

OYAK ÇİMENTO FABRİKALARI A.Ş. SUSTAINABILITY REPORT

		COMPLIANCE STATUS				EXPLANATION
		YES	NO	PARTIAL	NOT APPLICABLE	
A. General Principles						
A1. Strategy, Policy and Goals						
A1.1	The preferred environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Board of Directors..			X		Environmental, social and institutional priority issues have been identified and the process of integration with risks and opportunities continues.
	The ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Labour Rights Policy) have been set out by the Board of Directors and disclosed to public.			X		In the Integrated Management System Policy, which was published in 2021 and announced to all stakeholders, sustainability principles were taken into account, and the integration process of ESG issues into the IMS Policy continues.
A1.2	The short-term and long-term ESG goals have been disclosed to public.			X		Short and long term targets have been determined in accordance with the partnership strategy and ESG policy to be determined, and the public disclosure process continues.
A2. Execution/Supervision						
A2.1	The committies and/or boards responsible for the supervision of ESG policies and the seniors directors to execute the ESG issues have been disclosed to public including their duties.	X				Sustainability committees have been determined to be responsible for the execution of the ESG policy in order to identify sustainability risks. Regarding Corporate Governance; Early Detection of Risk, Audit and Corporate Governance Committees were formed and disclosed to the public.
	The activities carried out within the scope of the policies by the responsible committee and/or department have been reported to the Board of Directors at least once a year. en az bir kez yönetim kuruluna raporlanmıştır.	X				Corporate Governance, Early Detection of Risk and Audit Committee decisions regarding Corporate Governance were taken and stated in the annual report.
A2.2	The action plan in accordance with the ESG goals have been formed and disclosed to public.			X		The process of developing action plans in order to implement the short and long-term objectives determined in accordance with the partnership strategy and ESG policy continues.

A2.3	The key performance indicators regarding the ESG and the achievement rates per years have been disclosed to public.	X				Key Performance Indicators for 2022 have been determined and OYAK Çimento Fabrikaları A.Ş. It will be shared with the public through the 2022 Integrated Report.
A2.4	The improvement activities for sustainability performance regarding business processes or product and services have been disclosed to public.	X				Innovation and R&D activities aimed at business processes or products/services and improving sustainability performance are being carried out, and OYAK Çimento Fabrikaları A.Ş. These activities carried out through the Integrated Report are shared with the public.
	A3. Reporting					
A3.1	The annual report covers the sustainability performance, KPIs and actions understandable, right and qualified.	X				Sustainability performance and actions are followed and It is shared with the public through the Integrated Report of OYAK Çimento Fabrikaları A.Ş.
A3.2	The information on the activities implemented in line with the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to public.	X				Information on which of our activities are related to the United Nations (UN) 2030 Sustainable Development Goals, It was shared with the public through the Integrated Report of OYAK Çimento Fabrikaları A.Ş.
A3.3	The lawsuits in progress against the Company regarding the ESG issues that effect the material business lines and the legal sanctions in regard of the sustainability policies have been disclosed to public.			X		Of the lawsuits filed and/or concluded against our company, those deemed necessary/important are disclosed on the Public Disclosure Platform.
	A4. Verification					
A4.1	The KPI measurements have been verified by an independent third and disclosed to public			X		Greenhouse gas data, one of the parameters related to sustainability, is verified by the verifier and shared with the Ministry.
	B. Environmental Principles					
B1	The company has disclosed its policies and practices on environmental management, action plans, environmental management systems (known as ISO 14001 standard) and programmes..	X				Within the scope of the IMS documented in 2022, all OYAK Çimento Fabrikaları A.Ş. Certification is carried out for its branches and headquarters.
B2	The scope, period, date and the constraints of conditions of the environmental reporting regarding environmental management have been disclosed to public.	X				OYAK Cement Factories Inc. Relevant constraints are also included in the Integrated Report.

B3	Presented at A2.1.					
B4	The environmental KPIs counted for remuneration criteria for stakeholders (e.g. board members, executives and employees) within frame of the performance incentives have been disclosed to public			X		It has been explained in the Personnel Regulation and Award Procedure and has not been shared with the public.
B5	The integration of the environmental difficulties, which are preferably determined, with the business goals and strategy have been disclosed to public.			X		Environmental priorities and sensitivities are included in business strategies. Climate-based risks and opportunities were identified and integrated into business targets.
B6	Presented at A2.4.					
B7	The integration of environmental management issues covering the customers and suppliers throughout the value chain of the company including the operational process with the business model and strategy have been disclosed to public.			X		Supplier selection is made according to the supplier evaluation procedure and the suitability of suppliers is checked through audits. Work continues to improve the process.
B8	The cooperation with the non-governmental organizations and the environmental institutions and taking (or not) a part of the policy-making processes with those institutions have been disclosed to public.			X		There are many organizations with which we collaborate on environmental issues, such as TÜRKÇİMENTO, TOBB, TAYÇED, ERTA, ÇEİS, WCA, THBB.
B9	The environmental figures (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and waste water management, waste management, biodiversity impacts) and the environmental impacts have been disclosed to public with periodic comparison.			X		Environmental indicators, including direct greenhouse gas emissions, are included in the Integrated Reports. Scope 2 and Scope 3 emissions have been calculated and will be included in the Integrated report to be published in 2023.
B10	The standard, protocol, methodology and the base year details for collection and calculation of the data have been disclosed to public.			X		Environmental indicators, including direct greenhouse gas emissions, are included in the Integrated Reports. Scope 2 and Scope 3 emissions have been calculated and will be included in the Integrated reports to be published in 2023.
B11	The comparable increase or decrease rates with the previous years have been disclosed to public in the current period's report.	X				Data showing the change in environmental indicators compared to previous years are included in the Integrated Report.

B12	The short-term and long-term targets are determined to decrease the environmental impacts; the called targets and the progress status in comparison to the previous years' targets have been disclosed to public.	X				The targets and progresses determined to reduce their environmental impacts are included in the Integrated reports.
B13	The strategy for fight against climate crises is set out and the action plan has been disclosed to public.			X		A strategy to combat the climate crisis has been created, but no statement has been made in this context.
B14	The programmes or procedures to prevent or to decrease to the minimum level of the negative environmental effects of the products and/or services have been disclosed to public			X		The program was created in order to prevent or minimize the potential negative impact of products and/or services on the environment, but no explanation was made in this context.
	The actions taken to make the third parties' (e.g. supplier, subcontractor, dealer, etc.) decrease their greenhouse gas emission figures have been disclosed to public.		X			Scope 3 emissions from services we receive from third parties have been calculated. Necessary actions will be determined within the framework of developments in Scope 3 emissions and shared with the public.
B15	The environmental benefits/gainings and cost savings provided by the initiatives/projects to decrease the environmental impacts have been disclosed to public.	X				OYAK Cement Factories Inc. Shared in the Integrated Report published in 2022.
B16	Energy consumption (natural gas, diesel, gas, LPG, coal, electricity, heating, cooling, etc.) figures as Scope-1 and Scope-2 have been disclosed to public.		X			Greenhouse gas emissions from energy consumption have been calculated in Scope 1 and Scope 2 details and will be shared in the 2023 Integrated Report.
B17	The information about the produced electricity, heat, steam and cooling for the reporting period have been disclosed to public.	X				OYAK Cement Factories Inc. It was shared in the Integrated Report published in 2022.
B18	The actions taken to increase renewable energy consumption, transit to zero or low carbon electricity have been disclosed to public.	X				Studies on increasing the use of renewable energy and transition to zero or low carbon electricity are continuing, and the completed and planned works have been shared with the public.
B19	The renewable energy production and consumption figures have been disclosed to public.	X				Renewable energy usage and production data OYAK Çimento Fabrikaları A.Ş. Shared in the Integrated Report.
B20	Energy productivity projects have been carried out and the decrease rates on energy consumption and emission based on those	X				Energy efficiency projects are ongoing and completed and planned studies have been shared with the public.

	projects have been disclosed to public.					
B21	Water consumption, underground or aboveground drawn water, recycled or discharged water figures, sources and procedures have been disclosed to public.	X				OYAK Cement Factories Inc. Shared in the Integrated Report.
B22	It has been disclosed to public if the operations or activities included to any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax) or not.				X	Currently, there is no carbon pricing system in which our Group can be involved in our country.
B23	The information on accumulated or purchased carbon credit in the reporting period has been disclosed to public.				X	Since our group is not included in any carbon pricing mechanism, it is not considered within the scope of this article.
B24	The details have been disclosed to public if there is a carbon pricing mechanism at the company.				X	Since it is not included in any carbon pricing mechanism within the partnership, it is not considered within the scope of this article.
B25	The platforms, which the environmental figures of the company are announced, have been disclosed to public.	X				Environmental information is disclosed to the member organizations and to the relevant Ministries within the scope of the legislation.
	C. Social Principles					
	C1. Human Rights and Labour Rights					
C1.1	The Human Rights and Labour Rights Policy has been set out covering the United Nations Universal Declaration of Human Rights and the International Labour Organization principles, the responsible directors for execution of the policy are assigned and disclosed to public.			X		The Corporate Human Rights and Employee Rights Policy has been established in a way to cover the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation, and those responsible for the implementation of the policy have been determined.
C1.2	The labour rights policy covers the fair workforce, improving work conditions, women's employment and inclusion (no discrimination on gender, race, religion, language, marital status, ethnicity, sexual orientation, gender identity, family responsibilities, trade union activities, political view, disability, social and cultural differences, etc.) considering the supply and value chain impacts.	X				https://www.oyakcimento.com/tr/calisan-politikasi/ise-alim-ve-yetenek-yonetimi-yaklasimimiz

C1.3	The measures taken throughout the value chain to watch over the susceptible segments to certain economic, environmental, social factors (e.g. low income group, women, etc.) or minority rights/opportunity equality.	X				https://assets.oyakcimento.com/contents/pdf/2022153/80451654273713602514.pdf
C1.4	The preventive and improver practices on discrimination, inequality, human rights violation, forced labour, and child labour have been disclosed to public.	X				https://assets.oyakcimento.com/contents/pdf/2022153/80451654273713602514.pdf
C1.5	The labour rights policy covers investment in employees (training, improvement policies), remuneration, side rights, right to unionize, work/life balance and skill management issues.			X		https://www.oyakcimento.com/tr/calisan-politikasi/ise-alim-ve-yetenek-yonetimi-yaklasimimiz
	The mechanism regarding the employee complaints and the dispute resolution process is determined.	X				https://assets.oyakcimento.com/contents/pdf/2022153/80451654273713602514.pdf
	The reported employee satisfaction activities in the period have been disclosed to public.	X				https://assets.oyakcimento.com/contents/pdf/2022153/80451654273713602514.pdf
C1.6	Occupational Health and Safety Policy has been set out and disclosed to public.	X				Occupational health and safety policies have been created and disclosed to the public within the scope of the Integrated Management System.
	The measures taken to prevent the work accidents, health protection and accident statistics have been disclosed to public.	X				Measures taken to prevent occupational accidents and protect health and accident statistics OYAK Çimento Fabrikaları A.Ş. It is shared with the public through the Integrated Report.
C1.7	Protection of the personal data and information security policy has been disclosed to public.	X				https://assets.oyakcimento.com/contents/pdf/202237/78411644230958170746.pdf
C1.8	Code of Ethics has been set out and disclosed to public.	X				https://cimporethico.com/
C1.9						
C1.10	The informative meetings and training programmes on ESG practices organised for the employees	X				OYAK Cement Factories Inc. In line with the annual plan, information meetings and training programs are organized for employees on ESG policies and practices.

	C2. Stakeholders, International Standards and Initiatives					
C2.1	Customer satisfaction policy covering the management and solution of the customer complaints has been set out and disclosed to public.			X		There is no separate policy regarding customer satisfaction, the subject is included in the "Integrated Management System Policy" and it is always open and accessible to the society and all relevant parties.
C2.2	The information on communication with the stakeholders (whom, topic ve frequency) has been disclosed to public.		X			Information about the communication with stakeholders (which stakeholder, subject and frequency) is not disclosed to the public.
C2.3	The international reporting standards adopted have been disclosed to public.	X				Reports are disclosed according to international reporting standards.
C2.4	The adopted principles, being a signatory or a member of an international institution, committee on sustainability have been disclosed to public.	X				The principles adopted regarding Sustainability in 2022 were disclosed to the public.
C2.5	Improvement activities have been realized to be included Borsa İstanbul Sustainability Index and/or international index providers' sustainability indices.				X	It is making improvements to be included in the sustainability index.
	D. Corporate Governance Principles					
D1	It has been consulted with the stakeholders regarding the determination of the sustainability measures and strategy.	X				Stakeholder Analysis was carried out in the 2021 Integrated Reporting and it was also evaluated in the Sustainability Strategy reporting.
D2	CSR projects, awareness activities and training programmes have been realized to increase the awareness of on sustainability.			X		Social responsibility projects and awareness activities were carried out within the company and included in the Integrated Reporting.

In contradiction between the Turkish and English versions of this Board of director' s report, the Turkish version shall prevail.