.

“Net zero” is a programme to reduce global warming through a reduction in the amount of emissions produced and a reduction in the amount of emissions removed from the atmosphere means achieving a balance. The reduction of greenhouse gas (GHG) emissions is key to the prevention of climate change. The world’s target for net zero is 2050 and Türkiye’s target in this direction is 2053.

Net zero for the future;

OYAK Cement will have reduced GHG emissions by 22.8% by 2030 and is the only company in its sector that is committed to a carbon-free future.

We anticipate a temperature rise of more than 1.5°C above pre-industrial levels, adapt to climate change by continuing mitigation and resilience efforts, and improve low GHG financing flows in line with the climate-resilient development roadmap to bring you the best of what we have to offer.

22.8% Mitigation Target steps in our sustainability journey

In building resilient structures for a sustainable future, we will produce net zero products with low clinker cement.

We will reduce the clinker content of cement from 81% to 73% by 2030. At the same time, we plan to reduce the use of natural resources and reduce CO₂ emissions.

We are continuously carrying out R&D activities in this direction and expanding our product range with low-carbon cements.

As a result, we aim to reduce CO₂ emissions by 5.9% per ton of cement by 2030.

ABOUT THIS REPORT

OYAK Çimento Fabrikaları A.Ş. (OYAK Cement) Integrated Report (IR) is published within the period from 1 January to 31 December 2023, covering all locations and activities. The report covers our company's cement and concrete activities within the financial limits of its activities. Merger of Denizli Çimento Türk A.Ş. and OYAK Çimento on 28.12.2023 financial data of Denizli Cement has included.

The next report will be published in 2025 with data for 2024. Our Integrated Report has been prepared in accordance with the International Integrated Reporting Council (IIRC), Global Reporting Initiative (GRI) and Turkish Sustainability Reporting Standards (TSRS) in both printed and electronic formats.

This report serves as the primary source for explaining the company's sustainability performance, and it is recommended to review it alongside the policies, approaches, and strategies available on various tabs of OYAK Cement's website. The report covers OYAK Cement's integrated business model, which describes its capacity to create short, medium, and long-term value for all stakeholders, as well as its risk and opportunity management, priorities, future strategies, stakeholder communication, and Environmental, Social, and Governance (ESG) performance.

The branches of OYAK Cement covered in this report include:

- OYAK Cement Aslan
- OYAK Cement Bolu
- OYAK Cement Unye
- OYAK Cement Mardin
- OYAK Cement Ankara
- OYAK Cement Adana

- OYAK Cement İskenderun
- OYAK Concrete

The detailed financial performance of OYAK Cement for the year 2023 can be found in the 2023 Annual Report. OYAK Cement's contributions to the United Nations Sustainable Development Goals (UNSDGs) are also analysed in the report in terms of OYAK Cement's business areas and performance results. OYAK Cement's Capital Markets Board (CMB) Sustainability Compliance Framework Information provided by the company is published on the Public Disclosure Platform (PDP).

All information contained in the Integrated Report is based on OYAK Cement's own information and has not been independently verified. The topics covered in the report are reliable and based on verifiable information.

The contents of this report has not taken with the express written consent of OYAK Cement and may not be copied, modified or distributed. All rights of OYAK Cement are reserved. If you have any questions or feedback about this report, please contact OYAK Cement on (312) 220 02 90 and (312) 220 02 91 lines or at lines or by e-mail at iletisim@oyakcimento.com. Your comments and suggestions will help us develop our sustainability efforts.

OYAK Cement's Integrated Report has been published on the company's website in June 2024.

STATEMENT of RESPONSIBILITY

Our Integrated Report 2023 has been reviewed. The report content covers business development and performance, our activities, financial position and significant risks and uncertainties facing the company clearly reflects our duties and responsibilities in our company. According to the information we have obtained, we have been able to verify the truth in important matters and that it does not contain any untrue or misleading statements as at the date of the statement, we accept and declare management's responsibility for the entire report.



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CORPORATE PROFILE AND EXTERNAL ENVIRONMENT



1.1 Top Management Messages

CHAIRMAN of the BOARD of DIRECTORS



Suat ÇALBIYIK
Chairman of the Board
of Directors

“Green is the new gold”

OYAK Cement carries on its works with the awareness that the transformation in the world due to climate change depends on a future in which all business processes, especially the decarbonization of energy, are carbon-free. In this sense, OYAK Cement broke another ground in its sector and became the first and only cement producer to make its “net-zero in 2050” commitment within the scope of science-based reduction targets.

With 621 kg CO₂ emissions per ton of cement in 2023, OYAK Cement succeeded in realizing its production well below European Cement Association’s (CEMBUREAU) 2030 CO₂ target of 630 kg.

As OYAK Cement, we fulfill our responsibility in the mission of keeping global warming below 1.5°C by reducing CO₂ emissions below 400 kg by using calcined clay technology in cement production with the investments we have realized in the African continent. As a result of these pioneering efforts, we are proud to be the first cement producer to reduce its CO₂ emissions to this level by 50% below the sector’s CO₂ emission average.

On the other hand, within the scope of the Green Transformation Project initiated by the Republic of Türkiye, Ministry of Industry and Technology, we have focused on our carbon reduction commitment and our obligations within this scope by monitoring developments in waste reduction, renewable energy use, energy efficiency and alternative resource use.

“A net-zero future” is one of the most important items on our agenda and I would like to inform you that we are preparing for the future by maintaining our interest in innovative products in all our organizational and operational processes. Accordingly, our company is the first cement company to combine digitalization with production lines with the artificial intelligence-based IndustrAI project, which is also a first in its sector.

OYAK Cement will continue to act with the mission and vision of fulfilling its responsibilities for a more livable environment by maintaining its human- and environment-oriented perspective in all its processes in 2023. Accordingly, we make our Integrated Report for 2023 available to you, our stakeholders.

As Türkiye’s largest and most environmentally friendly cement brand, we will continue to confidently build a sustainable future with the goal of **“Green is the New Gold”**.

Kind regards,



Murat Sela
General Manager

GENERAL MANAGER MESSAGE

Dear Stakeholders,

On February 6, 2023, we were shaken by two consecutive earthquakes with magnitudes of 7.7 and 7.6, centered in Kahramanmaraş, which affected 11 cities. It was a year in which we sadly remembered once again that we are an earthquake country and how important a stakeholder our industry is in mitigating the possible damages of major earthquakes. After the earthquake, which affected a large region where approximately 15 million people live, all institutions and organizations mobilized to help our citizens, as in every major disaster in our country. We, as OYAK Cement, mobilized all our resources with full force to alleviate the suffering, heal the wounds and help the region get back on its feet. We, at OYAK Cement, we will continue to exhibit a strong leadership with the importance we attach to supporting economic and social development in the regions where we operate. Our primary goal is to dedicate all our efforts to the reconstruction of our earthquake-affected region.

In 2023, we initiated a long-term transformation project focused on occupational safety, which remains our most critical value at the core of our operations. Through our new initiative, 'Project 2425,' we set out to reduce our lost-time accident frequency rate to a world-class standard.

By focusing on increasing the number and quality of our regular Behavior-Based Safety Observations (DOST), we successfully achieved our 2023 targets, incorporating coach-like leadership as an integral part of the process.

As OYAK Cement, we left behind a year in which our commitment to reduce our carbon emissions by focusing our vision on transformation processes within the scope of circular economy in order to increase our competitiveness on a global scale

was approved. As in every field, our sectoral leadership in the carbon net-zero journey continued in 2023 and our reduction commitments in accordance with Science Based Targets (SBTi) were approved.

In 2023, our efforts in using alternative fuels and enhancing energy efficiency, particularly the use of renewable resources which we have been pursuing with great motivation since 2016 entered a new phase.

Steps were taken to establish a competent organization for digitalization within a Technical Organization structure that will cover Türkiye, Portugal and Africa operations.

2023 was a year in which carbon reduction efforts began and the pressures on the global ecosystem were realized through compliance obligations, with the goal of becoming a carbon-free sector by 2050. 2023 was also the year of initiation of the Carbon Border Adjustment Mechanism (CBAM).

In the coming period, standards and certification processes will increase in front of the sector, and accordingly, we will experience a period in which the sector will switch to green products with low and near-zero carbon emissions.

Finally, as we present our Integrated Report for 2023 to our valued stakeholders, we are happy and proud that this year marks the 100th anniversary of our Republic, the greatest gift of the great leader Atatürk to our nation. The values of our Republic will continue to enlighten us in our vision to create a more sustainable world.

Kind regards,



As OYAK Cement, the efforts we have initiated in decarbonization processes, especially the use of alternative resources in our systems, have marked the year 2023.

With our science-based reduction rates predicted for greenhouse gas emissions in 2030 and 2050, we are pleased to lead OYAK Cement's decarbonization journey.

Thanks to our processes where our business performance is addressed with performance indicators at environmental, social and governance levels, we have achieved compliance with science-based targets within two years. Thus, in the shadow of the transformation pressure brought about by climate change, we are making significant efforts in the development of new products, waste management, energy efficiency and the use of renewable resources, especially in the decarbonization of our processes.

We continue to work with the aim of reflecting our short, medium and long-term goals, supported by the best practices of sustainable management in our sector and our companies, on products and production processes and developing production technologies to reduce our carbon footprint.

In this year's Integrated Report, we are pleased to share information about our sustainability management practices. We will maintain our leadership in the sector in communication with all our stakeholders through Integrated Reporting, preserving our vision of exponential growth in our economic and social impact as well as environmental sustainability.

Kind regards,



1.2. Corporate Profile and External Environment

ABOUT OYAK CEMENT

RISING SUCCESS SINCE 1957

OYAK Cement, which began its journey in the sector with the Adana Cement Factory established in 1957, joined the OYAK family to become a leading industrial group that includes Aslan Cement, “Türkiye’s first cement factory”, Ankara Cement, Bolu Cement, Ünye Cement, Mardin Cement, İskenderun Plants and OYAK Concrete. OYAK Cement is also a strong player in the production and marketing of the concrete.

OYAK Cement, the first Turkish producer to grow in the global market on 3 continents, is also the capacity and market leader in the domestic market. The Group carries out production activities in 6 geographical regions and sales and marketing activities in 7 geographical regions. OYAK Cement operates in accordance with the principles of efficiency, creativity and profit orientation and aims to continuously improve its cement consumption areas and its effective role in the Turkish market.

A BIG PLAYER IN THE GLOBAL LEAGUE

With a clinker production capacity of 10.42 million tons per year, OYAK Cement is the leading cement producer in the world and is one of the largest producers. The company entered the global league at the beginning of 2019 with the acquisition of CIMPOR and continued investments in Africa.

OYAK Cement is a subsidiary of OYAK’s Cement Concrete Paper, Türkiye’s leading group of companies.

Founded in 1961, OYAK is Türkiye’s largest supplementary occupational pension fund. The leading participant in the Turkish economy, OYAK has more than 38 thousand employees. Metallurgy, cement, automotive logistics, energy, food, agriculture, animal husbandry in many sectors ranging from chemicals to finance, with 141 subsidiaries in 6 continents and 25 countries continues its activities.

INTO THE FUTURE WITH THE VISION OF Türkiye’S LARGEST CEMENT BRAND

OYAK Cement is the largest cement company in Türkiye listed on the stock exchange. The company’s market value is TL 49.8 billion as of 31 December 2023. OYAK Cement Stock Exchange is traded on the Istanbul Stock Exchange under the ticker symbol OYAKC.

OYAK Cement is the only cement company that is listed in the BIST 30 and 50 indexes as well as in the MSCI index.



OUR HISTORICAL JOURNEY

1963	Adana Cement Factory joined OYAK Group.	2019	CIMPOR has joined the OYAK family. Adana Cement and Aslan Cement published their integration reports for 2018.
1974 - 1975	Bolu, Ünye and Mardin Cement Factories, realised their first cement production.		
1998	White cement production has started.	2020	OYAK Çimento Fabrikaları A.Ş. is the result of the merger of 5 listed companies and OYAK Beton. OYAK Cement became the only cement company listed in BIST 30 and 50 including MSCI indices. Adana Cement and Aslan Cement published integrated reports for 2019.
2004	OYAK concrete was founded.		
2009	Aslan Cement joined the OYAK Group.	2021	Net-Zero Carbon commitment was made. OYAK Çimento Fabrikaları A.Ş. published its integrated report for 2020.
2014	Denizli Cement joined the OYAK Group.		
2016	OYAK Cement Concrete Paper Group was founded. The first integrated reports of Adana Cement and Aslan Cement were published.	2022	OYAK Çimento Fabrikaları A.Ş. published its integrated report for 2021.
2018	Strategic partnership with Taiwan Cement Corporation was realised. CIMPOR Global Holdings BV was established. Adana Cement and Aslan Cement published integrated reports.	2023	OYAK Çimento Fabrikaları A.Ş. published its integrated report for 2022. The partnership structure with TCC has been renewed. OYAK Çimento Fabrikaları A.Ş.’s Net-Zero commitment was validated by SBTi.

1. CORPORATE PROFILE
and EXTERNAL
ENVIRONMENT

OYAK Cement is the leading cement producer in Türkiye and has diversified its business activities to be present in all regions of the country.

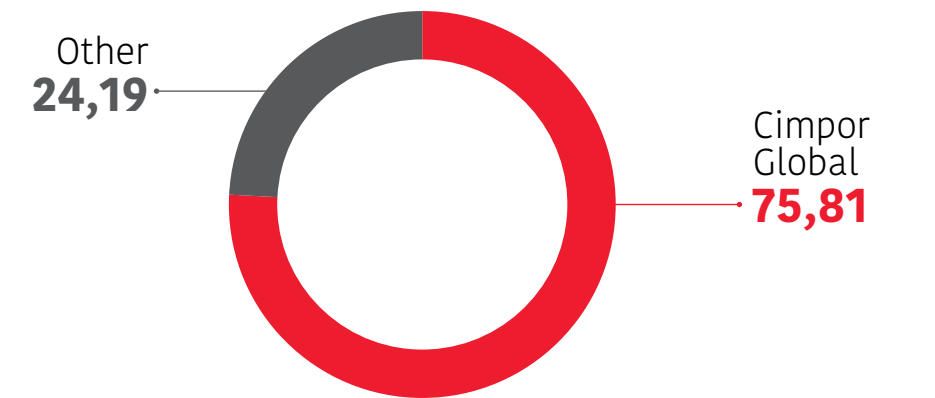
SHAREHOLDER STRUCTURE AND DISTRIBUTION OF THE CAPITAL

OYAK Denizli Çimento A.Ş.'s shareholding structure changed during the period due to CIMPOR Global Holdings B.V.'s changing shareholding. CIMPOR Global Holdings B.V. became the main shareholder with 75,81%.

Shareholders	Nominal Value (TL)	Share in Capital (%)
CIMPOR GLOBAL HOLDINGS B.V.	945,082,998,67	75,81
Other	301,495,407,33	24,19
Overall Total	1,246,578,406,00	100,00

Registered Capital Ceiling (TL): 1,500,000,000,00 TL
Capital Paid in (TL) : 1,246,578,406,00 TL

Note: OYAK Cement Denizli Branch is included.



As a result of the acquisition of OYAK Denizli Çimento A.Ş., the company's capital in the consolidated financial statements amounts to TL 86,784,965,00. The increased capital has been provided by the shareholders of OYAK Denizli Çimento A.Ş.

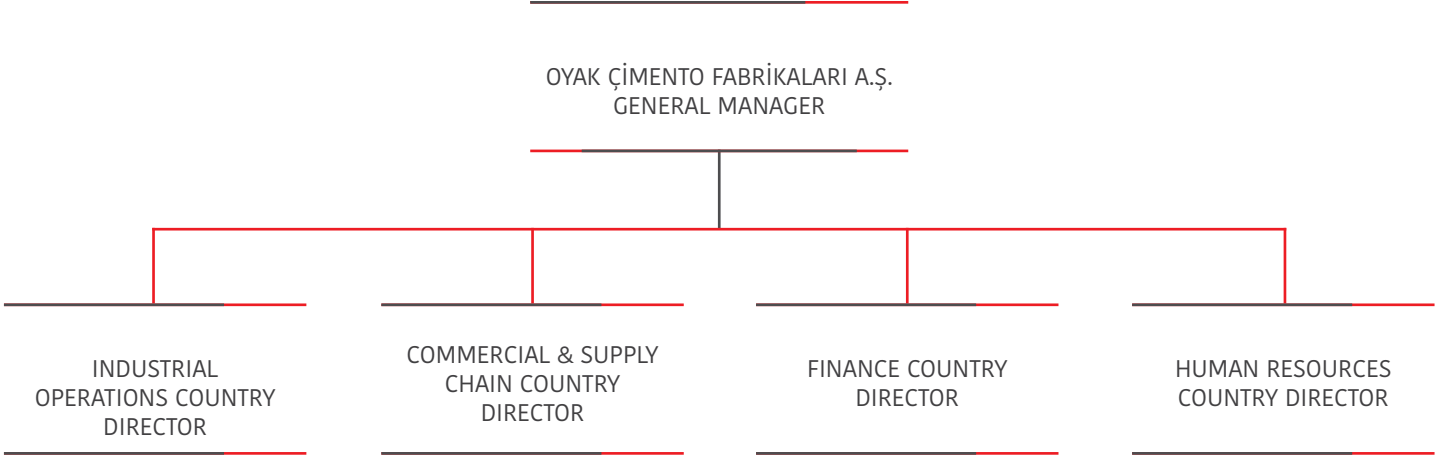
At the end of 2023, the shareholding structure of OYAK Cement

Company	Sector	Effective Shareholding Ratio (%)
Adana Çimento Sanayi ve Tic. Ltd.	Cement, clinker sales of ready mixed concrete	100
Adana Çimento Free Port Ltd.	Cement, clinker sales of ready mixed concrete	100
Cimpor Romania Terminal S.R.L.	Sales of cement	100
Marmara Madencilik San. ve Tic. Ltd. Şti.	All types of mineral exploration, extraction, discovery, processing and operation and their raw, semi-finished products to the finished product, buying and selling	98,9
OYAK Çimento Enerji A.Ş. (*)	Energy production	100

(*) OYAK Çimento Enerji A.Ş. is not consolidated due to its limited activities.



OYAK CEMENT'S
ORGANISATIONAL STRUCTURE



1. CORPORATE PROFILE
and EXTERNAL
ENVIRONMENT

OYAK Cement, the leading company in the Turkish cement industry, continues to operate its 6 plants in 7 geographical regions. With innovative products in the sector, a committed to reducing carbon footprint through science-based approaches and implementing a value-based management model, it is one of the most effective organisations in the country.



OYAK Cement, with a total of **10,4 million tons** of **clinker**, **18,7 million tons** of **cement** and **12,1 million m³** of **concrete produced annually**, is the proudly carries its vision as “Türkiye’s largest cement brand”.

As OYAK Cement, after a merger, we have prepared our fourth integrated report and continue to implement our value-based approach with our report.

Our operating sites within the scope of our integrated report in 2023:

LOCATION and NATURE of ACTIVITY

PLACE of ACTIVITY	SUBJECT of ACTIVITY
ADANA	Grey and white cement, grey and white clinker production
İSKENDERUN 1	Grey and white cement, granular blast furnace slag production
İSKENDERUN 2	Grey and white cement, granular blast furnace slag production
ASLAN	Grey cement and grey clinker production
ANKARA	Grey cement and clinker, granular blast furnace slag production
BOLU	Grey cement and clinker, granular blast furnace slag production
EREĞLİ	Grey cement and granular blast furnace slag production
MARDİN	Grey cement and clinker production
ÜNYE	Grey cement and clinker production
CONCRETE	Ready mixed concrete

OYAK Çimento Fabrikaları A.Ş. operates its ready-mix concrete activities in 52 ready-mix concrete plants in 6 regions.



- OYAK Cement Integrated Production Facilities
- Grinding Plants
- Ready Mixed Concrete Plants
- Aggregate Quarries

HISTORY OF OUR BRANCHES

OYAK Cement Aslan Branch

The first cement factory in Türkiye built in 1910, Aslan Cement, put their first wet process kiln into use in 1953. Being the first plant to switch to the dry system in 1969, Aslan Cement reached to an annual capacity of 1 M with a single kiln in 1978.

In its historic journey, Aslan Cement, which operated for 20 years under the management of Lafarge as the first privatised cement factory in 1989, was acquired by OYAK Group in 2010. The plant exceeds the average in the industry in use of alternative fuels /AF) and therefore is one of the plants with the lowest carbon footprint.

OYAK Cement Bolu Branch

Bolu Cement was founded in 1968 under the name Bol-Bak Gıda ve Sanayii Ticaret A.Ş, and 25% of its shares were transferred to Türkiye Çimento Sanayii ve Ordu Yardımlaşma Kurumu (OYAK) and 16% were transferred to Turkish Cement Industry (ÇİSAN). In 1990 OYAK’s shares in Bolu Cement increased over 50%.

The construction of Bolu Cement Plant started in 1969 and after trial productions were completed, the plant started to operate in 1974. Investments have continued in the plant until today. Bolu Cement Plant also designs and produces cement for special projects.

OYAK Cement Ünye Branch

Ünye Çimento Sanayii ve Ticaret A.Ş. was founded in Ünye, Türkiye in 1969 to produce clinker and cement. Ünye Cement in which Türkiye Çimento Sanayii T.A.Ş. and OYAK have 40% share started cement production in 1974.

Ünye Cement, with an annual installed capacity of 1,600,000 tons of cement, continues its activities with improvement and modernization works.

OYAK Cement Mardin Branch

Mardin Cement was established in 1969 in Mardin to lead the way in development and reconstruction in Southeast Anatolia Region and meet cement demands of neighbor countries in the Middle East.

OYAK had 40% share, Türkiye Çimento Sanayii T.A.Ş. had 40% share and local organizations and individuals had 20% share in the founding capital of the plant. OYAK increased its share in Mardin Cement to 50% in 1990. Mardin Cement became an OYAK Cement affiliate in 2015. Mardin Cement continued to grow with investments parallel to the development of Türkiye and the region. Taking into consideration the changing market conditions, Mardin Cement has one of the best clinker use ratio based on the distribution of cement types produced in the plant, and therefore stands out among others by lowering its carbon footprint in the final product and contributing to sustainability.

OYAK Cement Ankara Branch

Ankara Packaging Plant was established in 1996 as part of Bolu Çimento San. A.Ş. and became Ankara Grinding and Packaging Plant in 1998. The construction of Ankara Branch Integrated Cement Plant that has started in 2014 ended in 2015 and with this investment, Ankara Branch of OYAK Çimento Fabrikaları A.Ş. achieved an annual production capacity of 1,300,000 tons of clinker and 1,750,000 tons of cement and slag.

OYAK Cement Adana Branch

Adana Cement was established under the name Çukurova Çimento Sanayii T.A.Ş. in 1954 with the collaborative work of Türkiye Emlak Bankası, Akbank and Türkiye İş Bankası. Production started in the factory in 1957 and in 1998 the factory started to produce white cement and sulphate resisting cement (SRC).

The terminals, with an annual capacity of 200,000 tons, in the free port area of Famagusta in the Turkish Republic of Northern Cyprus (TRNC) started operations in 2006. In 2007, Iskenderun Grinding and Packaging Plant with an annual capacity of 1 M tons slag and slag cement was bought by the company.

With the grinding plant with an annual capacity of 1 M tons built within the facilities of Iskenderun Demir ve Çelik A.Ş. in 2009, the company’s slag and slag cement grinding capacity was increased to a total of 2 M tons/year. Annual total grinding capacity in Adana Central and Iskenderun 1 and 2 plants reached to 5.5 M tons.

With the investment of Adana Cement in its clinker production line no 5, its clinker production capacity was increased in white and grey cement,

White clinker production capacity **1.1 M ton/year**



Gray clinker production capacity **, 3.3 M ton/year**

1. CORPORATE PROFILE and EXTERNAL ENVIRONMENT

PRODUCTS

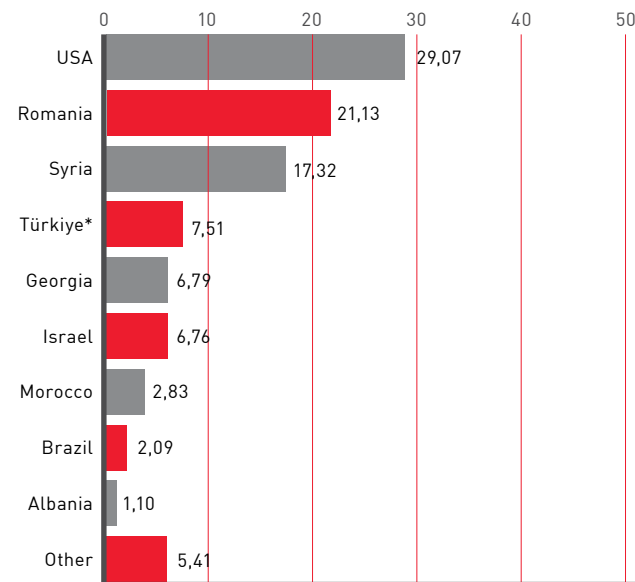
OYAK Cement's total production of cement and clinker is shared.

	Clinker	Cement
Production (ton)	7.889.835	9.980.928

Note: OYAK Cement Denizli Branch is excluded.

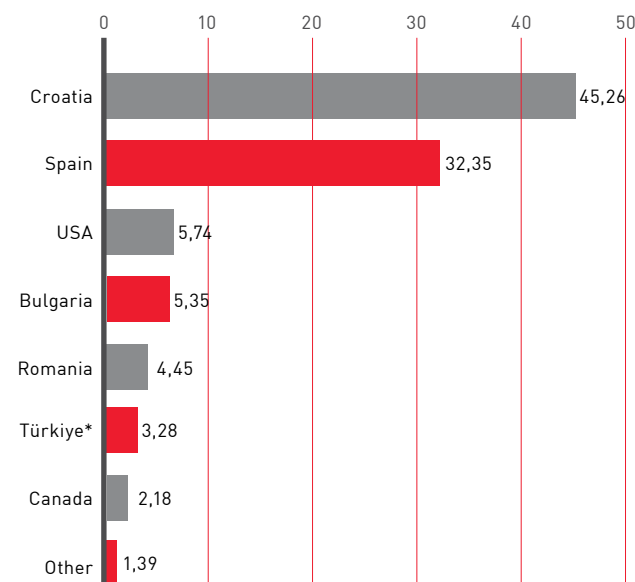
Our largest exports of clinker and cement sales in 2023 were to the United States of America (USA).

Distribution of Exports by Country (Grey and White Cement, Grey and White Clinker)



* Data from Türkiye also includes exports to TRNC

Distribution of Exports by Country (Ground and Granular Slag)



* Data from Türkiye also includes exports to TRNC

Our product's distribution
of branches in domestic and
abroad in 2023.

Product Name	Type and Class	Standard
Adana Cement Branch		
Portland Cement	CEM I 42,5 R	TS EN 197-1
White Portland Cement	CEM I 52,5 R / BPC 52,5 R/85	TS EN 197-1 / TS 21
White Portland Cement	CEM I 42,5 R	TS EN 197-1
White Portland Limestone Cement	CEM II/B-LL 42,5 R	TS EN 197-1
Portland Slag Cement	CEM II/A-S 42,5R	TS EN 197-1
White Portland Limestone Cement	CEM II/B-LL 32,5 R	TS EN 197-1
Composite Cement	CEM VI (S-LL) 32,5 R	TS EN 197-5
Portland Cement (White)	Type I	ASTM C 150

Iskenderun Cement Branch		
Portland Cement	CEM I 42,5 R	TS EN 197-1
White Portland Cement	CEM I 52,5 R	TS EN 197-1
Blast Furnace Slag Cement	CEM III/A 42,5 N	TS EN 197-1
Portland Composite Cement	CEM II/B-M (S-V) 42,5 R	TS EN 197-1
Composite Cement	CEM V/A (S-V) 32,5 R	TS EN 197-1
Portland Cement (White)	Type I	ASTM C 150
Ground Blast Furnace Slag	-	TS EN 15167-1

Bolu Cement Branch		
Portland Cement	CEM I 42,5 R	TS EN 197-1
Sulphate Resistant Portland Cement	CEM I 42,5 R-SR5	TS EN 197-1
Portland Composite Cement	CEM II/A-M (P-L) 42,5 R	TS EN 197-1
Portland Composite Cement	CEM II/A-M (S-L) 42,5 R	TS EN 197-1
Pozzolan Cement	CEM IV/ B (P) 32,5 R	TS EN 197-1
Sulphate Resistant Blast Furnace Slag Cement	CEM III/B (S) 32,5 N-SR	TS EN 197-1
API Well Cement	Class G; HSR Type	API Spec Q1-API-10A
Ground Blast Furnace Slag	Ground Blast Furnace Slag	EN 15167-1

Product Name	Type and Class	Standard
Ereğli Branch		
Composite Cement	CEM VI/S-L 32,5 N	TS EN 197-5
Sulphate Resistant Blast Furnace Slag Cement	CEM III/B (S) 32,5 N-SR	TS EN 197-1
Ground Blast Furnace Slag	Ground Blast Furnace Slag	EN 15167-1
Blast Furnace Slag Cement	CEM III/A (S) 32,5N	TS EN 197-1
Blast Furnace Slag Cement	CEM III/A (S) 42,5N	TS EN 197-1

Ankara Branch		
Portland Cement	CEM I 42,5 R	TS-EN-197-1
Pozzolan Cement	CEM IV/B (P) 32,5 R	TS-EN 197-1
Portland Calcareous Cement	CEM II/A-LL 42,5 R	TS EN 197-1

Aslan Cement Branch		
Portland Cement	CEM I 42,5 R	TS EN 197-1
Portland Composite Cement	CEM II/A-M (S-L) 42,5 R	TS EN 197-1
Composite Cement	CEM V/A (S-P) 32,5 N	TS EN 197-1
Portland Composite Cement	CEM II/B-M (S-L) 42,5 R	TS EN 197-1
Portland Cement (Low Alkali Content)	TYPE I/II	ASTM C 150
Portland Calcareous Cement	CEM II/A-L 42,5 R	TS EN 197-1

Ünye Cement Branch		
Portland Cement	CEM I 42,5 R	TS EN 197-1
Sulphate Resistant Portland Cement	CEM I 42,5 R-SR5	TS EN 197-1
Portland Kompoze Cement	CEM II/A-M (S-LL) 42,5 R	TS EN 197-1
Portland Composite Cement	CEM II/A-M (P-LL) 42,5 R	TS EN 197-1
Blast Furnace Slag Cement	CEM III/A 42,5 N	TS EN 197-1
Pozzolan Cement	CEM IV/B (P) 32,5 R	TS EN 197-1

Mardin Cement Branch		
Portland Cement	CEM I 42,5 R	TS EN 197-1
Portland Cement	CEM I 42,5 N	TS EN 197-1
Portland Composite Cement	CEM II/A-M (P-LL) 42,5 R	TS EN 197-1
Pozzolan Cement	CEM IV/B (P) 32,5 N	TS EN 197-1
Sulphate Resistant Cement	CEM I 42,5 R-SR3	TS EN 197-1
API Well Cement	Class G; HSR Type	API Spec Q1-API-10A

In the field of ready-mixed concrete, OYAK Cement produces standard concrete in every class as well as long with its innovative products that are produced as a result of research and development, each of which has a registered trademark. OYAK Cement is able to support various projects in the sector.

REGISTERED PRODUCTS

Brand	Product Name	Explanation
DURABET®	High Durability Concrete	Resistant to severe environmental conditions, low permeability to water and chlorine, minimal risk of cracking is minimised, heat development is controlled, high durability is provided, a special product.
SMARTBET®	Self-Compacting Concrete	It is a special self-compacting product designed for structural elements with a narrow cross section and dense reinforcement that is easy to place and work with.
AOUABET®	Concrete with Reduced Water Permeability	Designed for all kinds of environments exposed to water and moisture, reduced water permeability is a special product.
SKYBET®	Concrete Pumpable to High Floors	In multi-storey office and residential buildings, very long distances vertically and horizontally easily transferable, high viscosity and high strength special product.
İZOBET®	Insulating Concrete	It is a special product designed for building elements that require thermal and soundproofing insulation.
FIBRABET®	Fibre Reinforced Concrete	High flexural and impact strength, reduced risk of early age cracking, and polypropylene fibre reinforced.
FIBROSHOT®	Fibre Spraying Concrete	Fast, practical, fibre reinforced, used in tunnels and slope reinforcement, etc. is a special shotcrete product.
VWHITEBET®	White Colour Concrete	Special white cement for building elements where aesthetic and decorative features are required is a special product produced by using light coloured raw materials.
REPABET®	Fibre Repair Concrete	In addition to factory floor concretes, it is also used for roads, aprons and other areas exposed to heavy traffic, can be used in the repair of runway concretes, low risk of cracking, early and final.
VIABET®	Sliding Mould Concrete	It is a special fibre reinforced product with high strength and rapid setting.
POROZBET®	Permeable Concrete	A special permeable product designed for areas such as parks, gardens, car parks, etc. product.
DUALBET®	Road Concrete	A special road concrete that can be compacted with a roller and/or placed with a finisher.
DOZBET®	Dose Concrete	A special concrete designed with binder ratios according to customer demands.
FLEKSBET®	Fixed and Flex Line Concrete	Easy to pump over long distances with fixed or flexible hoses, a special product designed according to the customer's requirements.



Product Name	Type and Class	Standard
Regular Read Mixed Concrete	C8/11 - C80/95	TS EN 206
Light Concrete	LC 8/9 - LC 35/38	TS EN 206
Heavy Concrete	HC8/10 - HC 50/60	TS EN 206
DURABET®	Special Product	TS EN 206
AOUABET®	Special Product	TS EN 206
SKYBET®	Special Product	TS EN 206
SMARTBET®	Special Product	TS EN 206
FIBRABET®	Special Product	TS EN 206
WHITEBET®	Special Product	TS EN 206
FIBROSHOT®	Special Product	TS EN 206
REPABET®	Special Product	TS EN 206
İZOBET®	Special Product	TS EN 206
VIABET®	Special Product	TS EN 206
POROZBET®	Special Product	TS EN 206
DUALBET®	Special Product	TS EN 206
DOZBET®	Special Product	TS EN 206

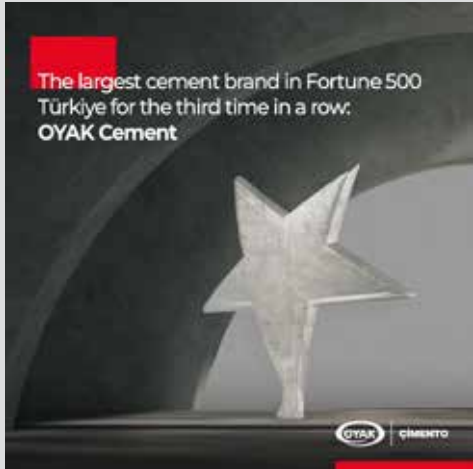
CORPORATE MEMBERSHIPS,
OUR AWARDS AND PATENTS

Our Corporate Memberships

Corporate Membership	Abbreviation (If any)
Turkish Cement Manufacturers' Association	TÜRKÇİMENTO
Cement Industry Employers's Association	ÇEİS
Cement Workers Union	ÇİMSE-İŞ
Integrated Reporting Türkiye Network	ERTA
Ankara Chamber of Commerce	ATO
Turkish Ready Mixed Concrete Association	THBB
Waste and Environment Management Association	TAYÇED
World Cement Association (Global Cement and Concrete Association)	WCA



The Fortune 500 Türkiye's Largest Companies



OYAK Cement has once again been recognized in the Fortune 500 Türkiye list as the leading company in the sector according to the 2022 Large Companies Survey.

White Flag Award Ceremony



OYAK Cement, organized by the Republic of Türkiye Ministry of Labour and Social Security, 'Decent Work Organised Workplace' at the White Flag Award Ceremony Türkiye's first 20 white flags with the title of among the top companies in the Türkiye.

“Most Admired Companies in the Business World” by Capital Magazine



The results of Capital Magazine's 22nd annual “Most Admired Companies in the Business World ” survey as the leader in the cement industry, we took our place at the awards ceremony this year, as we did last year.

As the largest and most environmentally friendly company in the Turkish cement industry, we have continued to be the leader of the cement industry in 2023, as we have been in the past years. We reaffirmed our vision to be the most admired cement company.

1. CORPORATE PROFILE and EXTERNAL ENVIRONMENT

BIST30 ve MSCI



OYAK Cimento Fabrikaları A.Ş. (OYAKC) shares rank among the top 30 firms in terms of trading volume and market capitalization on BIST, as gauged by the BIST 30 index. Additionally, OYAKC shares are included in the Morgan Stanley Capital International (MSCI) index, a global financial services provider's index that encompasses stocks of premier companies in Türkiye and is incorporated into both the BIST 30 and MSCI indices.

ISO500



The Istanbul Chamber of Industry (ISO) has announced the list of Türkiye's Top 500 Industrial Enterprises for 2022. In the survey, we continued our ascent from the previous year and are pleased to remain in the top 100, as well as being the sole cement brand within this ranking.

Capital - Türkiye's 500 Largest Companies



In Capital Magazine's annual "Türkiye's Top 500 Companies" survey, OYAK Cement has once again ranked first in the sector this year.

Global Cement - Alternative Fuel Usage Company of the Year



Organized by Global Cement Magazine, the Global CemFuels Conference and Exhibition recognized us with the "Alternative Fuel Company of the Year" award among international cement industry companies.

Our environmental policy and Net Zero Carbon Strategy prioritize "alternative fuels and the use of alternative raw materials" as key elements that we proudly carry on our activities with a commitment to these principles.



In 2023, two new patents were granted approval.



Dr. Hakan Özkan has been awarded a patent certificate by the Turkish Patent and Trademark Office for his application titled "Binder Production Method," filed in cooperation with Yıldız Technical University. The application, registered on 24.04.2023 with the number 2021/005537, marks a significant achievement.



Research and industry in building materials are set to benefit from this innovative invention, which utilizes mud as a geopolymer binder material. Additionally, the resulting geopolymer binder can be mixed with fine and/or coarse aggregate to produce screed, mortar, concrete, and precast concrete.

In another of Dr. Özkan's studies, conducted in collaboration with Yıldız Technical University in 2021, he developed an "Artificial Aggregate Production Method Using Aggregate Washing Sludge." This application, registered on 21.07.2023 with the number 2021/007770, also received a patent certificate from the Turkish Patent Office.

These innovative inventions represent significant progress in addressing environmental and economic issues. By utilizing waste from landfill sites and sludge from aggregate washing as artificial aggregate material, Dr. Özkan's work contributes to minimizing environmental problems.



FINANCIAL PROFILE

Financial Statements

Summary Statement of Financial Position (TL)

	31.12.2023	31.12.2022
Current Assets	14,806,966,083	15,462,634,839
Fixed Assets	20,569,124,393	20,297,091,757
Total Assets	35,376,090,476	35,759,726,596
Short Term Liabilities	6,665,400,816	8,510,619,637
Long Term Liabilities	2,044,543,037	8,651,659,109
Equity	26,666,146,623	18,597,447,850
Total Resources	35,376,090,476	35,759,726,596

Key Operating Indicators and Financial Ratios

Key Figures

	31.12.2023	31.12.2022
Operating Profit Margin (%)	25,11	21,74
Net Profit Margin (%)	26,48	33,53
EBITDA Margin (%)	29,43	26,73

In 2023, our clinker production rose by 6.5% from the previous year, totaling 7,230,883 tons.

External Environment

The Turkish cement sector does not yet have a roadmap for decarbonization in line with climate change. Therefore, a sectoral mitigation plan is expected in the coming period. On the other hand, the taxation period connected to the EU’s CBAM will also begin, and it is foreseen that mechanisms such as the emissions trading system (ETS) will be put into effect in the short and medium term.

It is estimated that the risks and opportunities associated with climate change will also turn into compliance obligations.

On the other hand, the average alternative fuel (AF) use in Türkiye is quite low compared to OYAK Cement.

At COP 28, steps towards promoting good practices in the sector and a business ecosystem supported by Türkiye for a “carbon neutral 2050” reinforced with new products were taken in Dubai in 2023. On the other hand, it is expected that innovation-based solutions will be commercially implemented in the next decade.

Since the matter of carbon tax and crediting principles have not yet been finalized in Türkiye, a period of serious risks and opportunities awaits us in the sector in this sense.

As OYAK Cement, we are moving towards a year in which we will review our strategies

with our approved science-based targets by updating our sustainability strategies in the management of our processes depending on our near and far environment analysis.

Necessary arrangements have been made in line with the “net zero” roadmap by evaluating climate risks and opportunities.

As the first Turkish cement company to make a global net zero commitment, OYAK Cement’s 22.8% reduction target for 2030 was approved by the Science Based Targets Initiative (SBTi) in 2023. OYAK Cement maintains its leadership in its sector in the fight against climate change.



OYAK Cement, which carries out pioneering activities in its sector in order to contribute to a sustainable world, announced its 2050 road map prepared with a focus on the risks related to climate change in today’s world where the transition to a ‘net-zero’ world is designed with energy transformations. In this sense, OYAK Cement became the first cement company in Türkiye to make the “Net-Zero” commitment, which includes the criteria required by companies to set science-based targets to limit the global temperature increase to 1.5°C, and its 2030 and 2050 mitigation plans were approved by SBTi in 2023.

OYAK Cement’s Science-based targets::



Net-Zero Commitment

OYAK Cement has established science-based targets with a Net-Zero Commitment. As a company with significant international goals, OYAK Cement has become the first Turkish cement company to commit to ‘Net-Zero’ and disclose its reduction rates. This commitment is directly supported by the OYAK Cement 4.0 Project, which plays a crucial role in reducing CO₂ emissions.

Sustainability and Digitalisation

OYAK Cement has concentrated on projects related to “Sustainability and Digitalisation” throughout the year, achieving many firsts in its sector. With this forward-thinking vision, it strives to be a “game changer” in the cement industry.



Comprehensive Integrated Report

The 2023 Integrated Report presents a value-oriented management model that holistically addresses business processes and incorporates environmental, social, and managerial performance.

OYAK Cement upholds its industry leadership by setting science-based targets, reflecting its mission to contribute to a sustainable world and a healthier future.

2023 HIGHLIGHTS AT OYAK CEMENT



NET ZERO

NET ZERO OYAK Cement 2050 Roadmap

Using 2021 as the base year and targeting the year 2030 on the Science Based Targets Initiative Platform, a 22.8% reduction in emissions has been pledged.

By 2050, the Goal is to Achieve “NET ZERO” CO₂ Emissions.

Our solar power plant generated 1.1 GWh of electricity. Through waste heat recovery (WHR) and the generation of electricity from solar energy, we realized a total CO₂ savings of 33,410 tons.

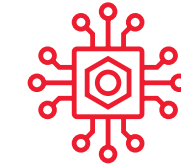
Additionally, our energy conservation efforts throughout the year resulted in a total CO₂ savings of 4,678,292 tons.



CIRCULAR ECONOMY

We enhance value by boosting our efficiency through the value model we implement, aimed at integrating the circular economy into all our business processes and managing our ecological footprint. In the realm of the circular economy, we persist in developing sustainable solutions through:

- Material recycling
- Energy recovery



R&D and INNOVATION

We maintain our market leadership by focusing on customer needs in our concrete activities, which are implemented through the Branded Special Products development process.

- High-Performance Concretes
- Permeable Concrete
- Structural Lightweight Concrete
- Fast Hardening Repair Concrete
- Roller Compacted Concrete

At the same time, studies on the use of CO₂ in concrete production are underway. During this period, two separate patents have been approved.



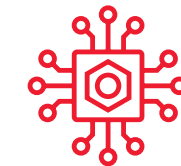
LEADERSHIP in OCCUPATIONAL HEALTH and SAFETY (OHS)

In our “PROJECT 2425,” initiated on February 1, 2023, we aim to foster a zero-accident culture in OHS that our objectives include reducing the Accident Frequency Rate by 24% by the end of 2024 and by 25% by the end of 2025.



Behavior-Based Safety (BBS) Observations, called DOST, safety conversations are held to observe hazard exposures, recognize safe practices, and deliberate on risks associated with unsafe behaviours, with the goal of identifying safer methods.

The proportion of OHS training in all training sessions was 64.3%.



OUR ENVIRONMENTAL PERFORMANCE

OUR
INVESTMENTS



Environmental protection
13,5 MTL



Environmental
management
81,3 MTL



Energy efficiency
117,1 MTL



Alternative source
223,3 MTL

1.3. Integrated Corporate Management

CORPORATE MANAGEMENT

Long-term through strategy and capital allocation by linking value-creating our Board is committed to ensuring that our strategic focus areas are met.

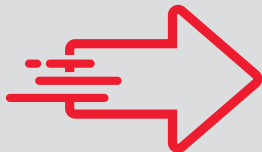
Our corporate risk management is working towards the establishment of an ecosystem of risks and opportunities, integrated with environmental, climatic as well as social and governance issues.

OUR STRATEGIC FOCUS AREAS

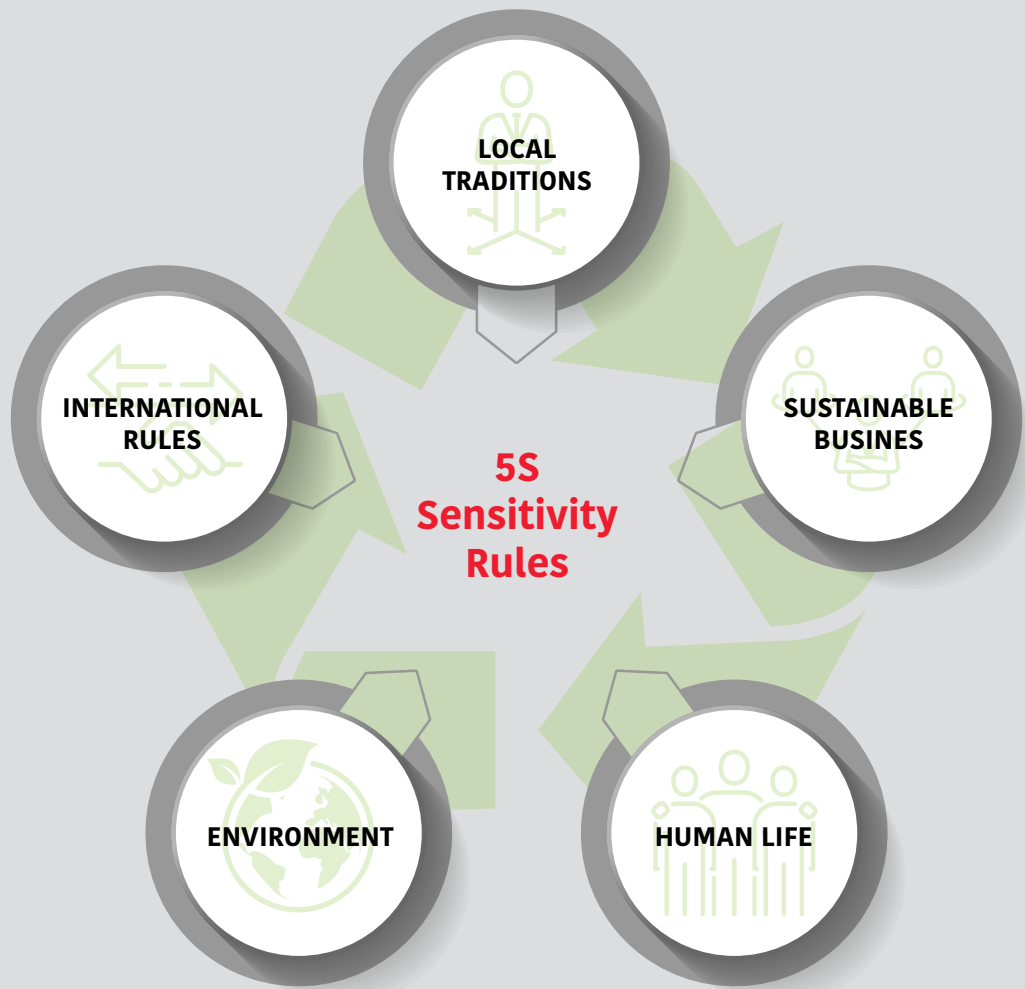
- Sustainable economic growth and profitability
- Circular economy
- Occupational health and safety
- Climate change and energy
- Growth in the international market
- Technological transformation and operational efficiency
- Environmental footprint
- Digitalization

OUR VALUES

- Creativity • Transparency • Honesty
- Respect for Human and Environment
- Customers and Employees Happiness
- Perfectionism • Competitiveness
- Reliability • OYAK Culture



Our objectives, together with the capital elements, are part of our value model.



OUR STRATEGIC PRIORITIES

Focus Areas in Our Strategies

Focus Areas	Key Performance Indicators	UN SDG
Sustainable Economic Growth and Profitability	Increasing the use of alternative fuels due to climate risks and reducing energy costs is our focus in the short and medium term, and will continue to be. Creating a model for measuring the impact of our activity with metrics targeted.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEACE AND JUSTICE, STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
Circular Economy	Integration of zero waste into our business processes (increase use of alternative raw materials and alternative fuel).	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND
Occupational Health and Safety	Dissemination of leadership and safety culture in OHS, (our subcontractors and contractors) competencies with OHS campaigns increasing.	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 17 PARTNERSHIPS FOR THE GOALS
Climate Change and Energy	Use of alternative fuels and raw materials, electrical energy from waste heat production, blended cement production and improvement projects, help us to reduce energy use and greenhouse gas emissions.	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND
Environmental Footprint	Our footprints into air, water and biodiversity are monitored with sustainability KPIs and this target will continue.	13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND

OYAK Cement has taken an important step by focusing on sustainability strategies and 11 topics have been addressed from a strategic point of view. Detailed objectives have been set for each of these areas and performance indicators have been set for each area.



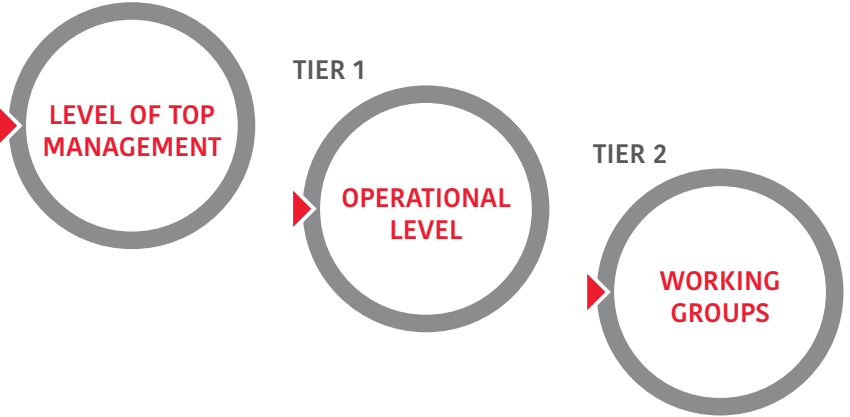
SUSTAINABILITY ORGANISATION AT OYAK CEMENT

OYAK Cement has established a Sustainability Board and a Sustainability Committee, and implements a two-tiered organisation to manage sustainability.



The Board is responsible for formulating and overseeing the environmental, social, and corporate governance sustainability strategy. This includes setting policies in the field of sustainability, executing and monitoring objectives and practices, as well as auditing, reviewing, improving, and fulfilling development tasks. At OYAK Cement, managerial processes are strategically based and integrated into all operational processes. This is achieved by planning with sustainability performance indicators in mind, implementing a supported management system, and ensuring continuity. In this context, our organizational structure has been finalized and put into operation.

SUSTAINABILITY MANAGEMENT



The Sustainability Committee, guided by the strategies set by the Sustainability Board, is responsible for:

- Developing short, medium, and long-term work programs,
- Overseeing the progress of working committees by establishing targets for operational processes,
- Ensuring sustained efforts in these areas.

This committee consists of Directors and Managers/Executives with executive responsibilities. It ensures the Board of Directors and the Corporate Governance Committee fulfill their duties and responsibilities properly.

To align with Governance Principles, the Audit Committee, Corporate Governance Committee, and Risk Early Detection Committees have been formed. The Audit Committee and Corporate Governance Committee meet three times a month, while the Early Risk Detection Committee meets bi-monthly. They operate under the Board of Directors, aiming to meet objectives. The Corporate Governance Committee is charged with the tasks and responsibilities for implementing the Corporate Governance Principles, as stipulated by the Capital Markets Board's Corporate Governance Communiqué, including those of the Nomination and Remuneration Committees.



OUR ACTIVITIES

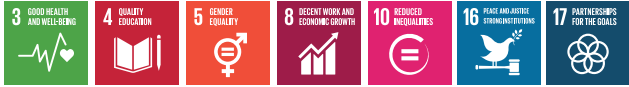
PRODUCTION (CEMENT, CLINKER, CONCRETE, AGGREGATE)
SALES (DOMESTIC AND INTERNATIONAL) indicators.

Capital Element	Applications	Sustainable Development Goals (SDGs) in Integration
FINANCIAL CAPITAL	A net profit of TL 8,127,896,250 was generated, contributing to economic growth. Additionally, employment was provided for a total of 2,497 individuals.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEACE AND JUSTICE: STRONG AND JUST INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
MANUFACTURED CAPITAL	7,890 Kton of clinker, 9,981 Kton of cement, and 4,759 Km³ of concrete were produced. Our thermal substitution rate for alternative fuels was 27.11%, achieving the highest thermal substitution rate to date. Additionally, our solar power plant generated 1,086,129 kWh of electrical energy.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 15 LIFE ON LAND
INTELLECTUAL CAPITAL	We have a total of two patents and twenty-six trademark registrations.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 16 PEACE AND JUSTICE: STRONG AND JUST INSTITUTIONS



HUMAN CAPITAL

The total training hours per employee have been 29.



SOCIAL AND RELATIONSHIP CAPITAL

Within the framework of our 5S sensitivity principles, we adhere to life, sustainable business practices, and our regional traditions, in accordance with environmental and international standards. We have adopted a sustainable management model.



Furthermore, alongside the brand's robust image, we have instituted stakeholder management.

NATURAL CAPITAL

Our sector leadership continues with zero waste management, utilizing it within the circular economy framework and our alternative raw material utilization rates.



The evaluation of water use and energy management in this context is underway.



BUSINESS MODEL AND VALUE CREATION

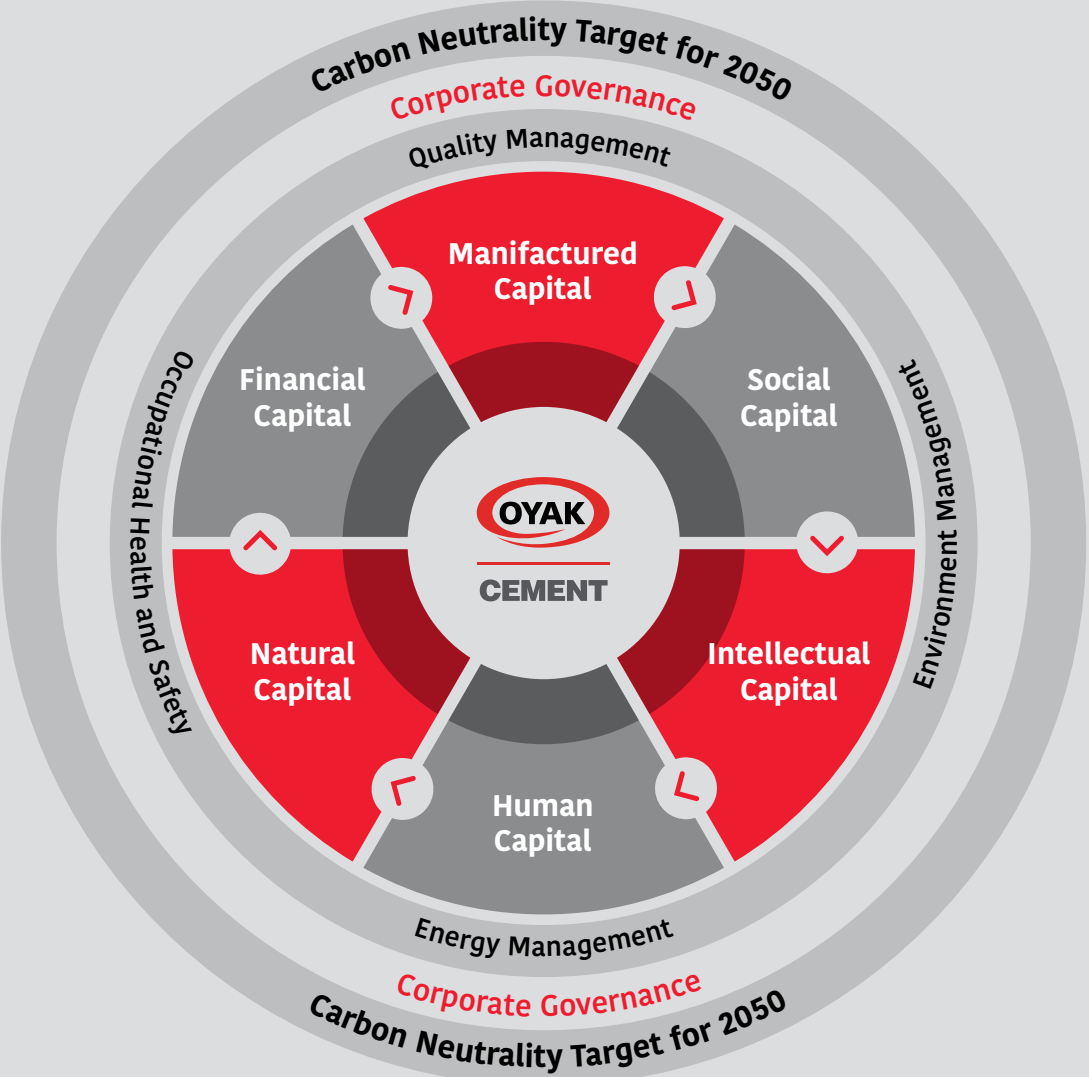
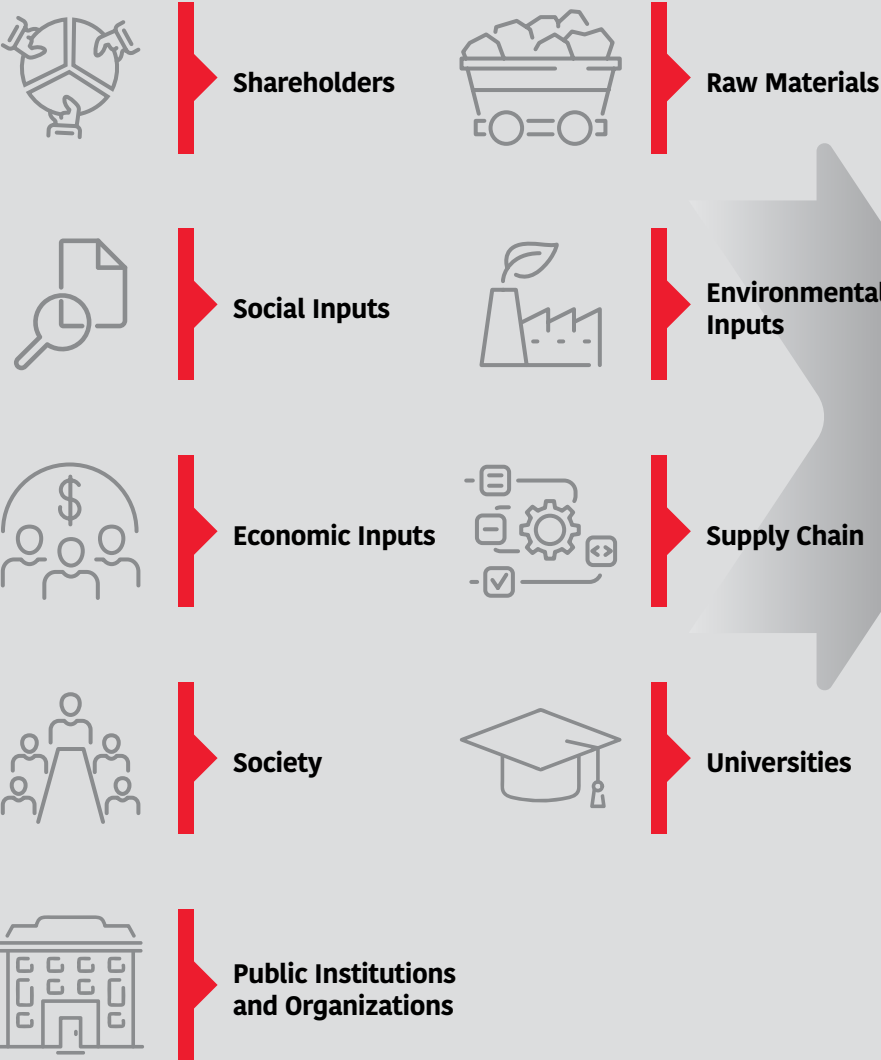
2. BUSINESS MODEL and VALUE CREATION

Implementing a value-based business model with a focus on the sustainable development of our country, integrated reporting 6 Capitals to strengthen our operational and management processes, and management processes, is supported by the needs and expectations of our stakeholders.

We are moving towards building a climate-resilient organisation by analysing risks and opportunities together with materialities.

On this journey, under the banner of sustainable profitability, we are committed to society and the environment to make a meaningful difference, we have adopted a business model that embraces touching the lives of our stakeholders.

Our Stakeholders



Focused Areas

Sustainable economic growth and profitability



Circular economy



Occupational health and safety



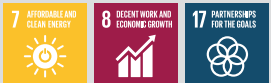
Climate change and energy



Growth in the international market



Technological transformation and operational efficiency



Environmental footprint

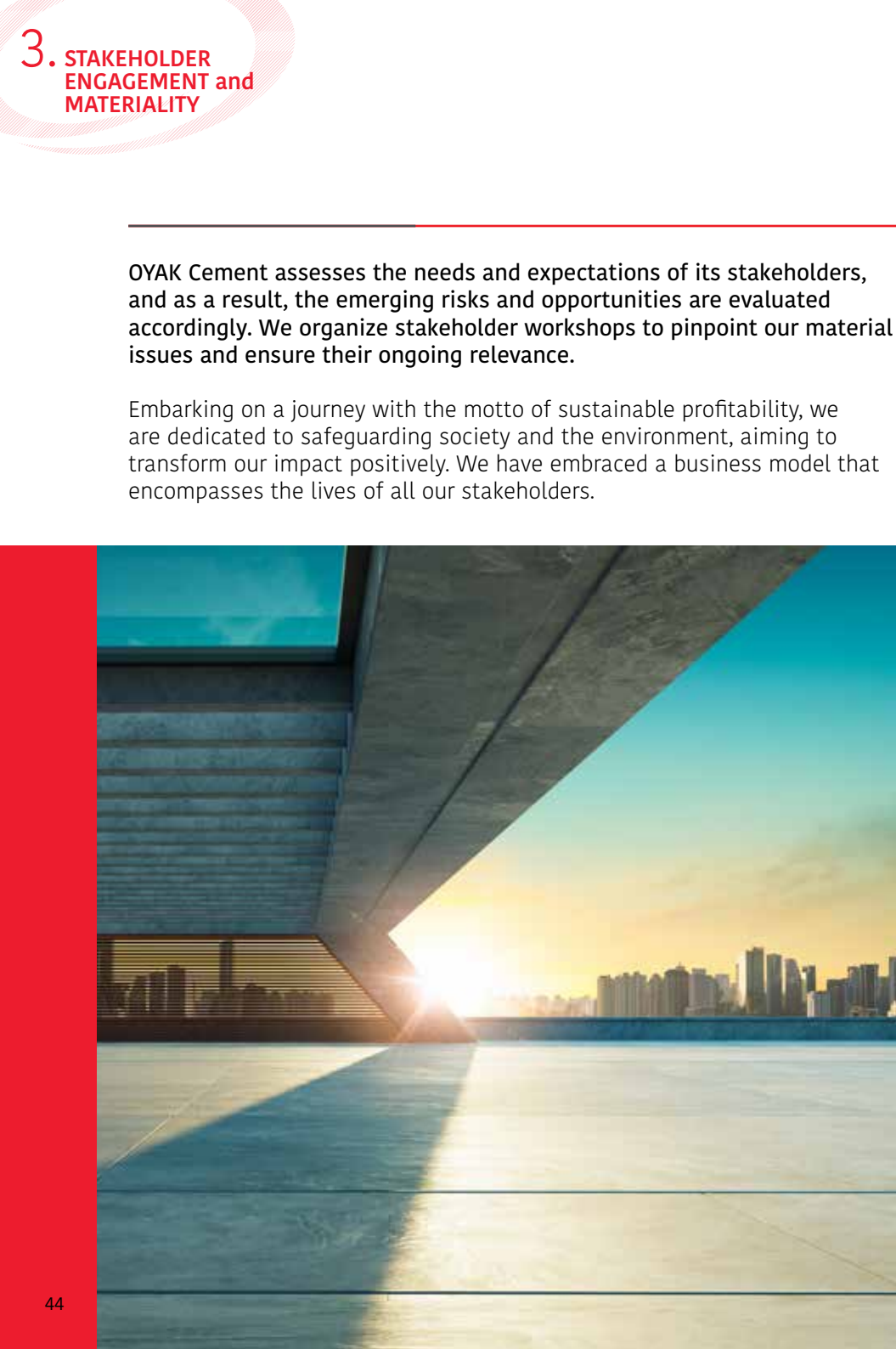


Digitalization





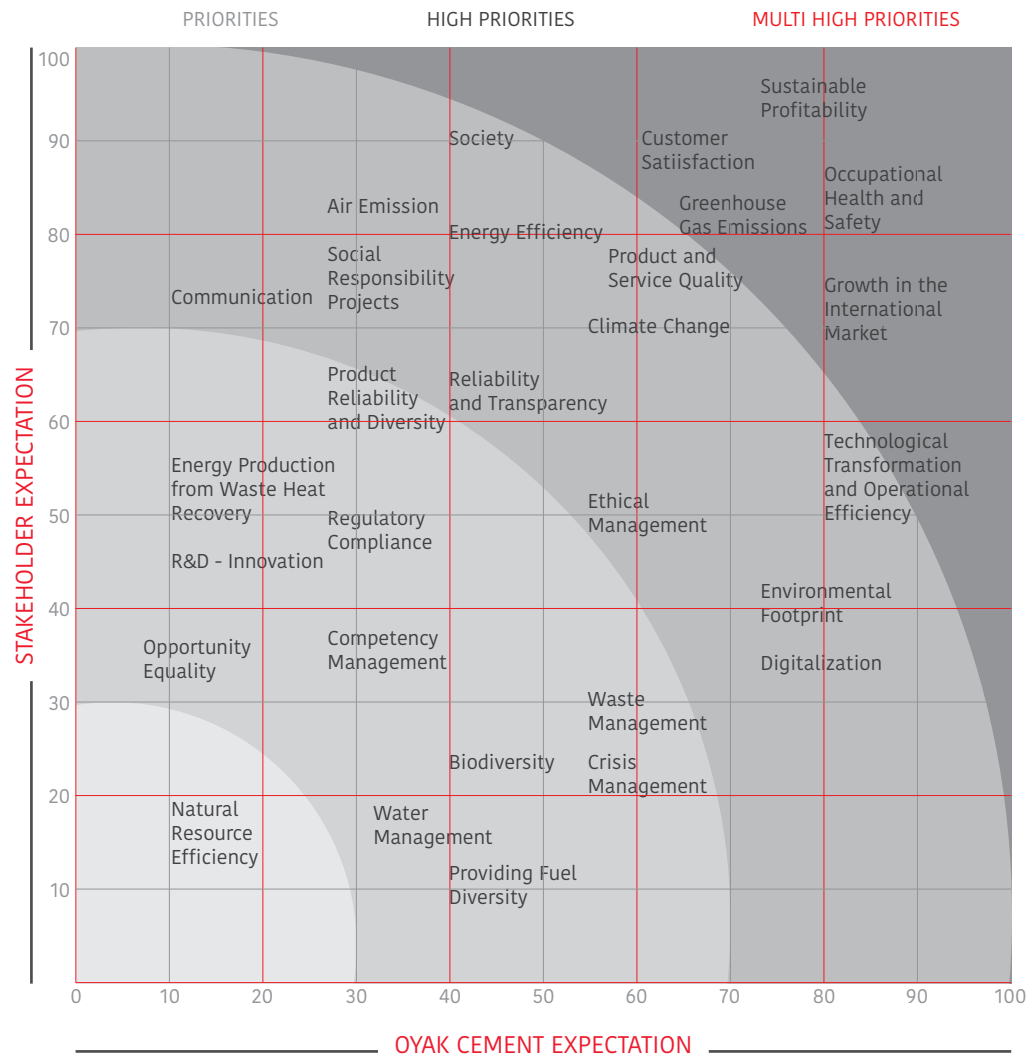
STAKEHOLDER ENGAGEMENT AND MATERIALITY



OYAK Cement assesses the needs and expectations of its stakeholders, and as a result, the emerging risks and opportunities are evaluated accordingly. We organize stakeholder workshops to pinpoint our material issues and ensure their ongoing relevance.

Embarking on a journey with the motto of sustainable profitability, we are dedicated to safeguarding society and the environment, aiming to transform our impact positively. We have embraced a business model that encompasses the lives of all our stakeholders.

STAKEHOLDER MATERIALITY MATRIX

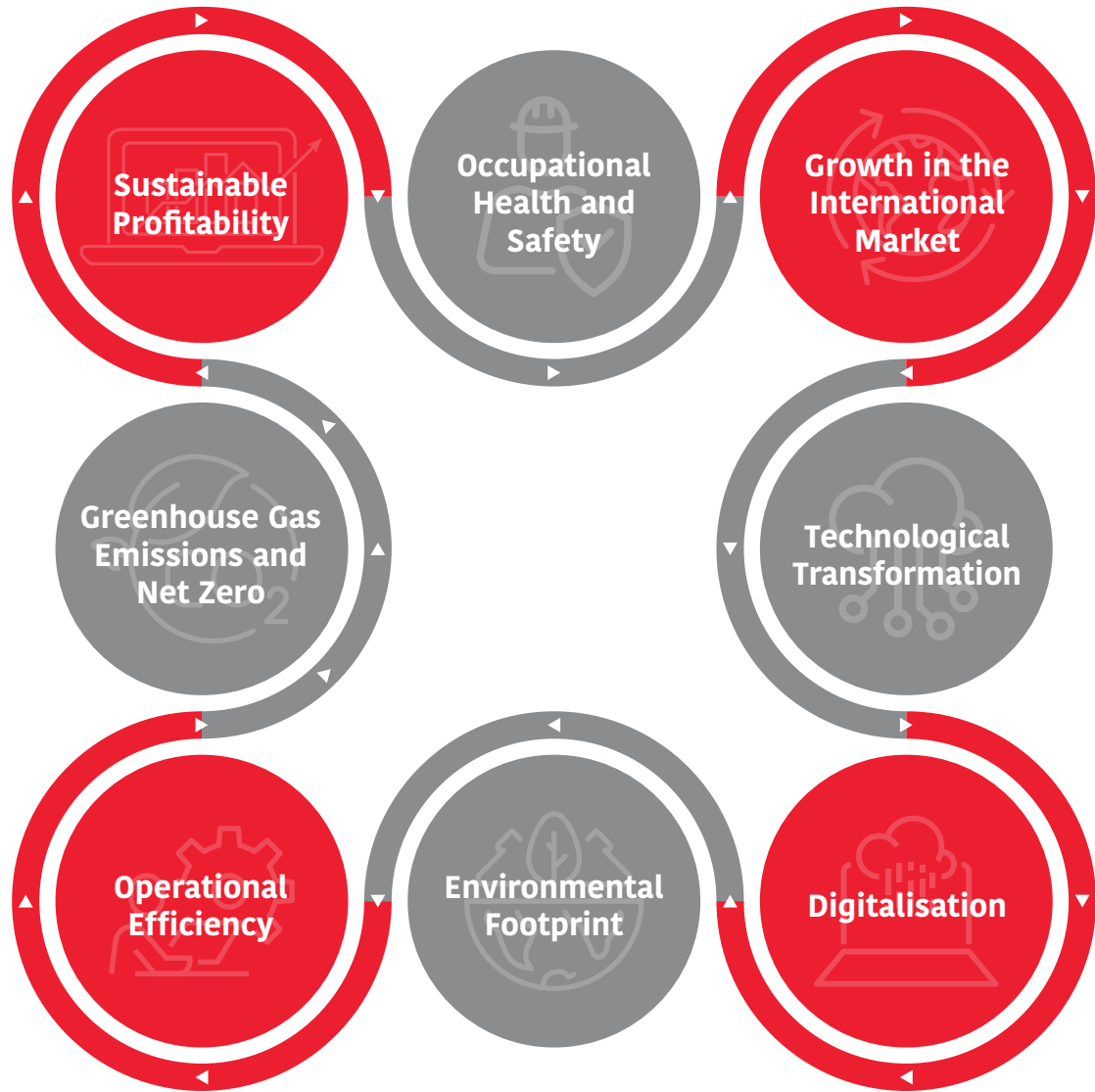


STAKEHOLDER COMMUNICATION AND OUR SUSTAINABLE DEVELOPMENT GOALS

The needs and expectations of our stakeholders are aligned with the Sustainable Development Goals, and our materialities remain consistent with those of the previous year.

Stakeholders	Communication	Needs and Expectations	UNSDGs
Employees	Process management meetings, sustainable management and integrated management systems, employee satisfaction surveys and ethics line, employee support programs and CSR projects.	- Career Planning and Personal Development - Business Ethics - Gender Equality - Commitment of Employee and Satisfaction - Occupational Health and Safety - Energy Efficiency - Contribution to Society with Environmental and Social Practice	
Shareholders	General assembly, integrated report, annual report, social media and corporate governance compliance report.	- Sustainable Profitability - Compliance with Laws - R&D - Innovation - Operational Efficiency	
Customers	Marketing activities, B2B meetings, management visits, dealer meetings, customer satisfaction surveys and visits.	- Customer Satisfaction - Product and Service Quality - Reliability and Transparency - Product Variety	
Society	Stakeholder meetings, supplier days, socially responsible projects, and sector associations.	- Impact on Social Development - Employment - Reducing Environmental Impact (water, greenhouse gas emissions reduction, emission/ dust reduction, circular economy, conservation of biodiversity)	
Suppliers	Tenders, purchasing management, integrated report, social and environmental inspections, meetings and web page.	- Transparency in Managerial Processes - Reliability - Business Continuity and Sustainable Profitability	
Ministries/Local Administration/ Public Organizations	Integrated report, compliance processes, meetings, conferences and information systems.	Social Contribution, Community and Economic Development	

OUR MATERIALITIES





RISKS AND OPPORTUNITIES AT OYAK CEMENT

SECTOR OUTLOOK

Our country spent the year 2023 under the shadow of fluctuations in global markets, especially the difficulties brought about by the earthquake. As the 100th anniversary of the founding of the Republic of Türkiye, 2023 was also an important year for our sector. On the other hand, the year was marked by the earthquake disaster. In 2023, a year in which the purchasing power of households decreased due to economic difficulties, and this was reflected in investments, Türkiye’s economic outlook showed growth potential, but difficulties such as inflation were reflected on the sector. The Turkish economy started 2023 with 4.0% growth in the first quarter, followed by 3.9%, 6.1% and 4.0% growth in the second, third and fourth quarters, respectively. It is also observed that the growth rate declined towards the end of the year.

In global markets, the repercussions of EU’s experiencing an energy bottleneck on the one hand, and the concomitantly rising oil and energy prices on the other hand continued. Uncertainties in an environment of tightening global financial conditions and the ongoing Russian-Ukrainian war and other geopolitical tensions are believed to have triggered various risks. Tight global monetary policies restrain global growth by curbing aggregate demand. Despite tightening global monetary policies, global inflation remains persistent. A slowdown in the global economy with a soft landing seems inevitable. At the same time, there are risks such as trade tensions between US-China and other geopolitical tensions, climate change and natural disasters.

The unemployment rate in advanced economies started to decline after the pandemic, falling to 4.5 percent in 2022, reflecting the global recovery. The 4.4 percent unemployment rate in advanced economies in 2023 is projected to rise to 4.6 percent in advanced economies in 2024 as a possible global slowdown may put upward pressure on the global unemployment rate. In Türkiye, the unemployment rate for 2023 was announced as 9.4%. In 2023, the number of unemployed in Türkiye decreased by 318 thousand people year-on-year to 3 million 265 thousand people.

In Türkiye, the construction sector entered 2023 with high input costs and commodity problems in the shadow of the Russia-Ukraine war that started in 2022, before it had recovered from the impact of the global pandemic. Following

the devastating earthquake disaster at the beginning of the year, the construction sector mobilized for the reconstruction of the region and grew above the economy in 2023. In addition to the reconstruction activities in the earthquake zone, the reduced uncertainties with the completion of the election process had a positive impact on the construction sector figures; however, the growth in the sector still lagged behind the rates in the previous years.

In the world and in our country, which is in the grip of decarbonization of energy and low carbon economy due to climate change, we aim to carry our pioneering position in the sector forward, knowing that innovative solutions will be among our opportunities by adhering to the sustainability-oriented management model.

RISKS and OPPORTUNITIES IN OYAK CEMENT

Financial Risks and Opportunities

Our focus areas include the management of losses due to failure in fulfilling contractual obligations and related financial liabilities, as well as maintaining credit reliability. We carefully monitor credit risks and the credit ratings of customers, alongside fluctuations in economic conditions and foreign exchange rates. Additionally, we keep a close watch on fluctuations arising from climate change, financial risks associated with the use of fossil resources, and investment costs, as these are critical issues.

Operational Risks and Opportunities

We operate with integrated management systems based on business processes. Our operational risks are now shifting towards a focus on resilient companies.

Due to the integration of our operational processes with capital headings, risks and opportunities are updated annually or more frequently as needed.

At the OYAK Aslan Cement and OYAK Ünye Cement Çayeli facilities, logistic support is provided through the ports.

Thus, the existence of two separate port facilities in the Marmara Sea and the Eastern Black Sea presents a significant logistical advantage. Our maritime activities include implementing “Risk Assessment and Emergency Response Planning” as part of our compliance obligations, and conducting drilling and training programs under the Oil Spill and Hazardous and Noxious Substances to support this process. The International Ship and Port Facility Security (ISPS) Code is enforced at our ports. Additionally, utilizing alternative raw materials (ARM) and AF as part of the circular economy offers a substantial opportunity for our company.

Sustainability Risks and Opportunities

The cement industry is pivotal in construction, urbanization, and social development. However, it confronts substantial sustainability challenges, which are outlined below.

Carbon Emissions: Cement production significantly contributes to CO₂ emissions, which are a major factor in long-term climate change. Addressing the CO₂ emissions from cement production is an important issue.

Although the sector lacks a definitive net-zero roadmap, OYAK Cement is advancing with SBTi-approved reduction targets towards a net-zero future.

Air Quality: Emissions at various stages of cement production can be offensive and may pose a risk to human health. These emissions are a significant risk factor in the industry, and current technologies require compliance with emission obligations. This necessitates the improvement of processes to meet the limits stipulated within the required scope.

Resource Utilization: Minimizing the impact of raw materials used in the sector on the environment and the sustainability of resource utilization bring with them a significant risk.

Water Utilization: Minimizing the water consumption used in cement production and resource efficiency are also among the important sustainability risks. In particular, reasons related to climate change put pressure on water resources.

Biodiversity Impact: The operation of quarries as part of raw material supply may put pressure on local ecosystems and this pressure may trigger biodiversity losses. Therefore, biodiversity will remain an important risk factor in the sector in the coming years among sustainability risks.

Sustainability Risks: Systemic risks and risks related to climate change also maintain their importance in the sector. On the other hand, technology selection and investments to comply with global and national compliance obligations are also among these risks.

Addressing sustainability risks is important in terms of minimizing the environmental impact of the cement industry and making a positive contribution to the development of our world.

Energy Risks: Cement is a product that requires a significant amount of energy, and the industry faces risks associated with energy supply transitions and climate change pressures.

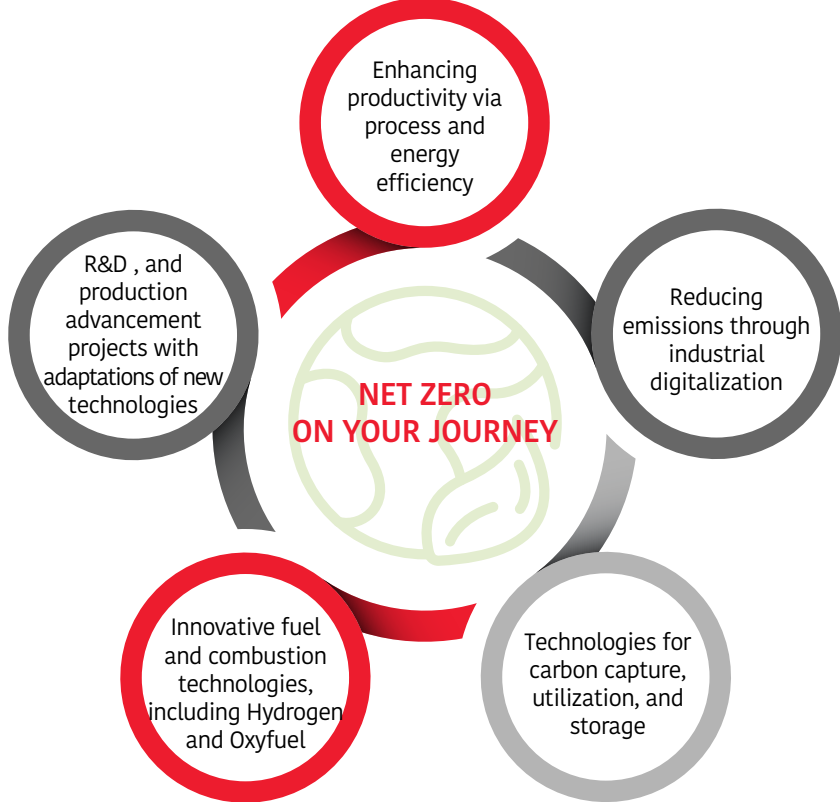
4. RISKS and OPPORTUNITIES AT OYAK CEMENT



Climate Risks: As OYAK Cement, we have announced our 2030 and 2050 commitments following our becoming a party to the Science Based Targets Initiative by setting a ‘net zero’ target in order to turn all risks into opportunities.

The share of greenhouse gas emissions from the cement sector in total national emissions is around 8-9%.

Our Carbon Reduction Actions on the Net Zero Journey



The Green Deal aims to lead sectors to carbon neutrality by underlining the key role of an effective industrial strategy. OYAK Cement has sufficient technical experience to open a window of opportunity in this sense also.

There is a high risk that cement will be affected by climate crisis processes, and we carefully monitor the process of tracking uncertainties and evaluating opportunities.

In terms of energy saving, we focus on increasing efficiency with the ISO 50001 energy management system by implementing managerial processes, solutions to transform opportunities into innovation and efforts to turn risks into opportunities.

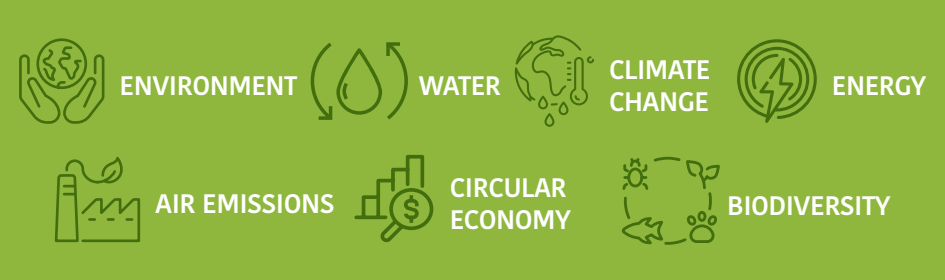




SUSTAINABILITY PERFORMANCE

Our sustainability performance indicators are organized into categories of environmental and social headlines.

5.1. Environmental Indicators

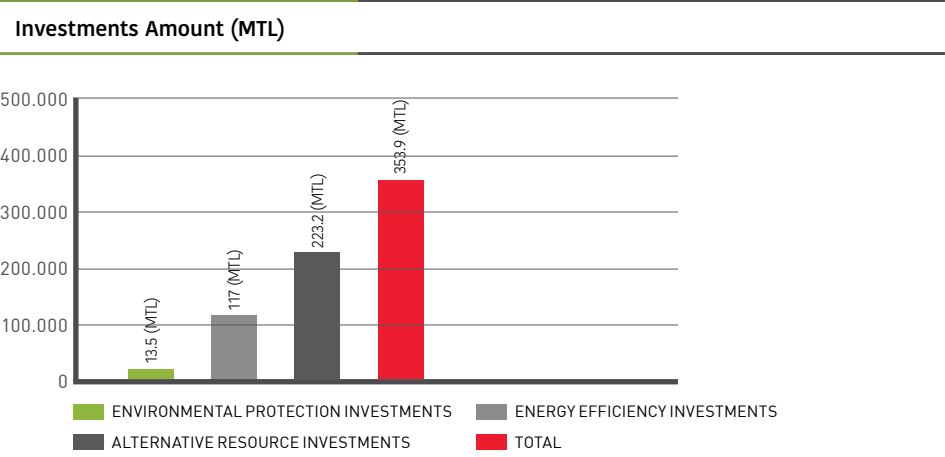


ENVIRONMENT

Our operational processes are overseen by our integrated management systems ISO 9001, 14001, 45001, and 50001, and our sustainable management performance indicators are revised in line with our sustainability strategies. All our facilities are encompassed by these integrated management systems.

OYAK Cement, fulfilling its compliance obligations, continues to invest. The company’s expenditures for environmental improvements have totaled Ktl 82,173.

In 2023, investments in environmental protection, energy efficiency, and alternative resources reached a total of 353,895.



Environmental Performance Indicators

Performance Indicators			
	2021	2022	2023
	Number of Environmental Accidents	Number of Environmental Accidents	Number of Environmental Accidents
	-	-	-
	Environment Trainings (person/hour)	Environment Trainings (person/hour)	Environment Trainings (person/hour)
	881	1.863	2.158
	Alternative Fuel Relocation Rate (%)	Alternative Fuel Relocation Rate (%)	Alternative Fuel Relocation Rate (%)
	22,5	24,67	25,2
	Alternative Raw Material Usage (tons)	Alternative Raw Material Usage (tons)	Alternative Raw Material Usage (tons)
	428,092	640,170	449,041

WATER

Water serves as a crucial performance indicator, particularly as the pressures of climate change persist. OYAK Cement is dedicated to addressing ecological and human impacts, as well as the effects on resources. The consumption of water varies depending on the products, and information on water usage is disseminated accordingly.

Water consumption;

Annual Water Usage Amounts			
	OYAK CEMENT		
Water Consumption by Source	2021 (m³)	2022 (m³)	2023 (m³)
Municipal Water	106,151	108,609	136,343
Surface Waters (Wetlands, Rivers, Lakes, etc.) resources	61,882	61,882	40,521
Surface Waters (Seas)	9,726,730	9,726,730	17,888,553
Groundwater (Well water)	2,366,101	2,373,108	1,748,988
Rainwater (If any; collected, stored)	13,256	37,221	6,686
Other	120,256	120,256	131,980
Total Water Use Amount	12,394,376	12,427,806	19,953,071

Water and Wastewater Distribution (m³)			
	2021	2022	2023
Amount of Wastewater Discharged	22,998,087	18,993,136	18,280,893
Recovered / Recycled Amount of Water Used	-	-	18,371,008
Ratio of Recycled and Reused Water	%1,97		
Ratio of Sea Water Used for Cooling etc. / Total Water Use	%89,65		
Amount of Recycled and Reused Water	392,431 m³		
Amount of Sea Water Used for Cooling	17,888,553 m³		



CLIMATE CHANGE

As OYAK Cement, we closely monitor the developments at the international level in a wide range of areas, including the CBAM requirements within the scope of the implementation of the EU Green Deal, the gradual phase-out of fossil resources through the UN Climate Conferences, climate finance, loss and damage, and carbon trading. Within the framework of our decarbonization plans, our target is to achieve a 22.8% reduction by 2030. Accordingly, OYAK Cement, the first cement company in Türkiye to make the Net-Zero commitment, which brings together the criteria needed by companies to set science-based targets to limit the global temperature increase to 1.5°C, has declared its reduction rates in the light of R&D and innovation studies.

OYAK Cement’s Net-Zero Roadmap

OYAK Cement announced its goal of becoming carbon neutral by 2050 with its medium and long-term strategies created under four topics.

A NET-ZERO FUTURE IS POSSIBLE!

Alternative Fuel (AF) and Alternative Raw Material (ARM) Utilization

In 2023, our alternative fuel utilization rate was 27.1%. The use of alternative raw materials and alternative fuels is at the forefront of our CO₂ reduction strategies. Accordingly, our investments in Refused Derived Fuel (RDF) and Tire Derived Fuel (TDF) preparation and AF feeding and combustion systems continue. With our Net-Zero target, we continuously conduct research on new ARM sources and our CO₂ emissions are reduced during the clinker production process thanks to the biomass content in alternative fuels.

OYAK CEMENT COMMITS TO A 22.8%
REDUCTION IN GREENHOUSE GAS
EMISSIONS BY 2030.

2050 TOWARDS CARBON NEUTRAL ECONOMY

We support the transition to
low-carbon economy.

By utilizing Alternative Raw Materials
and Alternative Fuels, a 7.9% reduction in
CO₂ e per product is targeted for 2030.



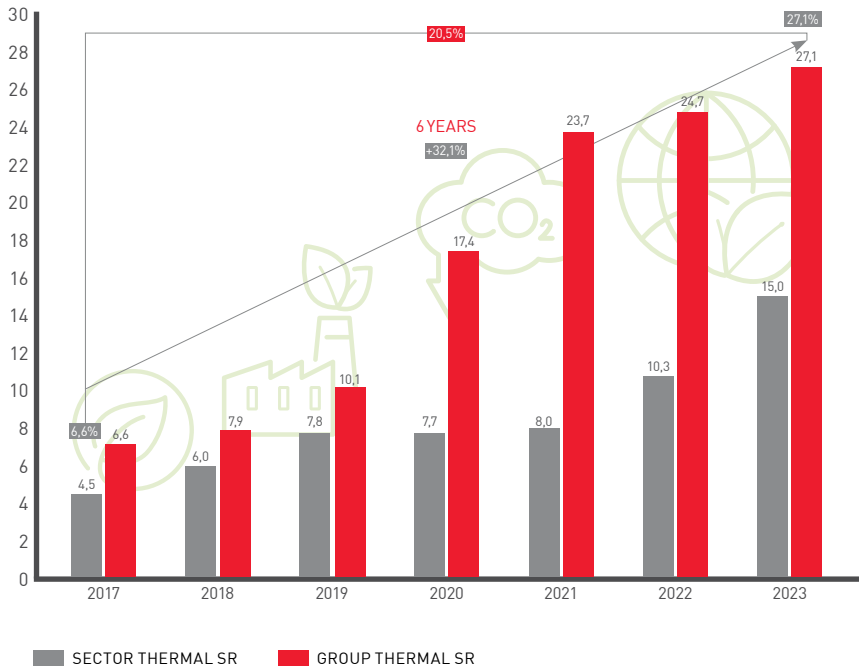
PARIS
AGREEMENT ON
CLIMATE



EUROPEAN GREEN
DEAL



GREEN DEAL
ACTION PLAN 2021



Our Net Zero Actions



Increasing the use of alternative fuels and biomass
Renewable energy investments
Reduction of clinker utilisation rate
Environmentally friendly products in low carbon class
Increasing productivity through process and energy efficiency



R&D and production development projects, new technology adaptations
Emission reduction through industrial digitalisation
New generation fuel and combustion technologies (H₂ and Oxyfuel)
Carbon capture, utilisation and storage technologies

The production of cement with low clinker content aims for a 5.9% reduction
in CO₂ e emissions.

OYAK Cement, which has reduced its energy costs over the past 5 years by reducing waste, further improving waste feeding systems, using waste heat to create recycling facilities and building more environmentally friendly units, has significantly increased its use of AF and contributed to Türkiye’s 2053 net zero goal.

Scope 1 and 2 emissions are reported as 8,162,307 tons of CO₂.

Scope 1&2 Emissions	
2023	Ton CO ₂
Scope 1	7,712,391
Scope 2	449,916
Scope 3	2,374,905

Our production-based Scope 1 and 2 emissions amount to 902 kg/ton of clinker and 725 kg/ton of cement.

Our Scope 1 emissions are 852 kg/ton of clinker and 685 kg/ton of cement.

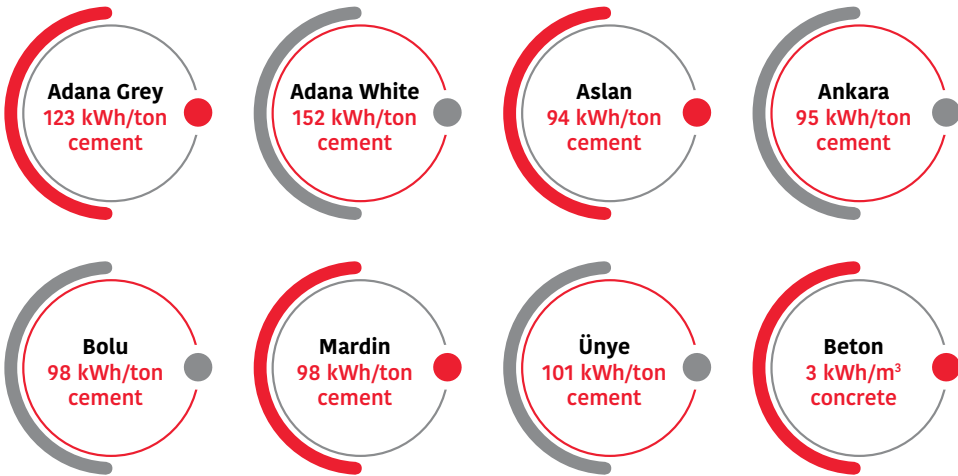


ENERGY

Efficiency and awareness-raising activities we carry out within the scope of energy activities, which are managed in a planned and systematic manner through our energy management system, are among the issues we prioritize.

The information on the energy consumption amounts and energy density values of our branches were shared in our Net Zero roadmap within the scope of energy efficiency, and the highest energy consumption in terms of energy density was observed in white cement production.

Energy Density



Due to the energy-saving measures implemented over the year, we have achieved a total reduction of 4,679 tons in CO₂ emissions.

	Energy Saving (kWh)	Total Energy Savings (TL)	CO ₂ Saving (ton)
Total	10,292,934	244,622,059	4,679

Our Energy Saving Awareness-Raising Activities

Energy efficiency and awareness-raising activities are addressed in our efforts as important issues aiming to make energy use more effective and efficient. For this purpose, leaflets and fact sheets were prepared and distributed in order to raise awareness of energy usage habits and make them more efficient. At the same time, we aim to contribute to a sustainable future by encouraging energy savings at both individual and social levels.

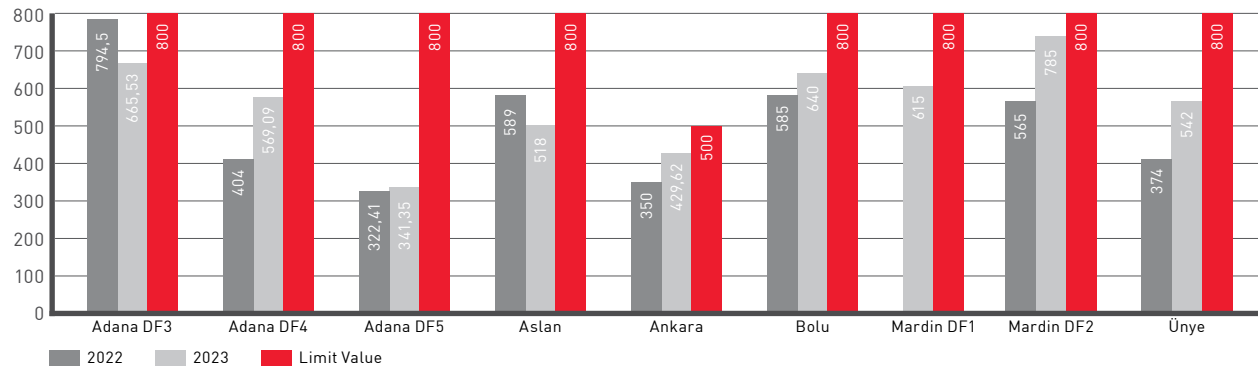


AIR EMISSIONS

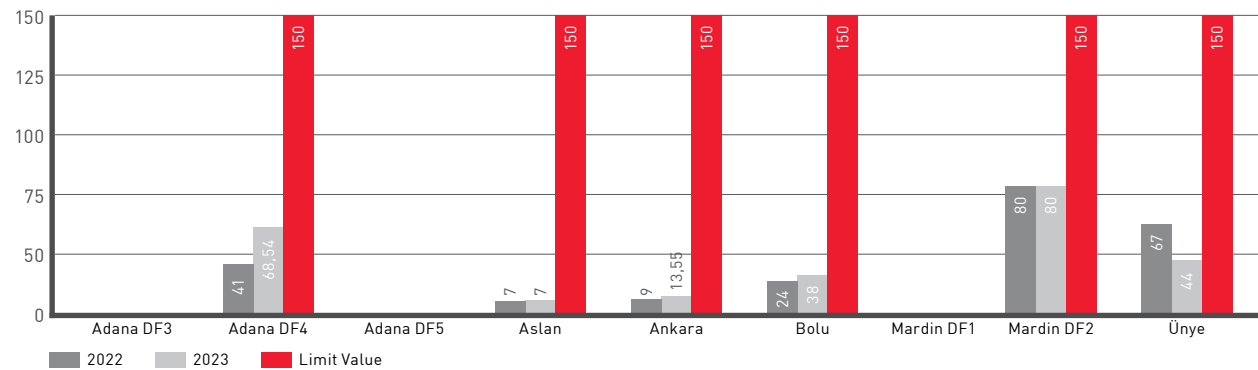
Emissions of NOx and dust due to industrial processes are monitored by the Ministry of the Republic of Türkiye Environment, Urbanization and Climate Change using a continuous emission measurement system.

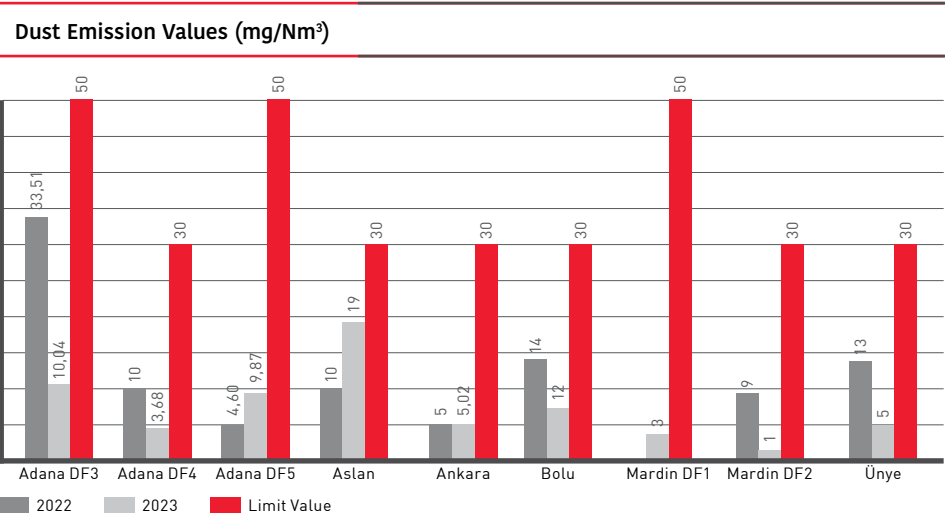
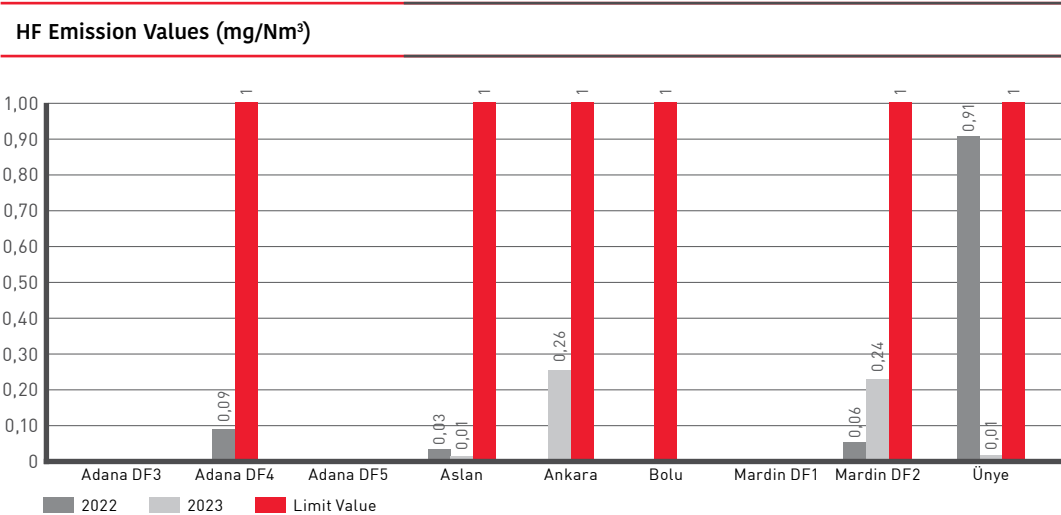
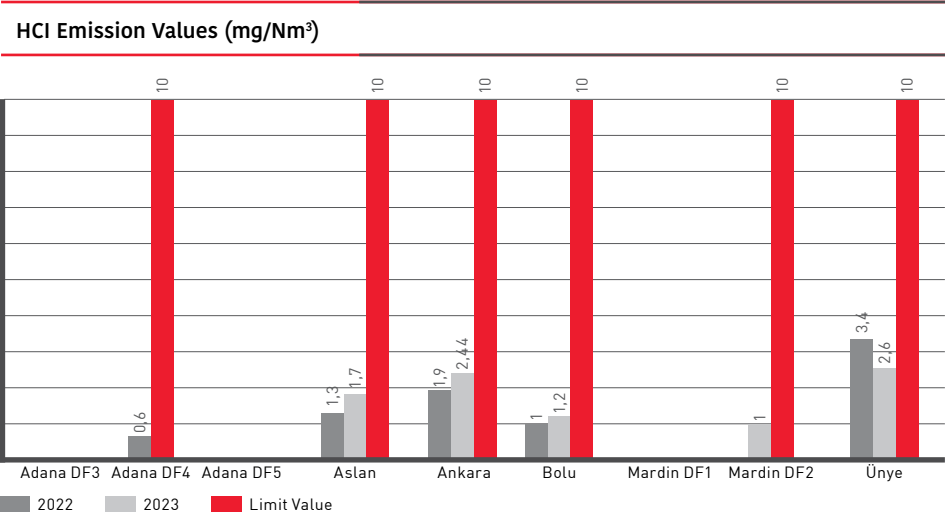
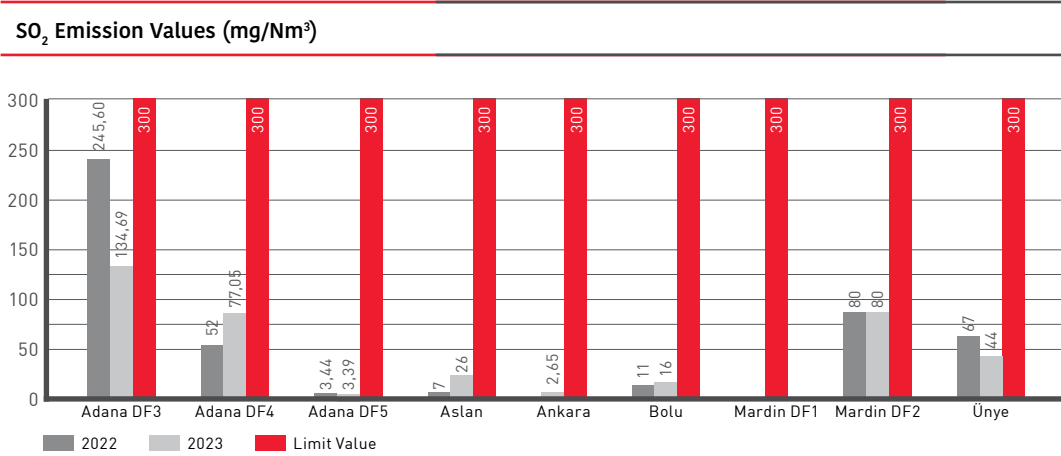
The emission values for NOx, SO₂, total organic carbon, HC, HCl, and dust from all our factories for the year 2023 have been shared.

NOx Emission Values (mg/Nm³)



TOC Emission Values (mg/Nm³)



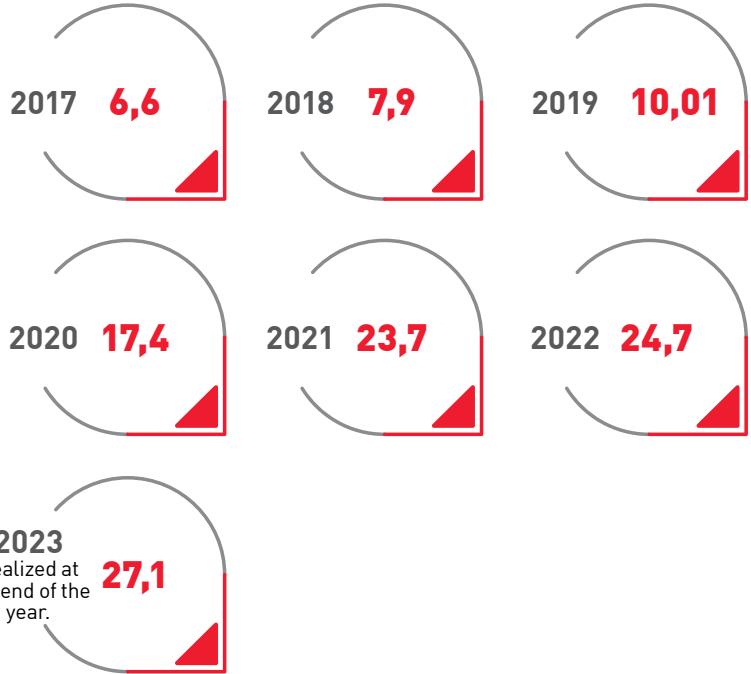


CIRCULAR ECONOMY

With a strategic focus on the circular economy, OYAK Cement is enhancing the utilization rates of alternative fuels, thereby increasing the efficiency of natural resource use. The company is committed to reducing its carbon footprint as part of its environmental sustainability efforts.

Utilisation of AF

OYAK Cement has enhanced its thermal substitution rate to 27.1%. In the journey towards Net-Zero, the planned managerial approach has progressively improved over the years, in line with our processes.



OYAK Cement effectively utilizes the circular economy in coal consumption and continues to meet reduction targets.

In 2023, CO₂ was reduced through the use of alternative fuels, and the distribution of these amounts to our branches was shared. Notably, the most significant reduction was realized at our Aslan Cement branch.



Utilisation of ARM

In 2023, ARM utilization rates continued to be significant. In this context, the use of 438,692 tons of ARM resulted in a total saving of 353,392 tons in natural resource consumption.



Amounts of Fossil Fuel Reductions	OYAK Cement Total
Coal (ton)	197,325
Protected Natural Land (m ²)	7,957

Circular Economy

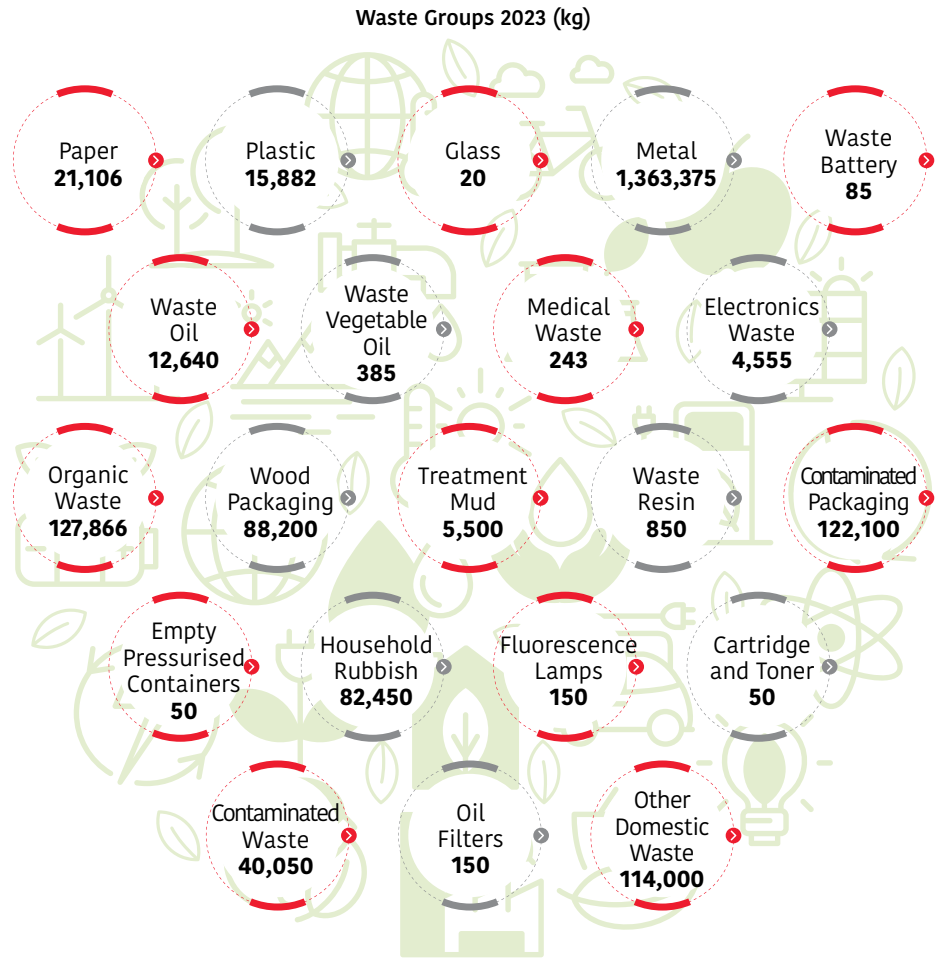
We generate value by enhancing our efficiency through the value model we implement, aimed at integrating the principles of the circular economy into all our business processes and managing our environmental impact. In line with the circular economy, we persist in developing sustainable solutions through:

- Material recycling, and
- Energy recovery.

In 2023, total waste usage amounted to 423,418 tons.

As part of the OYAK Cement Zero Waste Project, our goal is to segregate waste at its origin and to sculpt waste management practices in accordance with the zero waste philosophy.

Recycling and Recovery of Waste in the Context of Zero Waste Initiatives

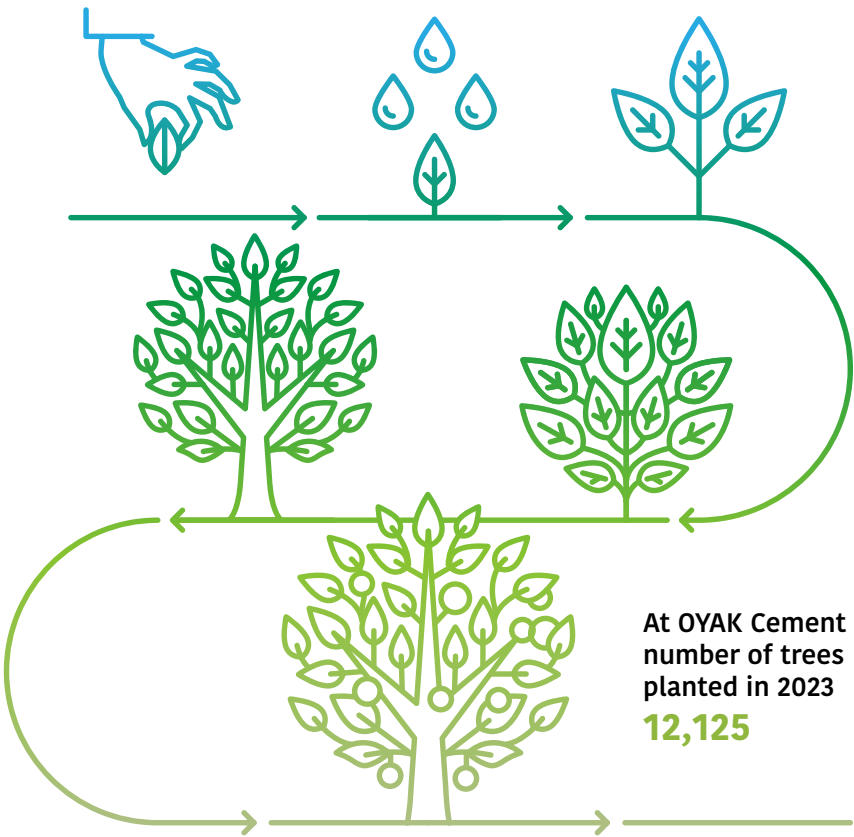


BIODIVERSITY

At OYAK Cement, we align our operations with our biodiversity policy.

We ensure that compliance obligations within this scope are met.

Afforestation efforts are implemented as part of nature restoration plans for our quarry sites. These afforestation activities are conducted annually and continue on a regular basis. The distribution of trees planted in 2023 by branch has been shared.



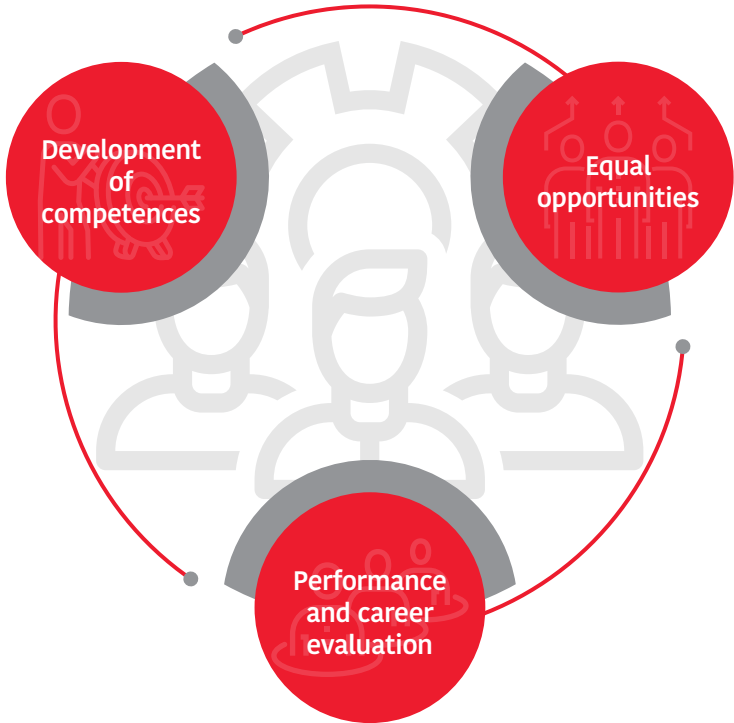
5.2. Social Indicators

Our social indicators are evaluated in terms of employee metrics, engagement levels, corporate social responsibility initiatives, training programs, and occupational health and safety standards.

OUR EMPLOYEES

OYAK Cement implements equality in opportunity with the participation of employees in all its locations and provides the opportunity to appoint to positions vacated due to rotation, promotion or resignation by making an internal evaluation.

The components of human resources management at OYAK Cement are as follows:

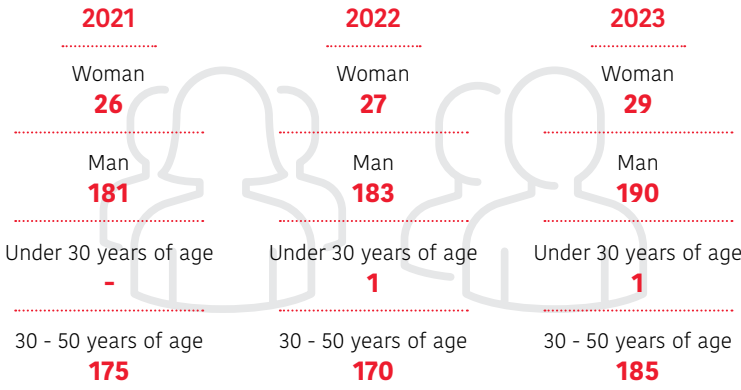


Organizational job descriptions, areas of responsibility and authorities of our employees have been defined, and the wages of our out-of-scope employees are included in the scale established in the organizational structure according to their duties and areas of responsibility.

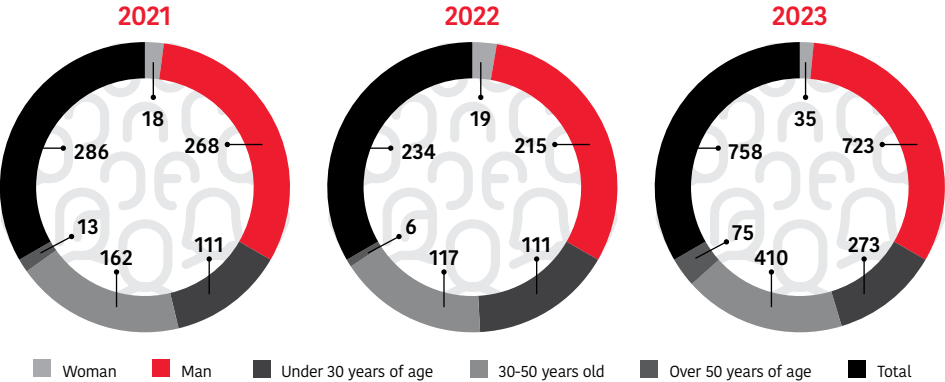
The job groups, positions, duties and wage scales of our unionized employees who are subject to collective bargaining agreements are determined by collective bargaining agreements made by labor and employer unions.

The information on the distribution of senior management employees by gender and age, as well as the distribution of new recruits by age and gender, have been shared.

Categories of employees in senior management bodies

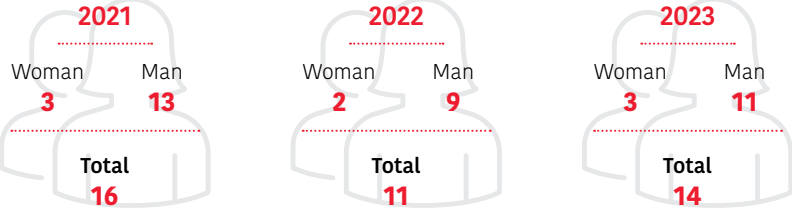


Number of employees by years

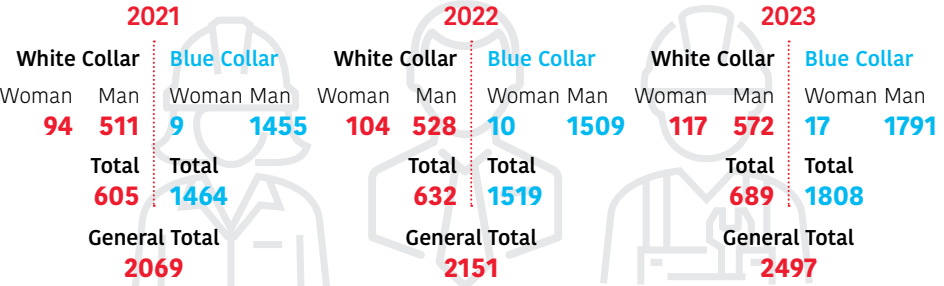


While there hasn't been a notable rise in the recruitment of women at the executive level, a recorded average increase of 22% in the number of male employees has been observed compared to the previous year.

Number of recruits by management level



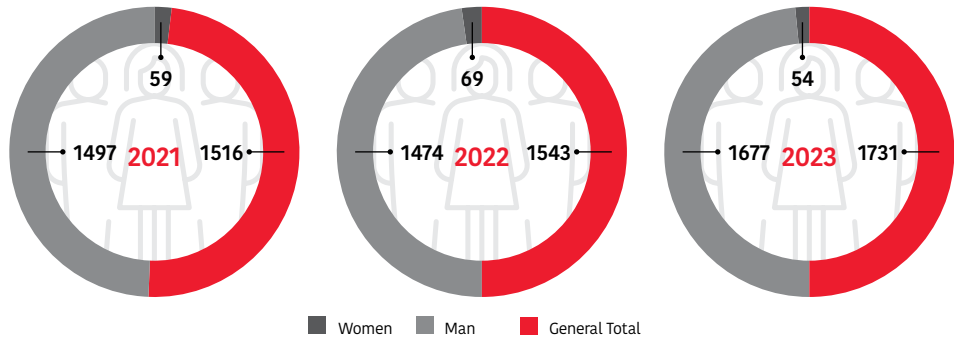
Number of employees by gender



In 2023, the employee count rose to 2,497, marking a 16% increase from the previous year.

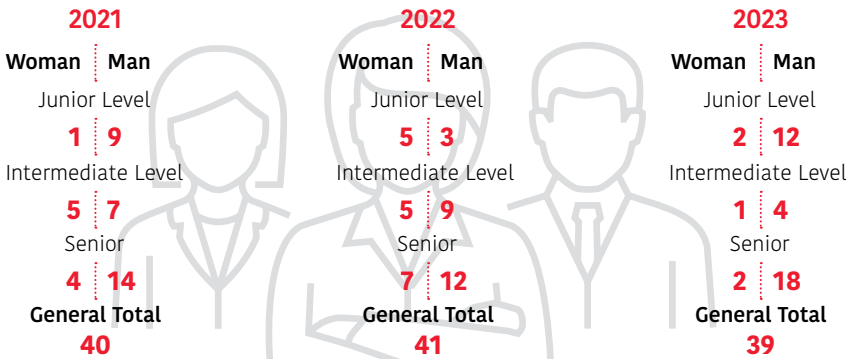
Number of employees by years	2021		2022		2023	
	Woman	Man	Woman	Man	Woman	Man
0-5 years	58	909	65	826	77	1108
5-10 years	17	301	21	468	31	587
10 years and above	28	756	28	743	26	668
General Total	2069		2151		2497	

Number of subcontractor employees



Employee resignation number by age group	2021		2022		2023	
	Woman	Man	Woman	Man	Woman	Man
Under 30 years of age	17	49	2	38	5	67
30 - 50 years of age	8	150	7	114	7	232
Over 50 years of age	1	38	1	30	1	86
General Total	263		192		398	

Number of employees leaving by manager level



In 2023, the number of men taking maternity leave was 83 and the number of women was 2. The rate of women returning to work was 50%.

Maternity / Parental leave



OUR
ETHICS
LINE

We support international efforts to avoid unethical acts such as bribery, corruption and misconduct and to eradicate such crimes.

Our commitment to ethical values guides all our activities.

In this sense, an ethical management system has been established and its continuity is ensured through its implementation. The basic rules of our ethical management system are;

- 1. Written Code of Ethics:**
 - Code of Business Ethics:** This booklet, which serves as a guide for employees and suppliers, clearly defines our ethical behavior standards.
 - Supplier Code of Ethics:** It explains our ethical principles and expectations in our relations with our suppliers
- 2. Training and Awareness:**
 - Compliance Trainings:** All our employees undergo comprehensive training where they learn and apply ethical and compliance principles.

- Awareness Activities:** Our compliance team organizes various awareness activities to strengthen our ethical culture.

3. Ethical Violation Reporting:

- Ethics Hotline:** We have an ethics hotline for employees and third parties to easily and securely report ethical violations.
- Investigation and Resolution:** All reported violations are meticulously investigated and the most appropriate solutions are produced

Employee Support Programme

digitalIK

Enhancing the synergy and collaboration among OYAK Group Companies through digitalization is key, reflecting our commitment to the continuous improvement of our business processes that we are now in the fourth year of its implementation.



The remuneration of white-collar employees is determined on the basis of performance evaluation, while the remuneration of blue-collar employees is covered by collective bargaining agreements.

Within the framework of the Right to Organize, all blue-collar employees are covered by collective bargaining agreements (CBA). The number of employees covered by the CBA is 853.

The percentage of employees covered by collective bargaining agreements was 34.16% in 2023.

Employee Engagement

Determining the satisfaction, loyalty and motivation levels of employees and in the context of the creation of activity plans every two years loyalty research is conducted. Considered in the measurements key focus areas:



Employee remuneration system and fringe benefits

At OYAK Cement, remuneration is planned as a fair and accurate remuneration policy that covers the improvement of employee living standards in line with the goal of becoming a reliable and preferred employer. The value of the work performed for the organization is determined and the total income package of the employees is created. The economic indicators of the country, the financial results of the company and the developments in the labor market affect the decision-making process to be taken within the scope of remuneration as input. Market wage surveys are conducted regularly every year to monitor developments in the labor market.



CORPORATE SOCIAL RESPONSIBILITY

5th of June - World Environment Day was celebrated with various events at OYAK Cement and earthquake resilience workshops were organized for children during the event week.

**STEM - Earthquake Resilience Workshop**

As part of 5th of June - World Environment Day, we, as OYAK Cement, brought the Earthquake Resilience Workshop together with our children at the fair organized at Izmit Congress Center. During the workshop for primary and secondary school children, our children had the opportunity to learn practically that solid buildings are resistant to earthquakes.

**Children of the Republic, the Future of Türkiye**

In the 100th anniversary of our Republic, we were on the ground in the earthquake zone with our mobile truck between April 23 and May 19 with the participation of OYAK Group Companies.

In the “Children of the Republic, The Future of Türkiye” project, where many educational and entertaining activities were carried out, the “Recycling Workshop with OYAK Cement” for children in tent cities and container cities was brought together with our children affected by the earthquake.



Approximately 1.5 tons of waste was collected for disposal during the coastal cleanup carried out by **OYAK Cement Aslan Branch Office**.

As part of 5th of June - World Environment Day, a children's theater performance was organized with the Provincial Directorate of the Ministry of Environment, Urbanization and Climate Change.



OYAK Cement Mardin Branch Office planted saplings within the scope of 5th of June - World Environment Day and participated in the clean environment project march and environmental fair organized in cooperation with the Ministry of Environment, Urbanization and Climate Change, the Provincial Directorate of the Ministry and schools within the same program.

Principals and teachers from Yesilli Secondary School organized a technical environmental tour to our factory as part of the 5th of June - World Environment Day events. During this visit, an activity was organized on all our processes and our environmental management system.



5. SUSTAINABILITY PERFORMANCE



The Earthquake 6 February 2023... One of the most painful days of Türkiye

On February 6, 2023, two significant earthquakes with magnitudes of Mw 7.7 and Mw 7.6 struck at 04.17 and 13.24 respectively, with their epicentres near Kahramanmaraş. These earthquakes caused extensive damage across 11 provinces. The earthquake occurred at a depth of 17 km and affected provinces:

Within 24 hours following two significant earthquakes in our country, numerous lives were lost. Alongside search and rescue operations in severely damaged buildings, OYAK Cement has rapidly mobilized to offer support, deploying all available resources.



IN THIS SCOPE

Urgent actions
(search and rescue, food,
etc. other urgent needs)

Medium-term actions

Long-term actions

work plans have been developed.



OYAK Cement's Adana Branch, has been actively involved in search and rescue operations within the debris fields and providing social assistance throughout the year due to the regional earthquake.



Search and Rescue Support Teams

Our 261 employees from all factories joined the search and rescue teams in the earthquake zone to ensure the safety of our citizens affected by the disaster, touching their lives.





Our Aid Packages

With the support of our employees, we donated and delivered supplies to those in need.

We relocated 899 earthquake survivors to factories and facilities in the region, according to our capabilities. We provided hot meals to a total of 44,366 people. Provided a total of 659,697 medical supplies to hospitals and health teams in the region.



Equipment Support

We allocated our construction equipment consisting of trucks, lorries, low-bed trailers, cranes/Hiabs, JCBs, excavators, transmixers, pumps and pick-up trucks for search and rescue and support operations in the region.

We provided 37 housing containers, 20 generators and 2,313 liters of fuel oil to the region. We delivered all the support provided by our companies to those in need first-hand.



Repair and Maintenance Support

Hatay Airport, which was rendered unusable by the earthquake, reopened for use with the intensive efforts of our colleagues.

Saying “The spiritual cement that binds great nations together becomes even stronger at times like these. With one heart and one body, we will overcome one of the most severe disasters of the century by joining hands”, we mobilized for the normalization of life, starting with the emergency response.

Our aim is to make the region livable again.

The supplies provided to the region have been meticulously prepared.



TRAININGS

Improving our processes, managing events, and boosting employee motivation are among our targeted outcomes for the trainings continuing in 2023. Our average annual training hours per employee reached 89 hours, with the distribution compared to previous years being shared.

	2021	2022	2023
Total duration of training (hours)	53,195	74,980	75,930
Annual average training hours per employee	67	91	89

Training Costs	2021	2022	2023
Total training costs (TL)	1,591,279	4,334,853	9,101,657
Annual average training cost per employee (TL)	769	2,015	3,645

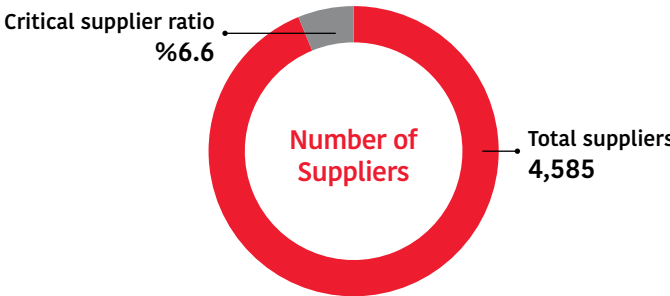
Time allocation for training subjects (hours)	2021	2022	2023
Ethical principles	71	508	129
Combating bribery and corruption	561	801	978
Diversity, equal opportunities, and inclusion	-	41	-
Sustainability and environmental	1107	760	1194

For employees and managers, training programs and content include	2021		2022		2023	
	Training Hours	Attended Employee	Training Hours	Attended Employee	Training Hours	Attended Employee
Individual development training	4,366	454	3,279	420	8,435	926
Vocational/technical training	1,639	1,352	16,271	1,140	10,768	689
Executive development programs	7,322	50	9,735	158	6,877	169
OHS training	37,458	2,066	42,953	2,061	48,614	2,304
Personal Data Protection Law (PDPL), compliance, and competition training	2,453	1,114	2,743	1,493	1,235	481

SUPPLY MANAGEMENT

As an indicator of sustainability, social and environmental assessments are carried out for suppliers and monitored through integrated management systems.

Total and critical number of suppliers are shared.



OCCUPATIONAL HEALTH AND SAFETY

At OYAK Cement, OHS is among the highest priorities and continues to be a process open to continuous improvement. ISO 45001:2018 management systems standard is applied in the implementation and development of OHS studies by integrating them into business processes.

OYAK Cement aims to create a healthy and safe working environment, prevent occupational accidents and occupational diseases and implement international standards and practices in this field by going beyond the legal regulations stipulated within the framework of OHS rules.

Believing that all occupational accidents are avoidable, OYAK Cement's ultimate goal is "zero occupational accidents".

OYAK Cement, which considers occupational health and safety as an "indispensable priority" in all its activities, expects everyone, including the managers at the factory sites, to "act sensitive to occupational health and safety" and to "stop without delay" the working environment, situations, activities and behaviors that pose occupational safety risks.

We fulfill our operational practices by aiming to create a "stronger and more positive health and safety culture" to cover all our employees. We act with the belief that occupational health and safety is an inalienable right and a human responsibility for every employee.

As a result of the determinations and suggestions of the personnel who are subject to first-degree exposure to health and safety risks and who work in risky environments:

- Occupational accidents and environmental incidents can be avoided;
- OHS risks and their environmental aspects can be eliminated or reduced;
- Risks in the field can be continuously assessed;
- Risks that cannot be anticipated or detected in advance can be identified in advance;
- Our IMS (Integrated Management System) policy commitments can be met;
- Desired goals and objectives can be fully achieved;

- Applicable legal requirements can be fully complied with;
- OHS Culture and environmental awareness expected from all employees can be created.

Considering the earthquakes we experienced in 2023, which affected a very large geography, the recent Covid-19 outbreak and climate change, we decided to launch a new project on employee health and safety in all our facilities.

With our "PROJECT 2425" project, which we launched on February 1, 2023, we announced our program to create a zero-accident culture in the field of OHS.

2022 / 5,99

An Accident Frequency Rate of 5.99 was realized

2022 LTI-FR* 24 Mitigation

2024 / 4,47

2023 / 5,05

Year of Action 2022 LTI-FR Target

2024 LTI-FR* 25 Mitigation

2025 / 3,44



With the safety conversations under the Behavior-Based Safety (BBS) Observations, called DOST which means FRIEND in Turkish, which is one of the transformation projects we carry out in line with this project of ours, it is aimed to observe exposure to hazards, reinforce safe behaviors by appreciating them, and find a safer method by discussing the risks that may arise from observed unsafe behaviors.

In all our facilities, our goal is zero occupational accidents and in line with this goal, we strongly believe that;

- All health and safety rules will be followed, health and safety will be prioritized for a stronger and positive safety culture,

- Concerns about risks and hazards will be expressed unconditionally in order to prevent unsafe behaviors and conditions,
- Managers and employees can prevent occupational accidents and occupational diseases by acting together.



Starting in 2023, a new initiative has been launched to foster a stronger and more positive health and safety culture.

Safety Conversations and DOST Observers

The Safety Conversations process, which makes a significant contribution to achieving our goal of creating a zero-accident culture with our safety management approach, reflects the leadership role of our managers in OHS.

A software project called "DOST" has been implemented to manage this entire process.

Various activities are organized to ensure that all DOST Observers who conduct Safety Conversations gain the necessary knowledge and skills in order to obtain information about the activities carried out and to ensure their effective participation in practices in line with Behavior-Based Safety principles.



OHS Organisation in OYAK Cement



The Occupational Health and Safety (OHS) process at OYAK Cement is managed by the Industry Committee and the OHS Committee. The operations of both committees are documented and systematized to ensure efficiency. The Industrial Committee, led by the Vice President of Industrial Activities, delegates management tasks to the OHS Committee, which is overseen by a designated chairman. Subsequent actions are executed by the workplace OHS committee under the guidance of the Centre for Compliance.

Additionally, within the facilities, OHS sub-committees are established in each department to fulfill compliance obligations.

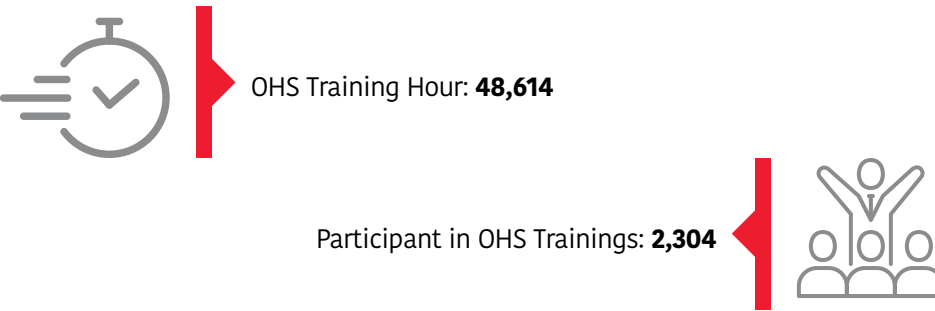
Through this organizational structure, necessary actions are planned, implemented, and maintained.

Furthermore, an OHS Observership mechanism is integrated into our system to encourage employees to embrace and promote a culture of safety.

OHS Training and Events

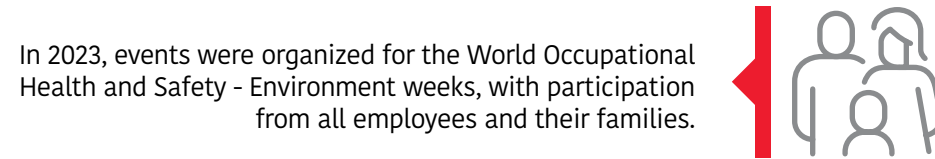
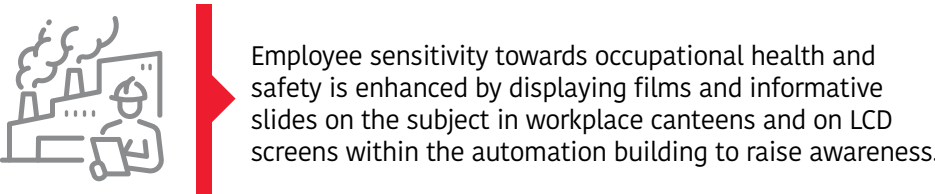
According to the 2023 compliance requirements, OHS training programs mandate a minimum of 16 hours of annual training for cement facilities and 12 hours for ready-mixed concrete production facilities, delivered to employees through dijitalİK.

2023 - OHS Trainings



The ratio of OHS trainings among all trainings was 64.3%.

Beyond basic training, OYAK Cement also offers its employees the DigitalİK application to enhance awareness of occupational health and safety, along with technical training. Daily on-the-job training notes are accessible to all employees via the “Mısınız?” mobile platform. Additionally, the OHS SMS system sends weekly brief messages about occupational health and safety to all employees through the app.



Safety Coaching

To foster effective communication between employees and employers and to promote a culture of safety, the ICF Accredited Safety Coaching Training Programme was organised, providing both theoretical and practical training for experts in occupational health and safety.

Health and Safety Inspections and Controls

OHS Cross Audits among OYAK Cement factories have been in place since 2020. As part of the annual plan at OYAK Cement, audit teams conduct significant matter, risk, and process-based audits in line with the Cross-Audit Model, focusing on predefined targets.

Safe Operation Principle in Rotary Kilns

Due to cyclone blockages in the rotary kiln units at our facilities, the factory situation is being reviewed to prevent occupational accidents. Project teams have been established to ensure the safety of rotary kiln operations, and actions in the field have been redefined. In this context, the main four processes related to this line have been replanned:

- Identifying the relevant documentation for these operations;
- Re-establishing safe cleaning processes for the rotary kiln, tower, and calciner;
- Redefining the selection of protective clothing and equipment;
- Reassessing the processes for removing cyclone and tertiary cyclone blockages,

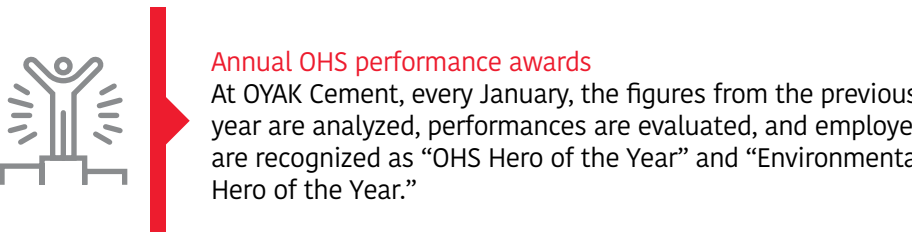
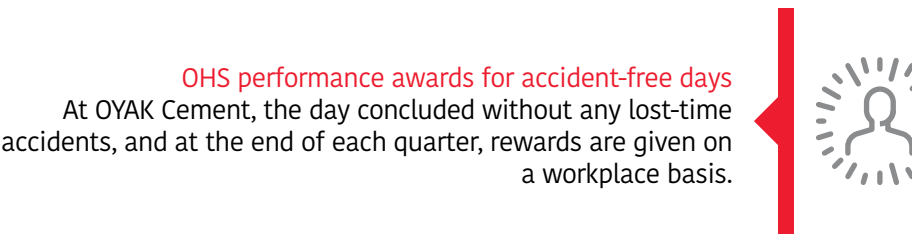
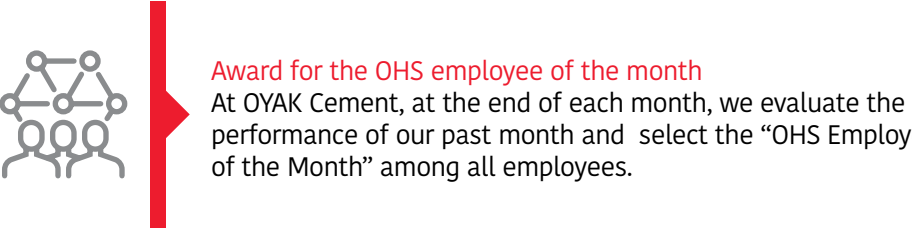
including the identification of potential risks and the reevaluation of necessary precautions.

An Approach to Reward OHS Performance

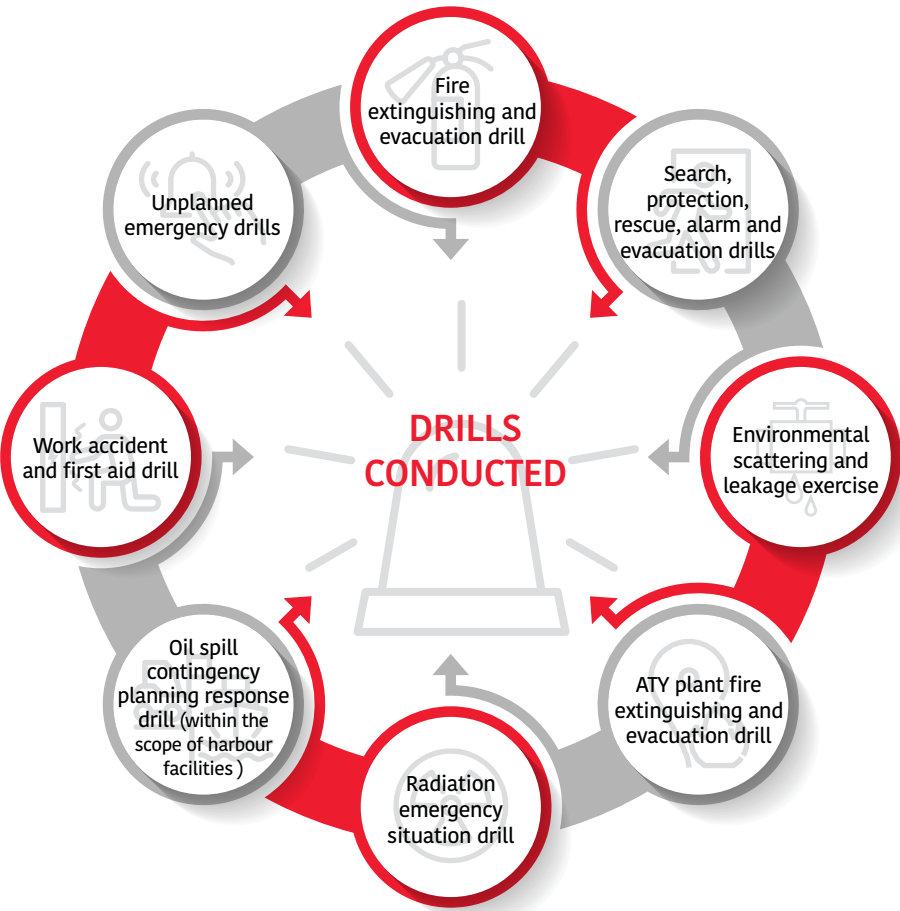
OYAK Cement, along with its own employees, also includes subcontractors, contractors, interns, customers, and visitors in:

- Being informed about environmental and OHS issues;
- Being encouraged to actively participate in environmental and OHS practices;
- Having their behavior improved in this area; and
- Having their morale and motivation increased.

The company organizes annual award programs to acknowledge the success of employees in OHS practices. The success in OHS practices, as well as the Workplace OHS and Environment Award, is evaluated by the Evaluation Committee and sanctioned by the OHS Board. The awards for workplace environment and OHS are distributed monthly, quarterly, and annually, in three distinct periods.



At OYAK Cement, 123 drills were carried out in 2023 on the basis of emergency issues.



Following the recent earthquake, search and rescue activities were reviewed and the the search and rescue teams were strengthened. In this context, in the areas where we operate and where the AFAD training areas are located, 104 of our staff have received 5-day Urban Light Search and Rescue Accreditation Training were conducted.



Defining Focus Groups

As a result of the past accident analysis evaluations, it was decided to carry out training/project work within the organisation in order to prevent or minimise the recurrence of occupational accidents.

Within this framework, 4-ODAK (FOCUS) Project Group was formed for the most common occupational accidents experienced by our contractor companies. ODAK Project Group Leaders, together with the designated team members, carried out a project study within our company, created the necessary health and safety action plans and planned the process to prevent accidents in these 4 areas. In addition, the factories that will be responsible for the training processes throughout the company have been determined in order to increase the health and safety awareness of employees regarding the 8 main factors that cause occupational accidents. Under the leadership of the Factory Directors at the responsible locations, the root causes of these accidents were evaluated with the team formed and training plans were made in all locations of the company accordingly.



Artificial Intelligence (AI) Based OHS Video Analysis Software Project

Under the Artificial Intelligence Based OHS Video Analysis Software Project, within the framework of the “OHS Technologies Dissemination Project” developed in cooperation with the Turkish Confederation of Employer Associations (TISK) and the TISK Microsurgery and Reconstruction Foundation, of which ÇEİS (Cement Industry Employers’ Association) is one of the founders, “Artificial Intelligence Based OHS Video Analysis Software Platform Service” is obtained in order to contribute to occupational safety culture and to utilize technology in measures against occupational accidents.

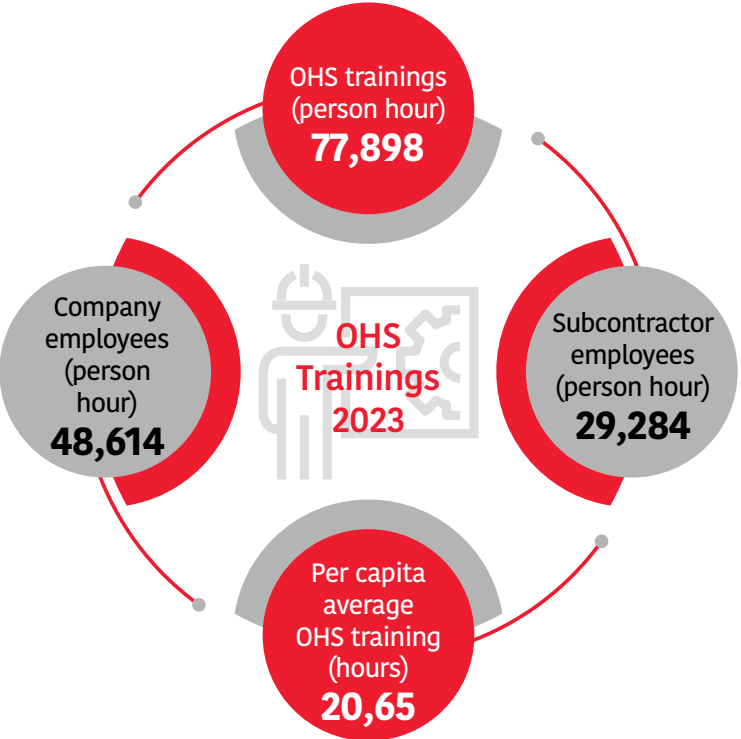
Within this framework, the condition of the existing camera systems in the company facilities was reviewed, camera needs were determined according to the identified risk areas, installation and camera integrations were completed and user trainings were organized. The platform was put into use by defining the relevant OHS rules for each camera.



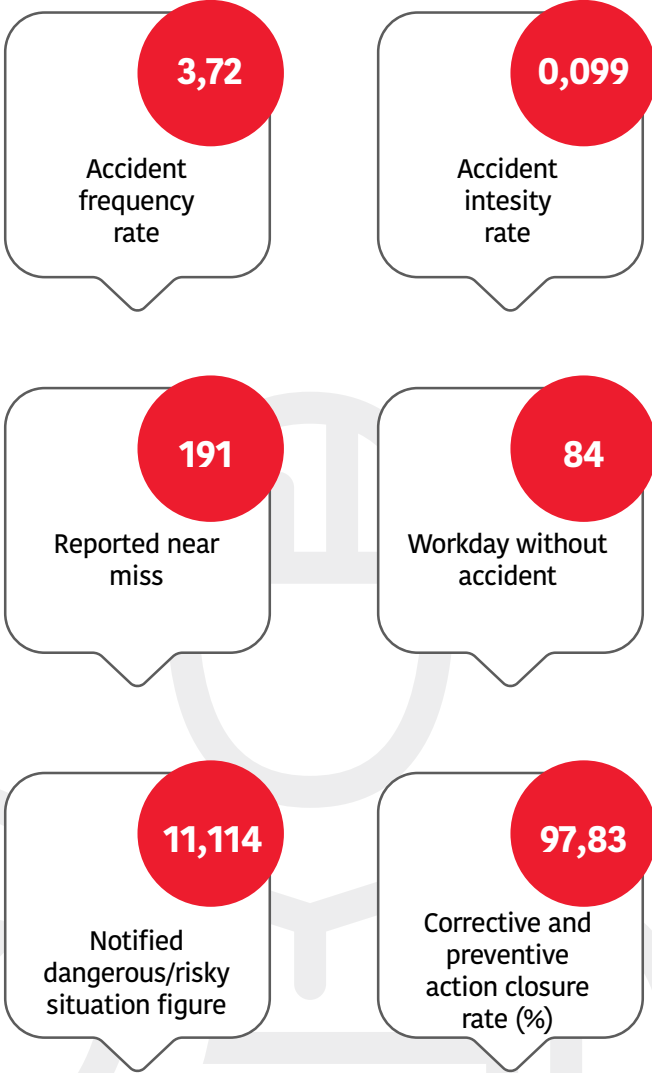
As a result of the platform, the company’s health and safety performance will benefit as follows:

- Automatic 24/7 camera threat detection with artificial intelligence support
- Real-time notifications via platform, email and SMS with high accuracy
- Reporting of unsafe situations and behaviours
- Systematise the way analytical data is generated and shared across the facility
- Provide time to take strategic action based on relevant data for OHS teams and site management
- Performance indicators
- Bringing all disciplines together with team management and analytical data
- Create a safe working environment

OHS performance indicators and training hours were shared.



OSH Data 2023



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