C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Çimsa is a Turkey-based cement company founded in 1972 as one of the affiliates of the Sabancı Group. Çimsa operated in Mersin, Eskişehir, Kayseri, Niğde, Afyonkarahisar and Ankara in Turkey with its 5 integrated cement factories, 1 grinding plant and ready mixed concrete facilities until 28 July 2022. With the completion of the sales of Kayseri, Niğde integrated cement factories, Ankara grinding facility and 7 ready-mixed concrete facilities in 2022, it continues its operations with 3 integrated cement factories and 24 ready-mixed concrete facilities in Turkey.

Çimsa Sabancı Cement BV (CSC BV) was established with the partnership of Çimsa (40%) and Sabancı Holding (60%) within the scope of the goal of becoming an international player in 2020. In 2022, the title of the company (CSC BV) was changed to Sabancı Building Solutions B.V. (SBS BV). Today, Çimsa one of the leading actors of the world cement industry, host a workforce of 909 people in total.

Çimsa's product range is built on 5 different categories: gray, white and calcium aluminate cement, special products and ready mixed concrete. Çimsa exports white cement and special products to over 65 countries, primarily the Middle East, Europe, North Africa and the United States.

Çimsa's large production and sales capacity, long years of experience in global and local markets, know-how and R&D approach have enabled it to achieve sustainable growth. Today, Çimsa is one of the three leading brands in the world in the white cement segment. Proving this success, it is an international actor with terminals spread over various geographies such as Hamburg (Germany), Trieste (Italy), Sevilla and Alicante (Spain), Famagusta (TRNC) and a wide export network.

Çimsa has taken important steps in the construction of a sustainable future in its 47th year of operation. Çimsa Americas started to sell its products in the last quarter of 2019, following the test and development studies. With the agreement regarding the purchase of the Buñol Factory in Spain under the partnership of SBS BV, Çimsa's global leadership target is one step closer.

Strategy

Çimsa's sustainability strategy, which was formed in 2021, says, "We create sustainable stakeholder value with products that support low carbon economy for the development of sustainable living spaces. We shape today for tomorrow". It positions this strategy as its guide while taking actions regarding the environmental, social and governance components of sustainability. The environmental strategy which covers climate change action is "**Contributing to the transition to a low carbon economy through strong R&D, innovation and technological transformation competencies."**

The climate crisis and the transition to a low carbon economy are at the top of Çimsa's sustainability agenda. In order to achieve carbon neutral target in intensive building materials sector in which we operate, we are moving forward with innovation and technological transformation projects using our R&D infrastructure. We plan to achieve our carbon neutral target with the technological transformations we have realized on an operational basis, the use of low-emission raw materials and fuels, carbon capture, utilization and storage technologies.

The materiality analysis covering our internal and external stakeholders was carried out in 2022 and our first group of material issues are;

· Occupational Health and Safety

· Alternative Fuel and Raw Materials

· Energy Management

· Climate Change and Reduction of GHG

· Waste Management and Circular Economy

· Sustainable Products

For an effective management application, six main focus areas defined as Management of the Climate Crisis, Human and Society Oriented Positive Impact, Sustainable Business Models, Human Resources, Governance and Digitalization, Technology, Innovation.

Çimsa follows a capital management model in which 6 capitals are defined and each project has been evaluated depending on;
1. Financial Capital
2. Manufactured Capital
3. Intellectual Capital
4. Human Capital
5. Social and relational Capital
6. Natural Capital

In 2022, total Scope 1,2 and 3 emissions are verified as follows:

Scope 1: 5.09 M tCO2e

Scope 2: 0.26 M tCO2e

Scope 3: 0.83 M tCO2e

The intensity figure for the reporting year is 0,739 tCO2e/ton cementitious and we have already decreased intensity for total white and grey clinker by %4,59.

New targets are set in line with our parent company Sabancı Holding's Net Zero Target which is %22 emission intensity reduction by 2030 based on 2020 emission intensity, and %100 emission reduction in all scope 1, 2 and 3 emissions by 2050.

The list of measures carried out to achieve this goal in line with Global Cement and Concrete Association of the World Business Council for Sustainable Development is as follows;
- Follow production processes with energy efficiency measurements,
- Improve process efficiency,
- Increase the cement content ratio,
- Use alternative energy resources.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
No

Select the number of past reporting years you will be providing Scope 1 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for
<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.
Turkey

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
TRY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

C-CE0.7

(C-CE0.7) Which part of the concrete value chain does your organization operate in?
Limestone quarrying
Clinker production
Portland cement manufacturing
Blended cement
Alternative 'low CO2' cementitious materials production
Concrete production

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	TRCIMSA91F9 TRSCMSA32211

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	i) Position in the corporate structure and the level of responsibility: Climate-related issues are managed at the highest level of governance, namely the Board of Directors (BoD). The BoD has 1 member responsible for sustainability and is informed through reports submitted by the Executive Committee (EC). The BoD, led by the Board Chair, is responsible for Çimsa's vision, strategy, evaluation of high and very high risks and finalization of financial decisions. Our sustainability strategy is defined as creating sustainable stakeholder value with our products that support the low carbon economy for the development of sustainable living spaces. As we shape today for tomorrow, we place a central emphasis on the management of climate-related issues. The BoD requests a presentation on sustainability from the Sustainability Group Manager at each meeting in order to evaluate compliance with the strategy and net zero roadmap. ii) Responsibilities related to climate issues: We believe that sustainable living spaces are one of the fundamental issues of sustainability. These spaces can be created with sustainable product ranges by giving priority to the development of low carbon products. With this awareness, we are expanding our low-carbon products with our R&D, innovation and technology-oriented projects. We also adopt a business strategy that includes a strong environmental dimension. Our environmental strategy enables us to position our company in line with the requirements of climate change. In this context, we have committed to be carbon neutral in our greenhouse gas emissions by 2050. We aim to contribute to the circular economy at the highest level by applying the "net zero" approach across our entire value chain. iii) Example of a climate-related decision made: In 2021, we determined our sustainability and climate change strategy. As a COP26 participant in 2021, our main shareholder Sabancı Group announced its carbon neutral policy and its zero-waste commitment to be reached by 2050. We adhered to this declaration and determined our carbon neutral commitments consistent with this statement. Thus in 2021, we integrated our business and sustainability strategies. In 2022, we completed the 1st Phase of the decarbonization project and carried out base year and target studies in line with SBTi (Science Based Targets Initiative) under the guidance of the BoD. According to our studies, we gave the commitment letter and communicate the targets in 2023.
Other, please specify (Executive Committee)	i) Position in the corporate structure and the level of responsibility: The Executive Committee (EC) is responsible for expanding the vision of the Board of Directors, managing and reporting to the Board of Directors the action plans proposed for high and very high risks and their financial impacts. The EC headed by the CEO and members are as follows: Vice President (VP)-Operations VP of Human Resources and Sustainability VP - Sales and Marketing VP-Supply Chain VP-Finance and Financial Affairs ii) How the responsibilities are related to climate issues: The EC is responsible for the management of sustainability actions that have been addressed together with the climate crisis. In this context, the EC leads the biodiversity action plan, oversees emission reductions through the use of alternative fuels and monitors compliance with CO2 reduction targets as part of carbon neutrality. Since the cement industry is carbon-intensive and the transition to low carbon requires high technical improvements and investments, a Net Zero transition plan is being developed under the control of the EC. iii) Example of a climate-related decision made: We located 2025 and 2030 as the milestones in our 2050 carbon neutral route, reviewed our ESG goals based on sustainability strategy approved by BoD and conducted studies on determining science-based targets which are in line with our carbon neutral goals. In this context, we planned to issue the commitment letter and communicate the targets in 2023. In 2022 under the lead of EC: • We have completed the branding studies and transition of sustainable products • We expanded the alternative fuel and raw material supply network and increased the use of alternative fuels • We have developed projects to reduce water consumption in all factories and ready mixed concrete facilities. • We collaborated to increase energy efficiency in facilities, • We invested to solar energy in facilities • In the light of the new policies published, we have created a roadmap for compliance with climate change.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing innovation/R&D priorities Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Overseeing value chain engagement Reviewing and guiding the risk management process	<Not Applicable>	Board of Directors: As the highest-level unit, the Board of Directors (BoD) is concerned with combining Çimsa's business and sustainability strategy, including the financial effects of sustainability components such as social and environmental issues. Our BoD and CEO follow the long-term implementations of Çimsa's vision, strategy and projects as we move towards being carbon neutral on the 2050 route. Both non-financial financial targets are closely followed by the BoD and the CEO. In line with the sustainability strategy launched in 2021, the BoD guided the studies for the establishment of science-based targets in 2022. Under the guidance of the Board of Directors, the 1st phase of the Decarbonization Project was completed and carbon neutrality was given priority. The BoD pioneered the development of new products with Environmental Product Declarations and the diversification of the sustainable product portfolio in line with the EU Taxonomy. Within the scope of the social component of sustainability, the BoD has initiated projects to increase the number of female employees. The BoD is also responsible for reviewing investments and budgets. Executive Committee: Climate Change policies & strategies, performance & targets are managed by the Executive Committee (EC) led by the CEO and informed by the Sustainability Management Committee. The Vice President of Human Resources and Sustainability is also a member of the EC.At the quarterly meetings, projects that will support climate action are reviewed according to strategic areas that will guide growth and integration. As part of the integrated risk assessment adopted by Çimsa, the Sustainability Management Committee (SMC) deals with climate-related issues with a holistic approach, taking into account risk and opportunities (R&O) and risk management-oriented procedures. In this approach, the SCM implements the risk management process, defines alternative solutions and budgets for climate-related risks, and approves the required budget for identified high risks. The SCM works directly with the Sustainability Directorate to fulfill these duties.The Directorate meets every month and determines the highest climate change risks and possible legislative changes related to these risks.It then shares these risks with the Corporate Risk Department (CRD) and the SMC. At this point, the SCM acts with an integrated risk assessment management approach and implements appropriate transition plan that will minimize or even eliminate risks and effects.Since Çimsa positions the management of climate change and its impact on business activities as the top priority,great importance is attached to the development and smooth implementation of low carbon transition. In 2022, 492,985,695TRY investment was made in energy efficiency projects and 10,759,776TRY(655,092.66 USD) in alternative fuel integration/feeding system to transform currently existing technological infrastructure in the scope of avoiding using fossil fuels.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	Çimsa is an energy-intensive company in terms of its product portfolio and sector, and the transition to low carbon requires energy and technology knowledge. The members of the Board have the following criteria in the context of climate change: • Critical and complex thinking ability • The power to adapt and initiate change • Open and flexible to new business applications • Have research skills Board members are frequently train about new climate technologies and EU Regulation.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Other, please specify (Executive Committee)

Climate-related responsibilities of this position
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Providing climate-related employee incentives
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
Climate Change policies, strategies, performance and targets are managed by the Executive Committee (EC) led by the CEO and informed by the Sustainability Management Committee. The Vice President of Human Resources and Sustainability is also a member of the EC. At the quarterly meetings, projects that will support climate action are reviewed according to strategic areas that will guide growth and integration.
As part of the integrated risk assessment adopted by Çimsa, the Sustainability Management Committee (SMC) deals with climate-related issues with a holistic approach, taking into account risk and opportunities (R&O) and risk management-oriented procedures. In this approach, the SCM implements the risk management process, defines alternative solutions and budgets for climate-related risks, and approves the required budget for identified high risks. The SCM works directly with the Sustainability Directorate to fulfill these duties. The Directorate meets every month and determines the highest climate change risks and possible legislative changes related to these risks. It then shares these risks with the Corporate Risk Department (CRD) and the SMC. At this point, the SCM acts with an integrated risk assessment management approach and implements appropriate transition plan that will minimize or even eliminate risks and effects. Since Çimsa positions the management of climate change and its impact on business activities as the top priority, great importance is attached to the development and smooth implementation of low carbon transition. In 2022, 492,985,695 TRY investment made in energy efficiency projects and 10,759,776 TRY (655,092.66 USD) in alternative fuel integration/feeding systems to transform currently existing technological infrastructure in the scope of avoiding using fossil fuels.

Position or committee
Chief Executive Officer (CEO)

Climate-related responsibilities of this position
Managing climate-related acquisitions, mergers, and divestitures
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
As a member of the Executive Committee (EC), the CEO leads the EC. The CEO reviews the investment plans foreseen to manage climate-related risks and opportunities and manages the acquisition, merger and divestiture processes to be carried out accordingly. Each C-suite officer forming the EC conducts studies in their own field on the risks and opportunities related to the climate crisis. They present the outputs of their work to the EC and the CEO. This information is consolidated quarterly, made into a joint report and presented to the Board of Directors by the CEO.
With the completion of the sales of Kayseri, Niğde integrated cement factories, Ankara grinding facility and 7 ready-mixed concrete facilities in 2022, it continues its operations with 3 integrated cement factories and 24 ready-mixed concrete facilities in Turkey.

Position or committee
Chief Operating Officer (COO)

Climate-related responsibilities of this position
Developing a climate transition plan
Implementing a climate transition plan
Managing value chain engagement on climate-related issues
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
As a member of the Executive Committee (EC), the COO is responsible for assessing climate-related risks and opportunities that may affect operations. The COO identifies climate-related vulnerabilities and advantages and shapes the climate transition plan according to these data. The transition plan includes measurable company-specific goals, objective timelines, and transparent performance indicators to track progress from a perspective of capitalizing on sustainability opportunities. In this process, innovative technologies and best practices are integrated into the process and all processes are managed with the motivation of "continuous improvement". With this perspective, the transition plan is reviewed quarterly in order to ensure smooth adaptation to climate change. The COO reports the findings of their work to the EC and the CEO, and this information is consolidated with reports submitted by other C-suite officers. After the consolidation in the EC, a joint report is prepared and submitted to the Board of Directors.

Example action: Since a significant portion of the CO2 emissions generated during Çimsa's operations occur in the clinker production processes, product contents were optimized with the Carbon Light Project in order to reduce the clinker usage rates. In addition, natural resource consumption was reduced by using wastes from other

sectors as raw materials.

Position or committee
Other C-Suite Officer, please specify (Human Resources and Sustainability)

Climate-related responsibilities of this position
Providing climate-related employee incentives
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
As a member of the Executive Committee (EC) the Human Resources and Sustainability Officer (HRSO) designs and implements the incentive programs that align employee behaviours and actions with climate related goals and objectives., S/he also assesses and analyses climate related risks that may affect organizational operations and opportunities that may serve climate resilience. Thus, the HRSO establishes a common denominator for sustainability goals and measures to mitigate climate related risks. While ensuring business continuity the HRSO monitors the sustainability performance through quarterly reports and records the progress according to company specific metrics.
The information flow to the HRSO is provided monthly by the Our Human Resources Focus Group, which is the sub-working group of the Sustainability Management Committee. The HRSO presents the outputs of their studies to the EC with the reports prepared quarterly. This information is consolidated along with the reports prepared by other C-suite officers in the EC and presented to the Board of Directors by the CEO.

Position or committee
Other C-Suite Officer, please specify (Finance and Financial Affairs)

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
Within the governance structure of Çimsa, the Board of Directors (BoD) acts as the final decision-making authority for all budget approvals. In this structure, the CFO as a member of the Executive Committee (EC) is responsible for defining the effects of the low-carbon transition on Çimsa's finances with the TCFD approach. The CFO follows green finance instruments to achieve investments that comply with ESG requirements and helps the process with his/her expertise when appropriate conditions for the use of green funds occur. In this context, the CFO
• manages the financial infrastructure of the assets and equipment required for the use of renewable energy and the transition to alternative sources,
• monitors tax reduction opportunities,
• seeks ways to provide access to capital
• explores means to reach lower interest rates
• searches for incentives for green finance and for the project to be carried out with lower costs.
CFO also follows EU-ETS and CBAM related costs and compliance of the company climate related taxes. The information flow to the CFO is provided monthly by "Management of the Climate Crisis Focus Group", which is the sub-working group of the Sustainability Management Committee. The CFO presents the outputs of their studies to the EC with the reports prepared quarterly. This information is consolidated along with the reports prepared by other C-suite officers in the EC and presented to the BoD by the CEO.

Position or committee
Sustainability committee

Climate-related responsibilities of this position
Developing a climate transition plan
Implementing a climate transition plan
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
At Çimsa, the transition plan and scenario analysis practices regarding the management of climate-related issues are determined by the Sustainability Management Committee (SMC). The SMC is chaired by the CEO and within this structure, the CEO has the highest level of responsibility. Under the guidance of the CEO, the Committee identifies climate-related risks and opportunities. Acting as the final decision maker for these risks and opportunities, the CEO reports to the Executive Committee (EC) and Board of Directors (BoD). The BoD finalizes the action plans for high and very high risks and the budgets of the investments required for the management of these risks.
The SMC consists of the following members:
• Vice General Managers

• Group Managers
• Strategic Planning Manager
• Talent Management and Organizational Development Manager
• R&D and Process Tech. Manager
• Corporate Risk Manager
• Corporate Communications Manager
• Marketing and Sales Operations Manager
• Environmental Executive
• Sustainability Executive

There are six “Sustainability Focus Working Groups” under the SMC. The focus topics within the groups were determined as the “Management of the Climate Crisis”, “Positive Impact Focused on People and Society”, “Sustainable Business Models”, “Our Human Resources”, “Governance”, “Digitalization, Technology and Innovation”. Working groups meet at least once a month to set and follow up long and medium-term goals. Groups also address and evaluate sustainability-related issues. Here, this evaluation is shaped by feedback from stakeholders, corporate performance and current trends in the world. Then, according to the progress of the target, the corporate strategy and business models are revised.

The groups follow the current trends in the cement industry, research the discussions on national and international platforms, and report the results to the SMC once a month. The SMC presents the outputs of their studies to the EC with the reports prepared quarterly. This information is consolidated along with the reports prepared by other C-suite officers in the EC and presented to the BoD by the CEO.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	At Çimsa, incentives are provided to improve performance indicators, accelerate the transition to a low carbon economy, and strengthen responsible production practices while achieving climate-related targets.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive
Chief Executive Officer (CEO)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Please select

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
The KPI defined for the CEO within the scope of the climate change is to track the milestones in 2050 carbon neutral commitment and ensure that medium term targets are in line with the transition plan. Thus, the CEO acts as the guarantor of the sustainability performance by monitoring greenhouse gas emission reductions, renewable energy adoptions, energy efficiency improvements, and waste management. The progress in each of these subjects are categorized by quantifiable targets set for different periods. The determined KPIs are as follows:
• Reducing the use of energy per ton of clinker,
• Reducing the use of fossil fuels,
• Reducing the clinker/cement ratio,
• Increasing the use of alternative raw materials that can be used as substitutes and
• Reducing plastic and waste,.
• Reduction of emissions.

In the distribution on the scorecards, targets on climate change constitute 20% of all targets. When 80% of the targets defined in the scorecard are reached, the person concerned is entitled to receive 10% of their annual salary as a bonus.

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan
The performance indicator is in line with our commitment to become carbon neutral by 2050.

Entitled to incentive
Chief Operating Officer (COO)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Reduction in absolute emissions
Reduction in emissions intensity

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
The defined KPIs within the scope of the climate change for the Chief Operating Officer (COO) are as follows:
• Reducing the use of energy per ton of clinker,
• Reducing the use of fossil fuels and
• Reduction of emissions,
• Reduction of the clinker/cement ratio.
In line with these three points, the performance of the COO is analyzed based on two interrelated criteria, namely the net reduction in the intensity of CO2 emissions and energy efficiency. Our COO is entitled to a bonus of %10 of their annual salary for the targets defined in the scorecards.
In the distribution on the scorecards, targets on climate change constitute 20% of all targets. When 80% of the targets defined in the scorecard are reached, the person concerned is entitled to receive 10% of their annual salary as a bonus.
The COO received incentives when the organization achieved
• a 2.7% annual reduction in absolute emissions in line with the target defined in SBTi guidelines (see SBTi Cement Sectoral Guidance).
• a 50% increase in renewable energy consumption in 2022.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The performance indicator is in line with our commitment to become carbon neutral by 2050.

Entitled to incentive
Environment/Sustainability manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Reduction in absolute emissions
Reduction in emissions intensity
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
Our Sustainability Directorate was established to strengthen our sustainable business model, to make an effective link between our strategy and targets, and to spread the spirit of sustainability throughout the company and operations. While our department acts as a bridge between senior management and employees at all levels, it ensures compliance with legislation and regulations related to emissions, interacts with facility managers and monitors the implementation of KPIs. The performance of the Sustainability Manager is measured by economic, environmental, governance and social variables within the scope of sustainability. Our Sustainability Director is entitled to a bonus of %10 of their annual salary for the achievement of the categories exemplified below:
• A 2,7% annual reduction in absolute emissions in line with the target defined in SBTi guidelines (see SBTi Cement Sectoral Guidance).
• Any contribution to support biodiversity such as habitat preservation or species protection actions
• Transparent and accountable reporting of sustainability performance in the form of sustainability and integrated reports.
In the distribution on the scorecards, targets on climate change constitute 20% of all targets. When 80% of the targets defined in the scorecard are reached, the person concerned is entitled to receive 10% of their annual salary as a bonus.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The performance indicator is in line with our commitment to become carbon neutral by 2050.

Entitled to incentive
Facilities manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Reduction in absolute emissions
Reduction in emissions intensity
Reduction in total energy consumption

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
Çimsa operates in 5 different cities of Turkey, namely Mersin, Eskişehir, Kayseri, Niğde and Afyonkarahisar, with 5 integrated factories and 1 grinding facility located in Ankara*. Facility Managers are the contact persons at each facility. Managers are responsible for energy efficiency, emission reduction and waste management. Acting in line with the KPIs determined in this direction, they take the necessary steps to reduce energy per ton of clinker, increase the use of alternative fuels, decrease the clinker/cement ratio and increase the use of alternative raw materials. Facility Managers' performance is measured by their progress in these parameters, and Facility Managers are rewarded with 10% annual salary for the exemplified criterion below:
• A 2,7% annual reduction in absolute emissions in line with the target defined in SBTi guidelines (see SBTi Cement Sectoral Guidance).
• The increase in the use of alternative raw materials compared to the previous year
In the distribution on the scorecards, targets on climate change constitute 20% of all targets. When 80% of the targets defined in the scorecard are reached, the person concerned is entitled to receive 10% of their annual salary as a bonus.
*With the completion of the sales of Kayseri, Niğde integrated cement factories, Ankara grinding facility and 7 ready-mixed concrete facilities in 2022, Çimsa continues its operations with 3 integrated cement factories and 24 ready-mixed concrete facilities in Turkey.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The performance indicator is in line with our commitment to become carbon neutral by 2050.

Entitled to incentive
All employees

Type of incentive
Monetary reward

Incentive(s)
Bonus – set figure

Performance indicator(s)
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
Çimsa has a suggestion system created to strengthen the communication between employees and management organs. With this system, it is aimed to increase the employee engagement with an inclusive approach, and employees are encouraged to gain a sense of belonging and freely share their ideas. Innovative ideas on Climate Change Management are collected under “What if?” platform. Project proposals submitted through the “What If” platform, are evaluated by the relevant experts. During the evaluation, the possible value that these ideas can create is accepted as a criterion. Ideas that are deemed feasible at the end of the evaluation process are rewarded with financial incentives.

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan
The internalization of sustainability awareness by all our employees, their ownership of our sustainability goals and their contribution to the realization of our goals are in line with our 2050 carbon neutral commitment and environmental sensitivities.

Entitled to incentive
All employees

Type of incentive
Non-monetary reward

Incentive(s)
Internal company award

Performance indicator(s)
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to
Short-Term Incentive Plan

Further details of incentive(s)
Çimsa's suggestion system “What if?” serves to fulfil some of the environmental KPIs while promoting employee engagement and continuous improvement. Under “What If” platform, the suggestions submitted within the scope of “Climate Change Management” are collected, carefully evaluated and objectively categorized. In this process, ideas with the potential to create positive value are rewarded with financial incentives. In addition, non-monetary rewards are also given to employees through certain certificates. One of these certificates, which aims to appreciate the owner of the awarded idea, is the “Certificate of Appreciation”.

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan
The internalization of sustainability awareness by all our employees, their ownership of our sustainability goals and their contribution to the realization of our goals are in line with our 2050 carbon neutral commitment and environmental sensitivities.

Entitled to incentive
Other, please specify (Environment and Waste Optimisation Leader)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Reduction in absolute emissions
Reduction in emissions intensity
Reduction in total energy consumption

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
The Environmental and Waste Optimization Leader (EWOL) is responsible for the proper management and disposal of hazardous and contaminated materials originating from production processes. The Environmental and Waste Optimization Leader ensures that the disposal system is implemented in accordance with the legislation and regulations, and carries out projects that will serve the use of alternative fuels and the reduction of CO2 emissions. The manager's performance is evaluated according to KPIs. The Environment and Waste Optimization Leader is rewarded with 10% their annual salary for the KPIs exemplified below:
• Increasing recycling
• Achieving waste reduction
• Increase use of alternative fuels
In the distribution on the scorecards, targets on climate change constitute 20% of all targets. When 80% of the targets defined in the scorecard are reached, the person concerned is entitled to receive 10% of their annual salary as a bonus.
In 2022, with the recycling unit investment made in the Misis ready-mixed concrete facility, we recycled 12,000 tons of concrete waste per year and made it reusable. By the help this project, the EWOL has achieved to complete his/her KPI defined within the scope of the waste management.

Explain how this incentive contributes to the implementation of your organization’s climate commitments and/or climate transition plan
The performance indicator is in line with our commitment to become carbon neutral by 2050.

Entitled to incentive
Other, please specify (Logistics Operational and System Development Manager)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Increased engagement with suppliers on climate-related issues

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
We adopt a business model that reveals our risks and opportunities in our supply chain and prioritizes sustainability in our value chain. In this context, Logistics Operational and System Development Manager (LOSDM) is responsible for the management of the supply chain and annually categorizes the environmental impacts of our suppliers from low to high. The KPI defined for the LOSDM is to reduce emissions from the supply chain by
• Monitoring the percentage of the suppliers that meet the sustainability standards determined by Çimsa
• Conducting supplier evaluations on greenhouse gas emissions
• Implementing sustainable procurement policies.
In the distribution on the scorecards, targets on climate change constitute 20% of all targets. When 80% of the targets defined in the scorecard are reached, the person concerned is entitled to receive 10% of their annual salary as a bonus.
The LOSDM is rewarded with 10% of their annual salary if the organization achieves a reduction in Scope 3 emissions.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The performance indicator is in line with our commitment to become carbon neutral by 2050.

Entitled to incentive
Other, please specify (R&D and Process Tech. Manager)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary

Performance indicator(s)
Energy efficiency improvement
Increased investment in low-carbon R&D

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
Çimsa focuses on R&D in order to develop low-carbon products and continues its efforts to reduce the carbon emission intensity in the life cycle of its products. Çimsa R&D Centre works on the development of new generation product projects in grey, white and calcium aluminate cement types. Sustainable and low-emission products are developed by using by-products and wastes from other sectors such as, slag, bottom ash, fly ash as raw materials, and researches are also carried out on alternative raw material sources. All this work is monitored by R&D and Process Tech. Manager. In this context, the exemplified KPIs for R&D and Process Tech. Manager are as follows:
• Increase in the use of alternative raw materials
• Reducing the rate of clinker used in cement
• Integration of low carbon products for the sales
• Investigation and adaptation of new technologies (ccus etc.)
In the distribution on the scorecards, targets on climate change constitute 20% of all targets. When 80% of the targets defined in the scorecard are reached, the person concerned is entitled to receive 10% of their annual salary as a bonus.
We offered 10 sustainable products to our customers in 2022 with our R&D studies and gained 487.8 Million TRY income from sustainable products.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The performance indicator is in line with our commitment to become carbon neutral by 2050.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?
Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	Short-term risks and opportunities are assessed in relation to anything that creates uncertainty, including extreme weather conditions such as storms, droughts and floods. This group also includes regulations on climate change and we aim to find solutions to these issues within 1 to 3 years.
Medium-term	3	10	Our medium-term horizon plan addresses actions scheduled up to 5 years. In this context, we aim to reduce our greenhouse gas emissions by 2025, which we define as the first milestone in our journey to become carbon neutral. Our second milestone in our transition to a low carbon economy will be 2030. The risks and opportunities identified for the medium term are mostly at the level of the board strategy and involve investment decisions aligned with the transition to a low carbon economy.
Long-term	10	30	Our long-term horizon plan is defined as a period of strategic planning and action for our 2050 carbon neutral target. In this context, we invest in R&D projects and follow the development of new technologies for asset management, carbon capture, use of biomass waste and creating alternative energy sources. In addition, we aim to effectively fulfil our commitments to the Paris Agreement, thanks to the technologies that will be integrated into our business operations.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

i) Substantive financial definition: Significant financial impacts for 2022 are defined as financial losses over 25 million TL and production loss of 56,000 tons. At Çimsa, we define significant financial impact as all situations where the magnitude of the impact is greater than 0.3 % of the net income.

We categorize the financial impacts quantitatively as follows:
- Insignificant (0): No financial impact.
- Low (1): Financial impact of 0.3% and/or less of the budgeted turnover
- Medium(2): Financial impact between 0.3% and 0.7% of the budgeted turnover
- Medium-high(3): Financial impact between 0.7% and 1% of the budgeted turnover
- High(4): Financial impact of 1% and/or more of the budgeted turnover

In 2022, Çimsa's net income is 8.58 Billion TL. In this context, our critical quantifiable indicator is 25 M TL.

ii) Çimsa's risk management framework: While Çimsa's risk management model defines and manages risks objectively, it supports the Company's strategic priorities, future financial health and flexibility. The risks exposed at Çimsa are monitored regularly, the risk appetite is determined and the change in risks over time is reported. While strategic plans are supported by quantitative risk and opportunity assessment reports, a risk matrix is used in the creation of the risk map, in which the risks are positioned according to their impact and likelihood. Çimsa implements an integrated risk management and all risks are categorized within the "Capital Management Model" used in the company in order to better monitor and diversify risks. The 6 capitals defined in the context of this model and on which Çimsa bases its risk assessment are as follows:

· Financial capital

· Produced capital

· Intellectual capital

· Human capital

· Social and relational capital

· Natural capital

There is a bottom-up and top-down approach to managing risks. The Board of Directors (BoD) reviews the risks quarterly for top-down management and shapes the decisions to be taken with guiding policies. As part of the bottom-up approach, if a risk arises, all relevant departments define the solution for the emerging risk. All risks identified by the departments are reviewed by the Department Manager and presented to the Enterprise Risk Management Department (ERMD). The ERMD conducts a risk assessment and conveys this information to the Sustainability Management Committee (SCM). Here, the SCM examines the risks and recommended action plan in terms of sustainability and categorizes the high-level risks and shares them with the Executive Committee (EC). In the process, the EC approves the action plans and shares the information with the BoD to approve the budget for decisions that require investment.

iii) Situations that can create strategic impacts on the business are defined as major circumstances that may negatively influence our financial well-being and strategic goals. We categorize these incidents as follows:

• The emergence of a situation that affects 50% of Çimsa customers

• A situation that will lead to critical supplier loss and the inability to find alternative suppliers

• A situation that affects 50% of Çimsa employees

• Creating a bad reputation internationally on digital platforms

• Commercial activities closed by official authorities

According to the qualitative and quantitative risk assessments, the occurrence of one or more of the above-mentioned points is considered a high risk that may have a strategic impact on our business. After detecting the presence of high risk, all relevant departments define the solution of the emerging risk together with its probable costs, revealing a clear picture of risk management.

According to the risk management procedure at Çimsa, all risks defined by the departments are reviewed by the department manager and presented to the Enterprise Risk Management Department (ERMD). Afterwards, the ERMD evaluates the presented risks and directs the risks it categorizes as high to the relevant committees. Climate-related risks are forwarded to the Sustainability Management Committee.

For the effective management of climate-related risks, annual comprehensive insurances are implemented, R&D investments are made, projects are developed to increase energy efficiency, and budgets are allocated for the financing of these projects. In addition, there are initiatives on sustainability and emission reductions to create green finance based on ESG ratings.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream

Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
1) How climate-related risks are identified at the company level:
Çimsa's sustainability risks are defined by Sustainability Directorate. While defining the risks at Çimsa, 4 steps are taken into consideration:
• A circumstance is analysed based on its short-, medium- and long-term effects on Çimsa's operations and across the value chain
• Top risks are determined by their potential effect on Çimsa's operations and all stakeholders, the rate of occurrence and the potential consequences that can emerge in relation to these risks.
• Key sustainability and climate-related risks are asserted
• Finally, the asserted risk list is approved by the Enterprise Risk Management Department, Sustainability Management Committee and Executive Committee.
In the process, each department also has the responsibility to define its own risks and asset level, and reports it to the department manager along with possible solutions and costs. Then the Department Manager reviews the risk and informs the Enterprise Risk Management Department.
2) How climate related risks which could have major financial or strategic impact are assessed at the company level:
As a member of Hacı Ömer Sabancı Holding A.Ş., our corporate risk management practices are carried out in line with the risk management practices and procedures adopted by our Group. As part of our corporate risk management, we regularly monitor the risks we are exposed to, determine the risk appetite, and monitor and report the changes in risks over time.
The risks that the company may face are classified according to the degree of prioritization. Therefore, critical risks are determined and monitored by Çimsa's senior management and the Board of Directors (BoD). Under the guidance of Sabancı Group risk policies, risks that may directly affect the Çimsa's financial position are taken into account at all plants. In the process, the Enterprise Risk Management Department (ERMD) ensures that the corporate risk management regarding the identified risks is carried out effectively. The ERMD systematically measures, evaluates and prioritizes operational, financial, strategic and external risks that may adversely affect Çimsa's general strategy and objectives. The actions taken by the ERMD within the scope of defined critical risks and the results of these actions are reported. This report is presented to the Sustainability Management Committee (SMC) at the meetings held throughout the year. Risk management activities and progress are evaluated by the SMC and shared with the Executive Committee (EC) to be forwarded to the BoD.
The SMC monitors compliance with the necessary regulations to reduce significant financial impacts on the business and evaluates the level of achievement in corporate targets. The SMC monitors developments on low carbon products, current discussions at international conferences and global reports such as IPCC, Global Cement and Concrete Association, TCFD and WBCS. The SMC is also in contact with NGOs and policy makers interested in climate change. With this sustainability vision and awareness, it reviews the action plans for climate-related risks and identifies the budgetary decisions required for the management of high and very high risks. There are six "Focus Working Groups" within the SMC. Each group puts a variety of topics on its agenda namely, "the management of the climate crisis", "positive impact on people and society", "sustainable business models", "our human resources", "governance", "digitalization, technology and innovation". These groups monitor progress in the sustainability performance, taking into account the needs of stakeholders. Since the main priority area of the SMC is the issues raised by the focus groups, the outputs of these groups are of great importance.
Çimsa also uses ISO 9001 & 14001 management systems, which refer to the ISO 31000 risk management standard. It implements an integrated risk management and all risks are categorized according to the "capital management model" used in the company in order to better monitor and diversify risks. Within the model, there are 6 capital types on which Çimsa bases its risk assessment. These defined capitals are as follows:
• Financial capital
• Produced capital
• Intellectual capital
• Human capital
• Social and relational capital
• Natural capital
Natural capital includes environmental and air emissions management, climate, energy and water management, waste management, biodiversity, ecosystem development activities, recycling and circular economy.
In the risk assessment procedure, the financial impact of the risk and the cost of risk management are also determined. Thus, the potential magnitude of the risk is determined based on the anticipated significant impacts. After this stage, major risks are mapped, risk mitigation and management plans and actions are reviewed and presented to the EC to be forwarded to the BoD.
3) Illustration of risk management method for a risk: Studies carried out within the scope of carbon neutral commitment, lead to the emergence of new technology needs and this brings the following risks:
• The lack of technological infrastructure required to replace existing products and services with options with lower emissions,
• The cost required for the establishment of technological infrastructure, or
• The return rate and output level of investments in new technologies that are not at the desired level
In order to manage these risks, we follow the digital transformation of production technologies in the cement industry under the guidance of our R&D center and integrate the necessary steps into our processes.
• In 2022, Sabancı Global Technology Center was established in Germany in order to closely follow the technological developments in the global and expand the application area. With the technology center, we aimed to develop new products in the field of building materials and to examine new generation technologies.
• With the commissioning of the autonomous control (expert) system that we started at the Afyon Cement Factory, we achieved energy efficiency and reached production conditions in stable and desired quality standards. After the success of the system, we started the autonomous control system in our Mersin, Eskişehir and Bunol factories.
• Image processing / machine learning technologies are used within the scope of the HyperCOG project on digitalization, which is one of Çimsa's priority areas. The project aims to ensure efficiency in the white cement production line, increase product quality by optimizing the use of natural resources, and reduce environmental impact.

Value chain stage(s) covered
Direct operations

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Long-term

Description of process
Considering the requirements of the cement industry, Çimsa can be defined as an asset-intensive and long-term oriented company. This situation necessitates the

management of technological risks as part of risk management procedures in our direct operations. With this point of view, the risks identified on site are shared with the Factory Manager in line with our general risk procedure. Then, details and differences related to risk management of direct operations are evaluated with solution alternatives, referring to alternative low-carbon investments. Considering that both the transition to low carbon and the life of our investments are long-term, we shape our steps with a future-oriented perspective.
In this process, solutions are offered to the Chief Operating Officer (COO). The COO reviews these recommendations and then shares their outputs with the Enterprise Risk Management Department (ERMD). The ERMD conducts a risk assessment and conveys this information to the Sustainability Management Committee (SMC). The SMC examines the risk and recommended action plan in terms of sustainability, categorizes high-level risks and shares them with the Executive Committee (EC). The EC approves the action plans and shares the budget required for the realization of the action plans with the Board of Directors (BoD) for approval. As an example of long-term investments, we can consider the Waste Heat Recovery (WHR) system in our facilities. WHR is a system that evaluates the waste heat from the process and converts it into electrical energy in the most efficient way possible.

Value chain stage(s) covered
Upstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term

Description of process
Our Logistics Operations and Systems Development Department focuses on managing upstream risks related to climate change in our value chain. Cement production is based on natural minerals that we supply from different locations. The transportation of these raw materials from different locations may cause risks in the supply chain. As part of our sustainability strategy, we aim to reduce our supply chain emissions in all three continents where we operate. In this context, our Logistics Operations & Systems Development Department reviews the supply chain risks in our value chain through the lens of emission management. Then, the identified risks and alternative solutions are shared with the Enterprise Risk Management Department (ERMD) to be categorized. The ERMD conveys high and very high risks to the Sustainability Management Committee (SMC), and the SMC finalizes the action plan to determine the required budget.
Illustration of a risk and its management: “Overseas sourcing” has emerged as a risk in our supply chain due to the ongoing effects of Covid-19. We use bauxite in our production processes and supply this material from abroad. Since we could not get the necessary supply for bauxite, we found new local suppliers during the pandemic. With this awareness we focused on local suppliers as a business model. As of 2022, we both supported local manufacturers and adopted a sustainable supply chain approach by choosing 96.5% of the companies we work with from local suppliers. In this context, 298 of the 313 suppliers we started to work with in 2022 consist of local suppliers. Within the scope of this approach, we converted the vehicles we use within the company into low-emission vehicles in 2022, transferred some of the road transports to the railway, and thus we achieved a reduction in our Scope 3 emissions.

Value chain stage(s) covered
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term

Description of process
Our Strategy Department, Sales & Marketing Department, and R&D unit focus on managing downstream risks related to climate change in our value chain. Being aware of the changing consumer expectations, we make R&D investments for the development of low-carbon products. Risks related to new products are determined by the Sales and Marketing Department. These risks are reviewed by the Strategy Department and R&D in terms of cost and the possibility of a product development that can be a solution to the potential risk. Then, risks and alternative solutions are shared with the Enterprise Risk Management Department in line with the general risk management procedure for the classification of risks. The Sustainability Management Committee provides information on risks and forwards action plans to the Executive Committee for approval. Final budget approval of the action plan is the responsibility of the Board of Directors.
Illustration of a risk and its management: We increased our low-carbon product developments due to demand from our sales teams. We placed the motivation of shifting the product portfolio to sustainable products with low clinker ratio and less emission value at the core of our business model. In 2022, we aimed to meet the expectations of our customers with 10 sustainable products in our portfolio and gained 487.8 Million TRY income from these products. We envisaged to increase our customers' trust in the product and our preferability through the products that focus on both quality and environmental sensitivity. We also focused on production efficiency with our special products. With our Calcium Aluminate Flux product, we focused on long-term benefit while increasing production efficiency.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Relevance of risk: Çimsa's worldwide clinker production will be affected by carbon pricing mechanisms. The financial effects, possible costs and risks of this situation are evaluated periodically. Strategy determination and forecasting models were initiated by our Sustainability Directorate, responsible Senior Executives and Board Members. Major risks that may adversely affect our cash flow are reported to our Enterprise Risk Management and Financial Planning, Reporting & Finance Departments. Example of Risk: The binding regulations brought to the agenda of the cement industry by the Kyoto Protocol and the Paris Agreement are of great importance for us. Climate Policy in Turkey is under development and the World Bank and GIZ have supported the development of the ETS system. The PMR (Partnership of Market Readiness) Project financed by the World Bank was completed. The expected phase 3 will be about the ETS's readiness for implementation. The project with the German environment ministry and GIZ is also under development for the allocation of emissions to the local ETS system. Within the scope of the projects, the “Greenhouse Gas Monitoring Reporting Verification” regulation has been in effect since 2015. Since 2015, we have been sharing our reports based on verified data with the public and uploading the MRV results to the Ministry of Environment and Urbanization system. In relation to the EU Green Deal regulations on carbon emission prices pose a risk that will create a change in our operating costs. The regulation mandates the payment of carbon tax at the EU border if the tax for exported products is not paid in the country of production. This situation will increase our costs. According to our projected calculations, the financial impact of the risk is calculated as 1.316 million TL. Within the scope of the net zero emission approach; • Projects are carried out with municipalities and other solution partners to improve waste separation and characterization in order to increase the use of alternative fuels, • Energy efficiency projects are carried out • Projects are carried out to reduce the clinker ratio and transition to cement with additives and facility investments are made with appropriate technological infrastructure. As we will be subject to carbon pricing legislation by 2026, we synchronize country-specific measures with our operational processes.
Emerging regulation	Relevant, always included	Relevance of Risk: Developing carbon pricing policies directly affect our industry and pose a risk for us as it will increase production costs. In order to analyze and manage this risk, to be prepared for the uncertainties regarding the policies in our sector, and to develop the necessary policies for decarbonization, our Sustainability Directorate and Risk and Compliance department follow global trends, hold meetings and establish ties with relevant actors, such as policy makers, stakeholders or associations. We also closely follow the EU Green Deal and, accordingly, the CBAM at the EU border regulations. In the current context in Turkey, we have no obligation to pay a carbon tax. Therefore, this regulation poses a potential risk to us. Example of Risk: We use forecasting models to take appropriate action and relate such potential risk to emerging regulations regarding carbon pricing policies. Since the cement industry ranks second among the energy-intensive industries, we evaluate our risks with this awareness and expect the carbon price to be around 90 Euro/ton in parallel with the EU ETS market. The EU Green Deal accelerated the implementation of the ETS in Turkey and Çimsa may be exempted from CBAM if the ETS comes into force in Turkey. On the other hand, expanding CBAM coverage for Scope 2 and 3 emissions poses a regulatory risk that could increase our costs due to taxation. The risk of local implementation of the ETS with EU allowance amounts could result in a cost of 1.316 billion TL by 2023 on our business. This risk assessment is also presented in the CDP Report, assuming a carbon price of 90 Euro/ton for all cement production in Turkey with max. risk. If we calculate the risk based on our EU export rates the amount of risk will be around 1.725 million TL. This price will be updated according to changes in the CBAM carbon tax. When a financial negative impact is classified as high risk within the scope of our risk management procedure, this risk is reflected in our risk map showing potential risks and losses, and the risk is evaluated by our Enterprise Risk Management and Financial Planning Reporting & Finance Departments through our map.
Technology	Relevant, always included	Relevance of Risk: As we are an actor in a technology-intensive industry, climate-related technology risks are highly binding for us. Technology-related risks are evaluated by Sabancı Building Solution Technology Center which is established in Europe and leading by the Chief Technology Officer (CTO) work on possible technological implementation failures at the plants are foreseen and plants that need a carbon capture installation in order to continue operating are determined. While managing these risks, we aim to reduce our greenhouse gas emissions. To achieve this goal, we carry out energy saving projects and minimize energy consumption. The necessity of an alternative fuel supply with the desired properties, and the continuity and availability of this supply pose other risks for us. Example of Risk: We aim to use CCS (Carbon Capture and Storage) technologies to mitigate the financial burden of carbon pricing. CCS deployment process poses its own risks namely compliance and modernization requirements at some plants. The transition to new technology leads to full capacity work at plants, while other operational activities may be suspended. However, the technology also offers a unique opportunity to achieve net zero emissions. In addition, alternative fuel supply poses a challenge in terms of availability, permission, public acceptance and partnership practice. In order to manage our alternative fuel supply need, we carry out R&D studies for alternative fuel development and improvement of fuel properties. We cooperate with municipalities and water treatment plants to ensure the continuity of alternative fuel supply. We are moving in line with our low carbon transition and support this collaboration, which offers an opportunity to create a win-win situation in waste management.
Legal	Relevant, always included	Relevance of Risk: Legal risks that may arise in relation to the climate crisis are monitored and evaluated by our Legal Compliance Department. While the legal risks do not pose a high level of risk to us, litigation regarding CO2 emissions in our processes may pose a legal risk. We have 10 employees specialized in environmental law who evaluate such risks. These experts convey their ideas and evaluation results to the Enterprise Risk Management Department. Then, the Enterprise Risk Management Department shares the findings with the Sustainability Management Department. Example of Risk: Climate change in Turkey has not been defined in any law. Currently, the only direct regulation affecting our industry is GHG Monitoring, Reporting and Verification, which has no enforcement. In this context, legal risks related to climate change are not classified as a high-level risk that may affect our company activities. However, although there is no potential legally binding financial burden and no expected legal risk, international climate-related cases are closely followed and evaluated by us to be aware of the potential risks. In this sense, we follow the lawsuits targeting companies due to carbon emissions that adversely affect the climate.
Market	Relevant, always included	Relevance of Risk: Improvements in the product range, the reaction of consumers to these newly developed products, changing supply and demand depending on this situation, monitoring of consumer behavior and reflection of all these parameters on sales constitute our market risks. Consumer demand can shift to low-carbon products, and to manage this risk and stabilize our sales, we must be able to position our production aligned with this transition. Our Strategy, Sales and Marketing Departments evaluate these risks and make an initial assessment. If there is a demand for low-carbon product development by customers, the Risk Department evaluates this request financially with its potential impacts. The product, approved by the Risk Department, is being developed with the contributions of the Alternative Fuel, Sustainability, Technical Support Line, Marketing and Sales departments. Example of Risk: According to the stakeholder surveys we conducted, we identified the main risk as the increased demand for low-carbon products. According to the survey results, it was categorized as medium risk. For this reason, Çimsa invests heavily in low-carbon product development. Our R&D department participates in international conferences, follows the current literature and focuses on the use of low-carbon products. We also have EPD (Environmental Product Declaration) certificates that bring a broader perspective to environmental aspects during product development. As the owner of this certificate, we demonstrate our sensitivity to the environment. Most of our consumers choose us because of our LCA results on EPD certificates. In addition, we increased our investments in low CO2 cement production in line with the demands of our customers.
Reputation	Relevant, always included	Relevance Risk: Legislation and legal system in Turkey do not address climate change and the legal framework does not pose any risk that may damage the company's reputation. However, we believe that public opinion on the impact of companies on the environment is extremely important for our company's reputation. Reputation risks can affect our business performance and damage our corporate heritage. Çimsa, one of the fastest growing companies of the Sabancı Group and one of the largest holdings in our country, is a prestigious and modern company in the Turkish cement industry, aiming to become the world leader in white cement production. The corporate identity we inherited from the Sabancı Group has always supported us and we aim to protect and develop this reputation while embracing it respectfully. Example of Risk: Reputational risk in terms of business performance can affect our sales and economic performance as the cement industry is stigmatized by high greenhouse gas emission rates. In this sense, we conduct stakeholder consultations every year. Negative feedback from external stakeholders is evaluated by the responsible departments and efforts are made to neutralize them with relevant measures. Here, our Sustainability Management Department, Enterprise Risk Management Department, Corporate Communications and Investor Relations Department have been assigned for the management, monitoring and neutralization of reputational risks.
Acute physical	Relevant, always included	Relevance of Risk: We define acute physical risks as significant events that may have adverse effects on our production plants. These adverse effects can be seen in the form of costs, damages and losses that may affect our operations. Situations such as hurricanes, floods, fires and droughts that may arise due to extreme weather events, which are among our biggest acute risks, pose risks for our direct operations and indirect operations (e.g., supply of raw materials and transportation of goods) in our production plants. Such risks and the insurance process regarding these risks are followed by our Enterprise Risk Management Department. In addition, our Investment and Portfolio Management Department regularly evaluates the effects of these weather events on our assets and works to mitigate the impact of this risk with appropriate asset management policies. Example of Risk: In order to be prepared for extreme weather events, we have insurances to cover possible damages at our production plants. In this context, we also monitor our supply chain. We add local suppliers to our value chain as alternative raw material suppliers in order for the operations to run smoothly. We overcome possible interruptions in production with developed action plans that focus on business continuity and supplier diversity. In line with our company strategy, we selected 96.5% of our suppliers from local suppliers in 2022, with the aim of prioritizing the localization of suppliers and reducing Scope 3 emissions. In addition, we plan to review the infrastructure together with the determination of assets that will be affected by weather events. In this sense, the renewal of infrastructures can also be an opportunity to increase productivity and immunity against extreme weather events.
Chronic physical	Relevant, always included	Relevance of Risk: According to IPCC Assessment Reports, excessive precipitation, flood and drought expected with moderate confidence in our geography, as well as water scarcity for the Mediterranean basin, are defined as high risk. Considering the vital role of water in cement/concrete production and its necessity in emission control systems, we consider water scarcity as a chronic physical risk in our risk assessments. In this sense, we are assessing the impacts of heavy rainfall, flooding and drought across our assets and value chain. We implement scenarios to observe our vulnerability in case of water shortage in each of our factories. Example of Risk: As part of our water management plan, we conduct R&D activities to consume less water in our processes and reduce our water footprint. For this reason, we strictly implement ISO 14046 - Water Management Standard in all our production facilities and monitor water consumption rates to reduce water consumption levels. Water management and control of consumption rates are under the responsibility of the Sustainability Management Department as well as the production plants.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
According to the EU Green Deal, if the Carbon Tax of the product exported to the EU is not paid in the country where it is produced (if there is no ETS mechanism in the country), the carbon tax will be paid for all exported products at the same price across the EU borders. In this context, we define the Carbon Border Tax as one of our most important risks. The risks we may encounter in this case are as follows:
• As the cement sector is the third largest energy consumer and the second largest source of industrial emissions, our operating costs will increase significantly if a carbon tax is paid.
• With the implementation of the local ETS, the projection of the increase in production costs to the selling prices may result in competitive advantages for our neighboring countries.
• Since there is a price range for cement in the market, that is, cement has a market value, our customers will expect us to stick to that price. In this case, we may not be able to pass our increased tax-related costs on our customers.
The risk scenarios has been studied for two cases which may have negative financial impacts. First one is considering that 12% of our production is sold in EU countries in 2022 , currently 12% of our operations are considered as operations that will be affected by the Carbon Border Tax.
The second one is local ETS implementation in Turkey with the EU allowance rates. As Çimsa we operate with low emission rates based on Turkish Cement Sector average and if the allowances defined based on local average it won't create any risks. However, we set our science-based target and we follow EU implementations in terms of low carbon transition. With this point of view, we define EU allowance rates for the local ETS application.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
1725502

Potential financial impact figure – maximum (currency)
1316666658

Explanation of financial impact figure
The minimum impact figure: 12% of our total production has been used for volume amount. The EU allowance rate is 0.693 tCO2/ton clinker. Our average performance is 0.805 tCO2/ton clinker. The price for carbon used as 90 Euro/ton. The min. impact calculated as 1,725,502 TL
The max. impact figure:
The amount of all white and grey production in Turkey has been considered. All facilities tCO2/ton clinker rates have been multiplied with the related facility production volume. The allowances for grey cement in EU are 0.693 tCO2/ton clinker for grey cement and 0.957 tCO2/ton clinker for white cement. Total risk amount is calculated as 1,316,666,658 TL for all our production.

Cost of response to risk
1237161067

Description of response and explanation of cost calculation
To reduce our emissions and contribute to sustainability, we have applied for 2 new projects on carbon capture, use and storage (CCUS) technologies and the development of a new type of low-carbon cement with reduced carbon footprints within the scope of the Horizon 2020 Program.
With the New World Project, we made pilot scale production in 2022 for a cement with low carbon dioxide emissions compared to CEM I type cements. With the product we developed, we reduced carbon emissions by 30%.
With the developed method in the scope of the C-World Project, we have ensured that carbon dioxide is kept in the concrete and the amount of cement used is reduced. According to laboratory tests, it has been measured that approximately 28-30 kg of CO2 can be trapped in the concrete by curing in 1 m3 of concrete.
Re-CON Project: Reuse of recycled and secondary aggregates. As a result of the studies, 50% of the natural coarse aggregate used in the concrete was replaced with the aggregate obtained from the construction demolition wastes.
HyperCOG Project: Efficiency in the white cement production line, to increase the product quality by optimizing the use of natural resources and to reduce the environmental impact by the help of image processing / machine learning technologies.
Iceberg Project: Develop cement and concrete-based building products with reduced environmental impacts. We collaborate in the development of new Eco-Hybrid

Cement, ultra-light non-structural wall elements and green wood sawdust concrete panels with secondary materials from building debris. In 2022, we completed the laboratory studies of Eco-Hybrid cement containing CSA, Portland cement and building demolition waste.
Forge Project: Increase the resistance against corrosion and erosion, to improve the materials with the life cycle approach, and to reduce CO2 emissions.
R&D investments in 2022 to reduce Scope 1 emissions are defined as cost of response to risk.
HyperCog: 3,559,161.37 TRY
New World: 4,371,575.73 TRY
C World: 5,970,893.95 TRY
Re-Con: 2,595,387.04 TRY
Iceberg: 1,930,061.44 TRY
Forge: 664,853,63 TRY
Total R&D : 19,091,933.16 TRY
Until 2030 our projects related to emission reduction for scope one emissions are alternative fuel investments, thermal energy efficiency projects, product transition investments are listed in our financial reporting under our Capex. The total amount of these projects is 1,218,069,134 TL.
Total: 1,218,069,134 + 19,091,933 = 1,237,161,067 TL

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Acute physical	Heavy precipitation (rain, hail, snow/ice)

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
The supply of natural resources and electricity must be uninterrupted for cement industry.
The cement industry is a sector dependent on natural resources (e.g., limestone). Therefore, access to necessary natural resources is of vital importance for the continuity of commercial activities. In this sense, we define extreme weather events as one of the possible factors that hinder the accessibility of raw materials. Extreme weather events (cyclones, floods, droughts, etc.) may bring some difficulties to our cement plants in terms of raw material supply, as well as pose risks in terms of timely delivery and transportation. From this perspective, we define raw material supply risk in terms of costs and delays. First, a shortage of raw materials can cause production to be suspended. Second, as the existing route becomes unusable due to extreme weather events, alternative shipping routes may need to be identified and this may introduce new costs. In addition, possible delays that may occur with new routes will also cause disruptions in production. Third, events such as low temperatures and heavy rain due to unpredictable seasonal weather conditions will have a negative impact on our products.
Projections created by the ongoing effects of Covid-19 in our value chain and the interruptions in the supply of bauxite we use in the production of our low-carbon products formed our focus on this risk. Thus, we have created a more effective supply chain management policy and ensured continuity in production by adhering to the principle of responsible purchasing.
Uninterrupted electricity transmission to our facilities is important due to our critical equipment's.
Especially stopping of kilns due to lack of energy would cause loss of production. The damage on electricity transmission due to extreme weather events and interruption in supply chain defined as risk.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
85800000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Extreme weather events can cost about 5 to 10% of the logistics budget. The interruption in the supply of raw materials and electricity may result in a 1% loss of revenue due to the Decreased production volume. 1 % of loss is around 4 days of interruption of production in our facilities. According to the applied scenarios, the total possible cost that may arise from the decrease in production capacity has been calculated as 85,800,000 TL.

Cost of response to risk
2530900607

Description of response and explanation of cost calculation
"Overseas sourcing" has emerged as a risk in our supply chain due to the ongoing effects of Covid-19. We use bauxite in our production processes and supply this material from abroad. Since we could not get the necessary supply of bauxite, we found new local suppliers during the pandemic. With this awareness, we focused on local suppliers as a business model. As of 2022, we both supported local manufacturers and adopted a sustainable supply chain approach by choosing 96.5% of the companies we work with from local suppliers. Within the scope of this approach, we converted the vehicles we use within the company into low-emission vehicles in 2022, transferred some of the road transports to the railway, and thus we achieved a reduction in our Scope 3 emissions.
In addition, our Supply Chain and R&D teams developed an alternative raw material containing aluminum to address disruptions in raw material supply. With the product

containing calcium aluminate flux, a reduction in logistics costs and Scope 3 emissions has been achieved. With a similar motivation, we focus on keeping our special products low-carbon, while closely following consumer expectations. In this context, with the "Super Gray Cement Family", we aim to offer products that are more sustainable and contain low-emission raw materials. Reflecting this effort, "Çimsa Izo Power 42.5" in the product range of Çimsa Super Gray Cement Family reduces carbon emissions by 15% and "Çimsa Master Power" by up to 50%.
The total R&D / Innovation investments aiming to develop special products with low emission rates and alternative raw materials are defined as the cost for the response which is 22,000,000 TL

The interruption of the electricity supply will be solved by our renewable energy investments. By 2022 58.2% of electricity has been supplied by renewable sources and our target is to achieve 80% renewable energy use by 2030. Distributed energy use is defined as the cost of the investment to prevent the risk of interruption of electricity. The total investment for solar power plants in 2022 cost 2,518,900,607 TL
Total: 2,518,900,607 + 22,000,000 =2,530,900,607 TL

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Contributing to the transition to a low carbon economy through strong R&D, innovation and technological transformation is at the core of our sustainability strategy. We plan to achieve our carbon neutrality target through technological transformations, the use of low-emission raw materials and fuels, as well as carbon capture, utilization and storage technologies powered by our R&D studies. With this business model and sustainability strategy, we envision meeting customer expectations on a common ground. Increasing awareness about climate change may cause changes in consumer preferences, and this change may affect Çimsa's revenues from traditional cement production. The cement industry is an energy and carbon intensive industry. In this context, negative stigma that does not take into account the Life Cycle Assessments of cement can affect consumer behavior and reduce sales volume. The possibility of consumers to prefer low carbon products or alternative building materials pose a risk for our organization. In order to reduce the effects of this risk, we focus on production with lower CO2 emissions and thus aim to increase the number of products with a clinker utilization rate below 80% in cement. While expanding our product portfolio with sustainable products, we take steps to reduce emissions and keep the use and development of alternative raw materials in our focus.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
42000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Based on our scenario analysis of the financial impact of a possible decrease in demand for our traditional products, the potential negative financial impact is estimated to be around 0.5% of our total annual revenue.

Cost of response to risk
22000000

Description of response and explanation of cost calculation
Our R&D department carries out studies to reduce our CO2 footprint in order to manage the risks related to the expectations of our customers and to keep up with the changing consumer behavior trends. With the ongoing projects,
we developed special products with low-carbon, while closely following consumer expectations. In this context, with the "Super Gray Cement Family", we aim to offer products that are more sustainable and contain low-emission raw materials. Reflecting this effort, "Çimsa Izo Power 42.5" in the product range of Çimsa Super Gray Cement Family reduces carbon emissions by 15% and "Çimsa Master Power" by up to 50%.
We achieved a revenue of 487.8 million TL in 2022 with our 10 sustainable products. In addition, we carry out studies to increase the use of alternative fuels and reduce the use of carbon-intensive raw materials in our processes. We evaluate local and international market conditions, consumer preferences, the applicability of our solutions and the application of new technologies in our processes in order to optimize our risks regarding customer expectations.
In this sense, we conduct
• HyperCog Project (investment cost: 3,559,161.37 TRY) for the efficient integration of technology to our processes,
• New World (investment cost: 4,371,575.73 TRY), C World (investment cost: 5,970,893.95 TRY); Re-Con (investment cost: 2,595,387.04 TRY); Iceberg (investment cost 1,930,061.44 TRY); Forge (investment cost: 664,853.63 TRY) Projects to reduce our emissions and to use alternative raw materials and
• Non-Shrink Project (investment cost: 2,952,554.32 TRY) to increase the durability of the products.

The total R&D / Innovation investments are defined as the cost of response to risk.

Comment

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Technology	Substitution of existing products and services with lower emissions options

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Emission reduction initiatives with the existing technologies has limited impacts in cement production. As Çimsa we work on increasing the use of alternative fuel, energy efficiency projects, technological plant investments, reducing clinker use and transition to blended cement, decreasing the clinker use through additives and decarbonizing raw material for emission reduction. Based on Sabancı Holding's net-zero commitment, we act in line with the commitments our Group and in this regard, adhere to our own low carbon transition plan. We act in line with the net zero commitment of Sabancı Holding, of which we are a subsidiary, and in this context, we adhere to our own low carbon transition plan. According to our transition plan, we foresee 2 phases, 2025 and 2030. In the first phase, we aimed to increase the use of alternative fuels by 35% in 2025 and in the second phase by 40% in 2030.
The risk scenario is defined as unsuccess emission reduction initiatives due to lack of alternative fuel due to increased demand.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1218069134

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Until 2030 our projects related to emission reduction for scope one emissions are alternative fuel investments, thermal energy efficiency projects, product transition investments are listed in our financial reporting under our Capex. The total amount of these projects is 1,218,069,134 TL. defined as potential risk impact due to the possibility of not getting the expected emission reduction results.

Cost of response to risk
18000000

Description of response and explanation of cost calculation
We invest to develop low carbon products at the stage of product development. Without investing to efficiencies in production, investing in new product development support and secure our low carbon transition.
In this sense, we conduct
• New World (investment cost: 4,371,575.73 TRY), C World (investment cost: 5,970,893.95 TRY); Re-Con (investment cost: 2,595,387.04 TRY); Iceberg (investment cost 1,930,061.44 TRY);
• Non-Shrink Project (investment cost: 2,952,554.32 TRY) to increase the durability of the products.
The total R&D / Innovation investments are defined as the cost of response to risk.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of recycling

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
One of the ways to reduce greenhouse gas emissions in the cement industry is to use alternative fuels. The alternative fuel usage rate in cement factories in Turkey is still at a very low level. In order to increase the use of alternative fuels, low-carbon fuels and biomass, there is cooperation between the Environmental Legislation Subcommittee, Greenhouse Gas and Climate Change Committee, Alternative Fuel/Alternative Raw Materials Committee within the body of TCMA (Turkish Cement Manufacturers Association), which includes Çimsa. With this cooperation, necessary steps to negotiate with the Metropolitan Municipalities and Turkish Ministry of Environment and Urbanization and metropolitan municipalities are taken. Also, we are making investments to support the research for alternative fuels to replace the energy sources we use in our operations. In addition to hazardous and non-hazardous industrial alternative fuels, we continue to work on co-incineration SRF (Solid Recovery Fuel) to increase the use of alternative fuels. Currently, we obtain 26% of our energy from alternative fuels. We aim to reach a utilization rate of 35% in 2025 and 40% in 2030. We expect to create an opportunity to reduce operating costs by reducing emissions in our operations .

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
105000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
According to our transition plan, we foresee 2 phases, 2025 and 2030. In the first phase, we aimed to increase the use of alternative fuels by 35% in 2025 and in the second phase by 40% in 2030.
The amount of alternative fuel changes due to the content of the fuel. The financial impact figure defined as the saving provided in 2022 by using alternative fuel instead of calcined petroleum coke use.

Cost to realize opportunity
537401520

Strategy to realize opportunity and explanation of cost calculation
Contributing to the transition to a low carbon economy through strong R&D, innovation and technological transformation is at the core of our sustainability strategy. We plan to achieve our carbon neutrality target through technological transformations, the use of low-emission raw materials and fuels, as well as carbon capture, utilization and storage technologies powered by our R&D studies.
Based on this strategy, we support the waste management processes of various industries by replacing carbon-intensive fossil fuels for thermal energy in the clinker production process with low-carbon biomass, tires, household waste and waste-derived fuels (WDF). We develop alternative fuel and raw material stocking and feeding systems of our production facilities in parallel with technological advances and increase our alternative fuel usage rate in line with our targets.
With the support of the Alternative Fuel Feeding Plant, which we commissioned at the Afyon Factory in February 2022, we exceeded our target of 22% alternative fuel use, reaching 26%, and doubled the previous year. We aim to reach a utilization rate of 28% in 2023 and 35% in 2025, with the waste-derived fuel stocking and feeding investments we plan at our Mersin Plant, and optimization studies in our existing facilities.
In line with our 2025 and 2030 alternative fuel use targets, we have created facility-based investment plans to strengthen the facility-based waste supply amount and the infrastructure to increase the usage rate. In the long term, it is planned to evaluate the process for the production of waste-derived fuel from domestic waste and to put projection studies on the reuse of excavation wastes in cement and concrete production processes.
The Capex budget until 2030 for alternative fuel investments is defined as the cost to realize this opportunity which is 537,401,520 in total.
These investments are;
• Construction of Waste-Derived Fuel Supply System via the flame pipe (Rotary Kiln 1-Phase 1) (Mersin Factory)
• Waste Derived Fuel (including Biomass) Feeding (Rotary Kiln 2) - 20% AFR (Mersin Factory)
• Waste Derived Fuel (including Biomass) Feeding (Rotary Kiln 3) (Mersin Factory)
• Increasing the AFR rate by modernizing the 2 flame pipes of the Rotary Kiln in accordance with waste incineration (Eskişehir Factory)
• Addition of waste feeding system to Rotary Kiln 1 unit (Eskişehir Factory)
• Construction of Waste-Derived Fuel Supply System via the flame pipe (Afyon Factory)

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description
EPD (Environmental Product Declaration) is a document that is defined according to ISO 14025 and that quantitatively evaluates and declares the environmental performance of products with Life Cycle Analysis (LCA). The EPD (Environmental Product Declaration) Regulation is being developed by the Ministry of Environment and Urbanization. When the regulation comes into force, Çimsa will be in an advantageous position as its products are already certified by the EPD.
Making the first EPD study with white cement in Turkey, Çimsa transparently presented the life cycle of its Super White, Isidac40 and Recipro40 products in 2022 according to the relevant standard. Çimsa aims to expand the number of EPD certified products according to the number of sustainable products.
Çimsa also focuses on production with lower CO2 emissions and aims to increase the number of products with a clinker usage rate below 80% in cement. As of 2022, Çimsa has 4 sustainable products in line with EU Taxonomy requirements and 10 sustainable products according to the Turkish cement industry rates.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
487800000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The total income from sustainable products is defined as financial impact figures. The income was 487.8 million TL in 2022 with our 10 sustainable products.

Cost to realize opportunity
22000000

Strategy to realize opportunity and explanation of cost calculation
Contributing to the transition to a low carbon economy through strong R&D, innovation and technological transformation is at the core of our sustainability strategy. We plan to achieve our carbon neutrality target through technological transformations, the use of low-emission raw materials and fuels, as well as carbon capture, utilization and storage technologies powered by our R&D studies.
To take advantage of this opportunity, we will expand the number of EPD (Environmental Product Declaration) certified products in line with our sustainable product portfolio. In addition, we offered 10 sustainable products to our customers in 2022 with our R&D studies.
The cost of R&D and innovation investments is defined as the cost to realize the opportunity.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Other, please specify (Repairment of climate change effect)

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Extreme weather events and natural disasters are expected to be more frequent in the coming years. Acute events such as hurricanes and floods pose risks to infrastructures and buildings. Apart from all their devastating effects and their costs, extreme weather events also have the capacity to create opportunities for the cement industry. Cement demand is expected to increase due to the possible need for repairs and infrastructure reconstruction. This allows us to increase our profits with our product portfolio of climate resistant building materials.

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
82000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Based on our scenario, we assume a 17% increase in our potential revenue from our sustainable products in 2022, Çimsa's revenue from sustainable products was 487,8 Million TL.

Cost to realize opportunity
22000000

Strategy to realize opportunity and explanation of cost calculation
We follow technological developments on a global scale and cooperate with start-ups that develop sustainable products and services in the construction and building materials sectors. We continue to be among the important players in the export market with the products developed by our R&D department. In line with the European Green Deal and the Green Reconciliation Action Plan of the Turkish Ministry of Commerce, we implement practices that will reduce the carbon intensity of our products and services. We focus on projects aimed at energy efficiency, digitalization, increasing the use of alternative fuels and raw materials and, accordingly, using less natural resources. With our "From Gray to Green" approach, we are working to reduce clinker ratios without changing the properties and quality of existing products in order to achieve low carbon content.
R&D innovation studies covering the following actions are defined as the cost to realize the opportunity.
• Studies for the production of products resistant to extreme weather conditions
• Collaborating with universities and research centers to create more opportunities for product development
• Performing project implementations

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan
Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan
Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan
We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

Description of feedback mechanism
<Not Applicable>

Frequency of feedback collection
<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)
Çimsa 2022 EFR - EN.pdf
CIMSA_SBTi_Companies-taking-action.xlsx

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios: IEA NZE 2050	Company-wide	<Not Applicable>	Even tough CIMSA is categorically a hard-to-abate industry player; with ongoing SBTi processes and conglomerate-wide ambitions of following a fast paced decarbonization pathway, CIMSA has been preparing its concrete near term targets for 1.5 C commitment and planned necessary actions accordingly. After publicly announcing Net Zero Target by 2050, in 2021 CIMSA initiallly adapted transition scenario of IEA B2Ds Scenario in comparison to the previously adopted IEA-GCCA Cement Low-Carbon Technology Roadmap aligned with IEA 2Ds Scenario. In 2022, with ongoing SBTi near term target commitment process, ÇİMSA exploited relatively faster decarbonization pathway presented in IEA NZE 2050 and GCCA 2050 Cement and Concrete Industry Roadmap for Net Zero Concrete . As CIMSA, we take into account the statements regarding the key levers for decarbonization specific to cement industry. Considering the fact that most deep emission reduction technologies are not commercially available for cement industry, we inform our decarbonization strategy with forthcoming trends and expected technological advancements with attached decarbonization potential pointed in IEA NZE 2050 scenario. In refence to IEA NZE2050 scenario, technologies in prototype stage like electrified kiln furnaces or CCUS technologies which are at demonstration phase are taken into account with attributed decarbonization potential and expected implementation period. These technologies combined with utilization of bioenergy, hydrogen, ammonia are analysed in terms of suitability to CIMSA's currently existing infrastructure and required short-term, mid-term and long-term investments. Furthermore, CIMSA strictly follows the trend regarding clinker-ratio rate decline and annual emission reduction rate (CAGR) forecasted for cement industry between 2020-2030 and after 2030. Taking these CAGR values as benchmark, CIMSA assures its decarbonization pathway's alignment to IEA NZE 2050 for short-term, mid-term and long-term targets. All in all, having the company specific targets undergoing a crystallization - near-term commitment finalized on March 2023-, ÇİMSA shaped its decarbonization milestones, and required transition actions in line with IEA NZE 2050 scenario in 2022. In 2023, CIMSA continued with further commitments - in SBTi processes taking into account sector specific drivers considering technological, economic, behavioural, carbon market related trends stated in IEA NZE 2050.
Physical climate scenarios: RCP 6.0	Company-wide	<Not Applicable>	Current status quo of moderate global and national NDCs which do not meet 1,5 C global warming till the end of century, pose acute and chronical physical risks with higher impacts on CIMSA. In 2022, these risks and potential impacts are reassessed and finally reconsidered under RCP 6.0 which is more pessimist in comparison to the area-wide announced scenarios posing readily RCP 4.5. By ongoing evaluations of climate risks and public policies, CIMSA considers adopting RCP 7.0 and higher concentration pathways at developing adaptation measure. As pointed out in IPCC 6th Assessment Report (AR6) fire weather conditions, aridity, hydrological drought risks with high confidence as well as pluvial floods with medium confidence are integrated to our risk assessment processes with higher impact in comparison to the previous years. CIMSA considers all these risks and adaptation measures in accordance with RCP 6.0 scenario which will be re-visited in upcoming years - whether there is a need for update for higher concentration pathway- considering the sensitivity of Mediterranean geography with increasing frequency and impact of aridity, wildfires and also fluvial floods. Having these geography specific risks considered, water stress and wild fire risks that may have effects on revenue and production continuity is particularly analysed by CIMSA in 2022. Product group specific effects of water stress that may affect profitability and business continuity is critically assessed. Water saving measures as well as low water intensity production alternatives are reviewed. Another risk considered for all production plants is wild fire related risks exposed on fuel and material storage buildings. Wildfire measures and awareness regarding collective action capacity are scaled up in recent years in Turkey, however CIMSA is focusing on developing plant specific capacity building measures.
Transition scenarios: Bespoke transition scenario	Company-wide	4.1ºC and above	Beyond climate driven physical risks, CIMSA also considers regulatory and market risks regarding establishment of local emission trading system (ETS) system as well as carbon tariffs that may apply on CIMSA products in foreign markets particularly in emerging Green Deal context. Considering the fact that free allocations and carbon prices are not settled yet in Turkey, we develop our financial models based on EU ETS system considering carbon pricing both in internal carbon pricing and future ETS in Turkey. CIMSA's initial model is based on two parameters, namely carbon price and demand level. In this model, the potential outcomes are analysed with low and high impact levels (i.e., high carbon price and low demand on our products represents the high impact) which leads to 4 main scenarios under developing circumstances. CIMSA is working on detailing this model with carbon price related factors such as inflation and exchange rates in Turkey. With this potential financial implications the impact of carbon tariff might be more realistically analysed. Another trading system related factor is assessed as allowances for cement industry in future carbon market in Turkey. The exemption of emission scopes of CIMSA may drastically affect the financial impact which will be monitored and analysed in upcoming years. Outcomes of this model is analysed by Sustainability Committee and reported to the Executive Committee and Board of Directors. Potential financial (market, regulatory and physical risks combined) burdens are integrated in what-if analysis of carbon intense status quo and decarbonization investments. Decarbonization investments are assessed with potential financial burdens that are avoided through investment. In this regard, particularly for the future scenario where demand to our products increase and carbon prices stay high, investments in renewable energy, energy efficiency projects, CCUS technologies, increased use of alternative raw material and fuel become financially more feasible with closer payback periods.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

CIMSA is actively exploring adaptation measures and evaluating the potential physical risks that may arise under the RCP6.0 scenario . By realistically portraying likelihood and impact of these risks on CIMSA's facilities, production capacity, and supply chain continuity ; CIMSA is striving to enhance its resilience by implementing suitable measures. Additionally, CIMSA is closely examining the potential financial implications of both national and international carbon tariffs with respective financial burdens that may arise and the potential changes driven by economy and market related dynamics within a customized and detailed transition scenario.

Results of the climate-related scenario analysis with respect to the focal questions

Considering currently available technologies, CIMSA targets to achieve the largest decarbonization achievements through alternative raw material and fuel use combined operational enhancements, renewable energy and energy management projects in short and medium term. As outcome of these ongoing projects, CIMSA is expecting to be in parallel to the emission decline trend foreseen for cement industry in IEA NZE 2050 scenario and CIMSA is expecting the largest impacts by physical risks due to hydrological drought and interruption in supply chain considering the facility specific physical climate risks.

Financial impact arisen by carbon tariff instruments are also analyzed with target market specific dynamics. CIMSA aims to benefit from decarbonization achievements and save its market share in geographies with stringent low carbon product policies. In this regard, CIMSA continuously invests in expanding its low carbon portfolio particularly addressing to European markets. Low carbon product transition plan of CIMSA is under progress and transition from CEMI to CEM II in target markets is completed up to 20%. CIMSA aims to increase its turnover and revenue share of sustainable product portfolio in short term significantly. In order to achieve this progress, key account customers are also directed towards procurement of low carbon products with high additive and clinker-substitute content.

The ongoing analyses regarding potential physical risks point that water stress might be influential both in revenue and production continuity in CIMSA's activities. This analysis is going to be further detailed in an extend that cover different product portfolios. CIMSA looks for extensive measures and evaluation of current strategies regarding water use. Currently ÇİMSA develops evaluates water harvest potential and enhancement in close-loop water use in its activities in order to save the water reservoirs relied on from depletion.

Another critical chronical risk is wildfires which pose an exponentially growing risk - due to fossil fuel storage- on assets and surrounding settlements is wildfire. Adaptation measures related to capacity building as well as structural strengthening investments are assessed as companywide initiatives. Furthermore, localization in supply chain and increasing share of alternative fuel and raw materials are prioritized in order to overcome potential supply chain problems and fossil fuel storage related risks.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	CIMSA rather positions itself on opportunity front by developing new products with EPD licences and diversifying sustainable product portfolio fitting to the EU Taxonomy -4 products providing 1.62% of the total revenue- despite existing customer behaviour and carbon tariff driven risks in target markets. In 2022, CIMSA initiated Carbon Light project prioritizing development of new products with alternative material from diversified industries as substitute of clinker. In this regard, CIMSA collaborates with iron, steel, ceramic and thermal energy industries for secure supply of industrial ash and slag. CIMSA particularly focused on lowering carbon intensity in grey cement and implemented production plant-based product transition plans as outcome of joint workshops. Action plans for developing low carbon products are defined and scheduled for 1-3 year spans. As outcome of product development in Super Grey product portfolio, CIMSA Izopower 42,5 and Super Power brands deliver up to 15% and 50% lower carbon intensity respectively in comparison to Portland Cement. Having life cycle approach on our products, we also focus on enhanced properties of longevity, resistance, strength, anti-corrosion properties with objective of expanding life span with decreased environmental impact during life cycle. In grey cement products, CIMSA Resistant SR and Resistant LA with enhanced properties of resistance and longevity was preferred in infrastructural and residential construction. Having the first EPD licences in white cement in Turkey, CIMSA expanded its product portfolio with publicly shared LCA results and EPD licences for Super White, ISIDAC 40, Recipro40 . Completed product development projects: In Escoria project, CEM II/C ve CEM V type cement with mineral rich composition products - as substitute of clinker- are designed and low-clinker cement formulae with optimized composition of alternative raw materials are developed. In Re-AL project, alternative raw materials are used as substitute of imported calcinated bauxite also providing advantages in logistics emissions due to the local supply. In ALTO project, cement with properties of high insulation, high air and watertightness, high resistance, resilience to pressure and leaning. Products developed in ALTO project is welcomed by clients and will be accomplished after consumer tests.
Supply chain and/or value chain	Yes	CIMSA approaches its supply chain management with perspective of emission scopes and targets to lower emissions from fuel combustion, (Scope 1), electricity supply (Scope 2) and downstream and upstream operations (Scope 3). As one of the top environmental related topic in our materiality index, use of alternative raw materials and fuels plays a key role at decreasing upstream emissions. CIMSA increased share of alternative fuel use by 109 % in 2022 - from 12.4% to 26%- and achieved 2.8 % alternative raw material use. The lobbying activities for developing the market for alternative fuel and raw material resources continues and through the market research CIMSA aims to establish long lasting supplier relationships. Renewable energy sourced electricity with I-REC and YEK-G (local) certificates is prioritized for decarbonizing Scope 2 emissions due to electricity use. CIMSA increased share of renewable energy sourced electricity use from 4.8 % in 2021 to 58.2 % in 2022. Following the Mersin plant PV installation, CIMSA started in solar power plant installation in Afyon plant - with installed power of 3.37 MWp-, which makes CIMSA the largest investor in cement industry in Turkey for electricity generation for self-consumption. By localization of supply chain network CIMSA aims decreasing Scope 3 emissions - comprising 13.88 % of total emissions- as well as lower logistics related emissions comprising almost 30% of Scope 3 emissions. In this regard, CIMSA promotes modal shift from road transport to railway and maritime transport. CIMSA also supports the transition to low carbon transportation technologies for its own activities such as conversion to EVs . CIMSA works with 1773 suppliers- the major partners in terms of the volume of economic activity and %96.3 of 1773 suppliers are local companies in vicinity of our plants, CIMSA aims to enlarge its local supplier network and seeks for circular economy opportunities and potential partners for sustainable supply of critical raw materials and alternative fuels. In 2022, CIMSA also published the Responsible Purchasing Policy to communicate its expectations to suppliers and business partners which is a fundamental move at evaluating ESG, ethics and human rights performance meanwhile supplier specific. areas of enhancement related to these realms are identified for further capacity building.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Investment in R&D	Yes	Integration of future energy and CCUS technologies, alternative fuel and alternative raw material development are key enablers for cement industry to achieve net zero targets which requires long lasting R&D investment. In order to upscale its R&D activities, CIMSA established Sabancı Global Technology Center Gmbh in Munich, Germany which in tandem with Sabancı Building Solutions B.V and Formulhane -based in Istanbul- is going to develop low carbon intensity products, new generation technologies and construction materials. In clean energy fronth; CIMSA looks for opportunities taking part in R&D projects related to hydrogen energy and deployment of this technology in rotary kilns. CIMSA also projects that CCUS will be influential in its decarbonization pathway by capturing up to 30-50 % of emissions. Hence, CIMSA is aware of the of the role of CCUS technologies in cement industry and follows technological developments closely. Maintained efforts of alternative material research for clinker substitute and better utilization of alternative fuel are at the focus of ongoing R&D activities. Test projects for development of sustainable products with low clinker content and enhanced physical properties, optimization of AF (alternative fuel) and ARM (alternative raw materials) effects on processes and process improvements are some of the core research topics. CIMSA also aims to expand its sustainable product portfolio with new generation cement, particularly by experimenting different composition of raw materials with lower sintering temperature. Ongoing Projects: New World project is a low carbon intensity product development project where alternative materials with low environmental footprint used in composition of white and grey cement. ICEBERG project , targets developing an ecohybrid cement type by using demolition waste from end of life buildings resulting in decreased material acquisition as well as production related emissions. HyperCog is a digitalization project with the outcome of Human-Machine Interface (HMI) module decreasing energy , water and fuel consumption in white cement production line. Forge project is focusing on development of coating material incorporating alternative raw materials from energy-intensive industries providing enhanced the corrosion resistance , extended life span and decreased CO2 intensity.
Operations	Yes	In CIMSA's perspective, one of the forthcoming leverage points for tapping decarbonization potential in currently existing technologies and operations, lies at maintained operational enhancement. Operational enhancements are basically centered on energy efficiency and saving projects which improves the operational performance and contributes to decarbonization agenda in parallel. In 2022, CIMSA maintained plant specific investment plans involving optimization projects, equipment replacement & modernization investments and transition to the energy efficiency technologies with expected return on increased operational performance and savings in fuel and energy use. In CAC Plant, furnace shaft extension, increased combustion efficiency (burner) and close cloop cooling system yielded in 118,84 MWh electricity energy, 3 TJ heat energy saving resulting in 25.847 tCO2 emission reduction. In Mersin Plant (2.) raw meal mill, compressor specific energy consumption is decreased meanwhile process and raw material specific electricity usage is lowered. In Mersin Plant (3.), furnace processes are optimized, transition to energy efficient cooling and ecofiltration technologies are completed. All combined, these project resulted in 1379,7 MWh electricity energy and 1,126 TJ heat energy saving totaling up to 713,1 tCO2 emission reduction. Alternative fuel and product transition investments are also integral part of operational enhancement plans and investments. Infrastructure for alternative fuel usage is being proliferated in all power plants with integration of new processes and equipments to the currently existing operations.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets	Climate change related opportunities with financial return that CIMSA wants to seize in short and medium term, are basically centered on proliferation of circular economy practices for diversifying alternative fuel and raw material sources; implementing operational enhancements in company scale. Maintaining R&D investments in long term, evaluated as a key to achieve decarbonization goal and expand sustainable product portfolio which will create a revenue stream from target markets having low carbon product preference. Investing 11,463,738 .67 TRY in energy efficiency projects and 80,366,628.73 TRY in AF integration/feeding systems into currently existing technological infrastructure brings new cost items related to technology spenditure meanwhile CIMSA avoids fossil fuel caused direct and indirect expenses in return. Considering the increase in oil derived fuels and other fossil fuels like lignite and petrocoke along 2022,by using AF CIMSA avoided price fluctuation, also due to the energy saving projects CIMSA saved 1.413,65 TJ thermal and 1.498,54 MWh electrical energy in total amounting. R&D investments hold a significant share in capital allocation in annual basis. In 2022, R&D activities is upscaled with Sabancı Global Technology Center Gmbh establishment which is going to bring advantages of expanding revenue stream through green products and will contribute to the decarbonization enabling critical leverage points like future energy technologies, alternative raw materials as clinker substitute and optimized AF use in processes. %100 of the investments in R&D is directed to the sustainability and low-carbon product development related research topics and the investment amount is gradually being increased year by year. CIMSA keeps on investing solar power plants and in 2021, 52,000,000 TL is allocated to power plant project in Afyon plant which will be in generation phase starting from last quarter of 2023. All in all, from capital allocation point of view, all the above mentioned investments can be categorized as expense items but due to the decrease in indirect cost there is an increase in revenue stream. Another dynamic that CIMSA takes into account is the emerging local ETS and carbon tariffs that will be applied to CIMSA's products in foreign markets. By internalizing these costs, CIMSA reassessed the payback periods and prioritizes to invest in decarbonization projects instead of expenditures on carbon pricing instruments. Financial risks and opportunities driven by climate change driven market and regulatory context is analysed by Risk and Internal Control and Financial Planning and Analysis departments and reported to Sustainability Management Committee led by our CEO, these reports are influential on financial planning of new decarbonization investments. Ongoing decarbonization investment in line with divestment from low performing - in terms of carbon intensity- plants demonstrates dedication of our company to sustainability targets and also bring advantages on access to low interest rate capital for future investments.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with both our climate transition plan and a sustainable finance taxonomy	At the company level only

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric
Revenue/Turnover

Type of alignment being reported for this financial metric
Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported
Total across all objectives

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
139395379

Percentage share of selected financial metric aligned in the reporting year (%)
1.64

Percentage share of selected financial metric planned to align in 2025 (%)
20

Percentage share of selected financial metric planned to align in 2030 (%)
50

Describe the methodology used to identify spending/revenue that is aligned
Turnover from the sustainable product portfolio according to EU Taxonomy is taken as dividend and total turnover is taken as denominator.

Financial Metric
CAPEX

Type of alignment being reported for this financial metric
Alignment with our climate transition plan

Taxonomy under which information is being reported
<Not Applicable>

Objective under which alignment is being reported
<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
91830366.41

Percentage share of selected financial metric aligned in the reporting year (%)
29.07

Percentage share of selected financial metric planned to align in 2025 (%)
94.4

Percentage share of selected financial metric planned to align in 2030 (%)
99.99

Describe the methodology used to identify spending/revenue that is aligned
Capital expenditure items defined related to CIMSA's decarbonization pathway are namely; renewable energy power plant investments, product transition plan investments, heat recovery and efficiency investments, electricity energy efficiency investments and alternative fuel investments. Share of this investments in overall CAPEX expenditures is given as the percentage of selected metric .

Breakdown of investment shares in total CAPEX in 2022 are as below:

Alternative Fuel: 25.03 %
Heat Efficiency: 3.57%
Electricity Efficiency: 158%

Breakdown of investment shares in total CAPEX between 2022-2028 are as below:

Renewable Energy Investment:58.01%
Product Transition: 25.94%
Alternative Fuel: 7.59%
Heat Efficieny: 5.39%
Electricity Efficiency: 1.58%

C3.5c

(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

No, but we anticipate setting one in the next two years

Target ambition

<Not Applicable>

Year target was set

2018

Target coverage

Business division

Scope(s)

Scope 1

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

<Not Applicable>

Base year

2017

Base year Scope 1 emissions covered by target (metric tons CO2e)

4148165

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
4148165

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
78

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
78

Target year
2025

Targeted reduction from base year (%)
20

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
3318532

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
3513756

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
3513756

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
76.468631310471

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
We produce three types of (Grey, White, and CAC) cement and ready-mixed concrete. Our total emissions occurred from all types of our products. The target is set for the gross Scope 1 emissions of grey cement production which covers 78% of our total gross Scope 1 emissions in the base year. Our gross grey cement Scope 1 emissions for 2017 is 4,148,165 tCO2 and we aimed to decrease it to 3,318,532 tCO2 by 20% reduction.
Our grey cement Scope 1 emissions are 3,513,756 for the year 2022. Çimsa aims to continuously increase the use of alternative fuels and alternative raw materials in the production process and reduce greenhouse gas emissions.

Plan for achieving target, and progress made to the end of the reporting year
Çimsa contributes to its environmental and carbon-neutral targets by prioritizing the use of alternative fuels and alternative raw materials in its production processes. By replacing carbon-intensive fuels with carbon-free biomass and non-fossil fuels, it also supports the waste management processes of various industries and reduces the environmental impact of the waste.
We carry out studies to increase the use of alternative fuels and reduce the use of carbon-intensive raw materials in our processes. Currently, we obtain 26% of our energy from alternative fuels. With the support of the Alternative Fuel Feeding Plant, which we commissioned at the Afyon Factory in February 2022, we exceeded our target of 22% alternative fuel use, reaching 26%, and doubled the previous year. We aim to reach a utilization rate of 28% in 2023 and 35% in 2025, with the waste-derived fuel stocking and feeding investments we plan at our Mersin Plant, and optimization studies in our existing facilities

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 2

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition
1.5°C aligned

Year target was set
2020

Target coverage
Business division

Scope(s)
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)
4237076

Base year Scope 2 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
4237076

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
75

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
75

Target year
2025

Targeted reduction from base year (%)
4.6

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
4042170.504

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
3513756

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
3513756

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
371.113188106302

Target status in reporting year
Achieved

Please explain target coverage and identify any exclusions
We produce three types of (Grey, White, and CAC) cement and ready-mixed concrete. Our total emissions occurred from all types of our products. The target is set for the

gross Scope 1 emissions of grey cement production which covers 75% of our total gross Scope 1 emissions in the base year. Our gross grey cement Scope 1 emissions for 2020 is 4,237,076 tCO2 and it is aimed to decrease it to 4,042,171 tCO2 by 4.6% reduction.
Our grey cement Scope 1 emissions are 3,513,756 for the year 2022. So we have achieved our target.

Plan for achieving target, and progress made to the end of the reporting year
<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target
We carry out studies to increase the use of alternative fuels and reduce the use of carbon-intensive raw materials in our processes. Currently, we obtain 26% of our energy from alternative fuels. With the support of the Alternative Fuel Feeding Plant, which we commissioned at the Afyon Factory in February 2022, we exceeded our target of 22% alternative fuel use, reaching 26%, and doubled the previous year. We aim to reach a utilization rate of 28% in 2023 and 35% in 2025, with the waste-derived fuel stocking and feeding investments we plan at our Mersin Plant, and optimization studies in our existing facilities.

Target reference number
Abs 3

Is this a science-based target?
No, but we anticipate setting one in the next two years

Target ambition
<Not Applicable>

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2
Scope 3

Scope 2 accounting method
Location-based

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 9: Downstream transportation and distribution

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)
5642232

Base year Scope 2 emissions covered by target (metric tons CO2e)
309829

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
134348.57

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
82150.53

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
52625.7

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
74799.3

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
343294

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
6295985

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
100

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
95.4

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
99.7

Target year
2050

Targeted reduction from base year (%)
100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
5089124

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
261447

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
159107

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
344435

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
50741

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
181894

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
736176

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
6086748

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
3.32334019220186

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
Sabancı Group, which Çimsa is a member of, has committed to expanding its circular business model practices on an end-to-end basis and reaching “Net Zero” greenhouse gas emissions by 2050. This target covers all our Scope 1, Scope 2, and Scope 3 emissions.

Plan for achieving target, and progress made to the end of the reporting year

In 2022, CIMSA maintained plant specific investment plans involving optimization projects, equipment replacement & modernization investments and transition to the energy efficient technologies with expected return on increased operational performance and savings in fuel and energy use.
In CAC Plant, furnace shaft extension, increased combustion efficiency (burner) and closed loop cooling system yielded 118.84 MWh of electricity energy, 3 TJ heat energy saving resulting in 25,847 tCO2 emission reduction.
In Mersin Plant (2.) raw meal mill, compressor specific energy consumption is decreased meanwhile process and raw material specific electricity usage is lowered. In Mersin Plant (3.), furnace processes are optimized, transition to energy efficient cooling and ecofiltration technologies are completed. All combined, these projects resulted in 1379.7 MWh of electricity energy and 1.126 TJ heat energy saving totaling up to 713.1 tCO2 emission reduction.
Alternative fuel and product transition investments are also integral parts of operational enhancement plans and investments. Infrastructure for alternative fuel usage is being proliferated in all power plants with the integration of new processes and equipments into the currently existing operations.
We increased our investments in low CO2 cement production in line with the demands of our customers.
We converted the vehicles we use within the company into low-emission vehicles in 2022, transferred some of the road transports to the railway, and thus we achieved a reduction in our Scope 3 emissions.
Our Supply Chain and R&D teams developed an alternative raw material containing aluminum to address disruptions in raw material supply. With the product containing calcium aluminate flux, a reduction in logistics costs and Scope 3 emissions has been achieved.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 4

Is this a science-based target?
No, and we do not anticipate setting one in the next two years

Target ambition
<Not Applicable>

Year target was set
2022

Target coverage
Company-wide

Scope(s)
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
309829

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
309829

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
80

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
61965.8

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
261447

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
261447

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
19.5196382520681

Target status in reporting year
New

Please explain target coverage and identify any exclusions
Following the Mersin plant PV installation, CIMSA started in solar power plant installation in Afyon plant - with installed power of 3,37 MWp-, which makes CIMSA the largest investor in cement industry in Turkey for electricity generation for self-consumption.

Plan for achieving target, and progress made to the end of the reporting year

CIMSA increased share of renewable energy sourced electricity use from 4,8 % in 2021 to 58,2 % in 2022.
Renewable energy sourced electricity with I-REC and YEK-G (local) certificates is prioritized for decarbonizing Scope 2 emissions due to electricity use.
In CAC Plant, furnace shaft extension, increased combustion efficiency (burner) and close loop cooling system yielded in 118.84 MWh electricity energy, 3 TJ heat energy saving resulting in 25,847 tCO2 emission reduction.
In Mersin Plant (2.) raw meal mill, compressor specific energy consumption is decreased meanwhile process and raw material specific electricity usage is lowered. In Mersin Plant (3.), furnace processes are optimized, transition to energy efficient cooling and ecofiltration technologies are completed. All combined, these project resulted in 1379.7 MWh electricity energy saving totaling up to 713.1 tCO2 emission reduction.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 4

Is this a science-based target?
No, but we anticipate setting one in the next two years

Target ambition
<Not Applicable>

Year target was set
2021

Target coverage
Business division

Scope(s)
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Intensity metric
Other, please specify (metric tons CO2e per metric ton of cementitious)

Base year
2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
0.792

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
0.792

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
99

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure
<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure
99

Target year
2030

Targeted reduction from base year (%)
22

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
0.61776

% change anticipated in absolute Scope 1+2 emissions
21

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
0.679

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
0.679

Does this target cover any land-related emissions?
Please select

% of target achieved relative to base year [auto-calculated]
64.8530762167126

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
The target cover Scope 1 emissions of grey and white cement production which covers 99% of our total Scope 1 emissions in the base year. The intensity figure is defined as metric tons CO2e per metric ton of cementitious. The intensity is 0.792 tCO2e/ton cementitious for the base year defined as 2020 and it is aimed to decrease it to 0.618 tCO2e/ton cementitious by 2030. The intensity figure for the reporting year is 0.679 tCO2e/ton cementitious.

Plan for achieving target, and progress made to the end of the reporting year
As Çimsa we work on increasing the use of alternative fuel, energy efficiency projects, technological plant investments, reducing clinker use and transition to blended cement, decreasing the clinker use through additives and decarbonizing raw material for emission reduction. Based on Sabancı Holding's net-zero commitment, we act in line with the commitments our Group and in this regard, adhere to our own low carbon transition plan. We act in line with the net zero commitment of Sabancı Holding, of which we are a subsidiary, and in this context, we adhere to our own low carbon transition plan.
Çimsa contributes to its environmental and carbon-neutral targets by prioritizing the use of alternative fuels and alternative raw materials in its production processes. By replacing carbon-intensive fuels with carbon-free biomass and non-fossil fuels, it also supports the waste management processes of various industries and reduces the environmental impact of the waste.
One of the ways to reduce greenhouse gas emissions in the cement industry is to use alternative fuels. According to our transition plan, we foresee 2 phases, 2025 and 2030. In the first phase, we aimed to increase the use of alternative fuels by 35% in 2025 and in the second phase by 40% in 2030. With the support of the Alternative Fuel Feeding Plant, which we commissioned at the Afyon Factory in February 2022, we exceeded our target of 22% alternative fuel use, reaching 26%, and doubled the previous year. We aim to reach a utilization rate of 28% in 2023 and 35% in 2025, with the waste-derived fuel stocking and feeding investments we plan at our Mersin Plant, and optimization studies in our existing facilities

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Int 5

Is this a science-based target?
No, but we anticipate setting one in the next two years

Target ambition
<Not Applicable>

Year target was set
2022

Target coverage
Business division

Scope(s)
Scope 1

Scope 2 accounting method
<Not Applicable>

Scope 3 category(ies)
<Not Applicable>

Intensity metric
Other, please specify (metric tons CO2e per metric ton of cementitious)

Base year
2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
0.91

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
0.91

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
24

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure
<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure
<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure
24

Target year
2030

Targeted reduction from base year (%)
22

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
0.7098

% change anticipated in absolute Scope 1+2 emissions
21

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
0.912

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
0.912

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
-0.999000999001

Target status in reporting year
New

Please explain target coverage and identify any exclusions
This target includes specific net CO2 per tonne of the cementitious product of white cement products.

Plan for achieving target, and progress made to the end of the reporting year

HyperCog is a digitalization project with the outcome of Human-Machine Interface (HMI) module which was developed to decrease energy consumption, water consumption and fuel consumption in white cement production lines. Image processing/machine learning technologies are used within the scope of the HyperCOG project on digitalization, which is one of Çimsa's priority areas. The project aims to ensure efficiency in the white cement production line, increase product quality by optimizing the use of natural resources, and reduce environmental impact.
Considering the fact that decarbonization focus is related to Scope 1 emissions for the cement industry, energy and material saving related digitalization projects lead to the reduction of emissions related to Scope 1 emissions.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs3

Target year for achieving net zero
2050

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Please explain target coverage and identify any exclusions
Sabancı Group, which Çimsa is a member of, has committed to expand its circular business model practices on an end-to-end basis and reach “Net Zero” greenhouse gas emissions by 2050.
This target covers all our Scope 1, Scope 2, and Scope 3 emissions. The baseline year for Scope 3 is defined as 2021 which is the first year the Scope 3 emissions were verified by an independent third party. The following categories are calculated under Scope 3 emissions: Purchased goods and services, Fuel-and-energy-related activities, Upstream transportation and distribution, and Downstream transportation and distribution.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Yes

Planned milestones and/or near-term investments for neutralization at target year
The methodology developed by the World Business Council for Sustainable Development (WBCSD) and the Global Cement and Concrete Association (GCCA) is used to calculate our greenhouse gas emissions from production processes. While planning our carbon neutral journey, we determine the main levers at our disposal to cut all types of emissions and we create our investment and action plans according to their potential to contribute to our targets.

Alternative Fuel and Raw Materials
Çimsa contributes to its environmental and carbon neutral targets by prioritizing the use of alternative fuels and alternative raw materials in its production processes. By replacing carbon-intensive fuels with carbon-free biomass and non-fossil fuels, it also supports the waste management processes of various industries and reduces the environmental impact of the waste. With the support of the Alternative Fuel Feeding Plant commissioned at the Afyon Factory in February 2022, we exceeded our target of 22% alternative fuel use, reaching 26%, and doubled the previous year. We aim to reach a utilization rate of 28% in 2023 and 35% in 2025, with the waste-derived fuel stocking and feeding investments we plan at our Mersin Plant, and optimization studies in our existing facilities.

Energy Management and Use of Green Energy
Increasing energy efficiency in production processes and reducing energy consumption is an area open to continuous improvement. Çimsa closely follows technological developments in this regard. In 2022, energy efficiency projects brought savings of 1.126TJ of thermal energy and 1379.7 MWh of electricity for Çimsa.

Work on Decarbonized Raw Materials
One of the important issues in our journey to being carbon neutral is the reduction of CO2 emissions generated during calcination, by using decarbonized raw materials. Our plan includes the testing of alternative raw materials through our raw material supply network along with R&D activities.

Carbon Capture, Utilization and Storage (CCUS) Technologies
It is thought that carbon capture, use and storage technologies will reach a share of 30-50% in the process of reaching the carbon neutral target. With the GCCA, which we are a member of, and Çimsa’s other collaborations, we follow CCUS technologies and start-up projects around the world. Our R&D Unit develops designs in our products which will allow carbon storage, by working on alternatives for capturing carbon dioxide in concrete with the “C-World” project.

Planned actions to mitigate emissions beyond your value chain (optional)
Çimsa considers the management of Scope 1, Scope 2 and Scope 3 greenhouse gas emissions as a whole throughout the value chain as its main strategy. We aim to work in cooperation with our suppliers and customers in tackling the climate crisis, with due attention placed on the management of our impact stemming from our value chain. Aware of its sectoral responsibilities, Çimsa will develop sustainable business models by including suppliers, customers and other business partners with investments that touch society and the lives of people to create sustainable cities and living spaces.
By focusing on sustainable cities and living spaces, Çimsa will proceed with the steps of sustainable product development through its R&D activities, energy efficiency, the use of low-carbon energy resources and raw material and fuel supply based on the principle of a circular economy. At the same time, our company is focused on developing the formula to be carbon neutral by 2050 by planning advanced technological investments such as carbon capture and storage.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	6	177306
To be implemented*	20	62713
Implementation commenced*	3	155000
Implemented*	14	1335905
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
613

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1470797

Investment required (unit currency – as specified in C0.4)
4120950

Payback period
1-3 years

Estimated lifetime of the initiative
16-20 years

Comment
Transition to a closed loop system in the cooling water system in the CAC Facility.
At Mersin 2nd Facility:
Improvement of specific energy consumption of raw mill with raw mill roller and table plate replacement
Reduction of Specific Electricity with raw material and process optimization
Improvement in compressor energy consumption with compressed air lines and usage improvements.
At Mersin 3rd Facility:
Reduction of electro-filter fan energy consumption with electro-filter body modifications and recuperator bottom and pipe replacements
Increasing the efficiency of the cooling tower pumping station.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
177771

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
61480800

Investment required (unit currency – as specified in C0.4)
37231619

Payback period
<1 year

Estimated lifetime of the initiative
Please select

Comment
30.16% of the rotary kiln's heat demand of 1.315 TJ was covered by alternative fuels with the waste incinerator at the Afyon plant in 2022.
At Mersin 3rd Facility; Increasing calorific efficiency with furnace process optimization and cooler exhaust pipe replacement has occurred.
I-REC Certification for the purchase of electricity from geothermal energy up to 50% of the total electricity use of the factories
Waste heat recovery with Mersin WHR Facility.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
1157521

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
2778050803

Investment required (unit currency – as specified in C0.4)
6328200

Payback period
<1 year

Estimated lifetime of the initiative
21-30 years

Comment
CAC Facility: The combustion efficiency was increased with the extension of the 3rd furnace shaft and the change of the flame tube.
In TR Operations, product transformation projects and other alternative fuel studies were carried out.
Emission reduction from Kayseri-Niğde facilities has been achieved.(It covers the 5-month period in the reporting year).

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for low-carbon product R&D	We are conducting numerous studies on increasing the use of alternative fuels and raw materials and optimizing their effects on products and processes, a priority topic for today's cement industry. These studies include examining the effect of using alternative raw materials and fuels on production processes, new application methods, reusing recycled materials and developing type of cement with low carbon content. With our “From Grey to Green” approach, we are working to reduce the ratios of clinker without compromising the characteristics and quality of existing products to achieve low carbon content. Re-Con R&D project We aim to utilize demolition rubble in non-load bearing construction elements and increase the properties of concrete with the addition of different wastes as alternative raw materials to recipes. The budget of the project is 2,595,387 TRY in 2022. New World project focuses on the development of a cement profile with 30-50 % lower carbon emissions with respect to CEM I type types of cement. The budget of the project is 4,371,575 TRY in 2022. C-World project is basically focused on sequestrating carbon in concrete during hydration in the cement curing process. It leads to carbon sequestration in downstream operations offsetting overall carbon emissions. The budget of the project is 5,970,893 TRY in 2022. Namely HyperCog is a digitalization project with the outcome of Human-Machine Interface (HMI) module which was developed to decrease energy consumption, water consumption and fuel consumption in white cement production line. The budget of the project is 3,559,161 TRY in 2022. Iceberg R&D project targets developing an ecohybrid cement type by using demolition waste from end of life buildings. The budget of the project is 1,930,061TRY in 2022. Non-Shrink project provides better material quality and longevity advantages and extends life span of the product which lowers the demand for same product and attached material acquisition and production related emissions indirectly in long run. The budget of the project is 2,952,554 in 2022 Forge-H2020 project, development of coating material that is intended to increase the corrosion/erosion resistance of the materials currently used in energy-intensive industries. The budget of the project is 664,853 in 2022.
Employee engagement	Employees are one of the most important stakeholders of Çimsa. Employees’ role is extremely critical in the achievement of the company’s sustainability objectives both in operation and production processes. The behavioral change of employees will both help the integration of sustainability aspects to core business activities and also the achievement of the targets in an effective and efficient way. R&D competencies and the employment of qualified personnel were stepped up, the production studies started to be given weight, and a complete project-based work system has been transitioned into the development of the R&D center philosophy.
Dedicated budget for other emissions reduction activities	Increasing energy efficiency in production processes and reducing energy consumption is an area open to continuous improvement. Çimsa closely follows technological developments in this regard. Çimsa is evaluating options for purchasing low-emission energy generated from renewable energy sources. At the same time, talks continue on energy consumption certified with the International Green Energy Certificate (I-REC). 30.16% of the rotary kiln's heat demand of 1.315 TJ was covered by alternative fuels with the waste incinerator at the Afyon plant in 2022. At Mersin 3rd Facility; Increasing calorific efficiency with furnace process optimization and cooler exhaust pipe replacement has occurred. I-REC Certification for the purchase of electricity from geothermal energy up to 50% of the total electricity use of the factories Waste heat recovery with Mersin WHR Facility.
Internal price on carbon	It is into account that carbon prices might be in line with local ETS and carbon tariffs on CIMSA's products in domestic and foreign markets. By internalizing these costs, CIMSA prioritized investing in decarbonization projects with more attractive payback back periods particularly decreasing direct costs for energy and raw material. By considering carbon tariff risks, accelerated decarbonization investments also bring unaccountable costs like reputation and market potential. In line with concrete outcomes of carbon pricing instruments, CIMSA financially outlined the costs of its decarbonization milestones in parallel to SBTi commitment processes which solidified operational, capital expenditure and R&D decisions taking carbon pricing into account. CIMSA also propagates its decarbonization approach to its shareholders, suppliers and contractors. Taking a step further from raising awareness in corporate culture about decision-making with sustainable and social responsibility perspective, CIMSA solidified its policies of sustainable procurement and stakeholder relationship in 2022. An ongoing outcome of this approach is the modal shift from high-carbon transportation options to low-carbon transportation options as well as the promotion of EV and low-carbon fuels in internal operations. In this regard shift to railway and maritime transport is monitored and its share is targeted to be increased gradually. Financial risks and opportunities driven by climate change-driven market and regulatory context are analyzed by Risk and Internal Control and Financial Planning and Analysis departments and reported to Sustainability Committee led by our CEO, these reports are influential on the financial planning of new decarbonization investments. Ongoing decarbonization investments and divestments clearly demonstrate the dedication of our company to sustainability targets and also bring advantages on capital access with low-interest rates for future investments.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation
Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon
Other, please specify (To determine sustainable cement products, the Company has taken the clinker utilization rate as a basis (a clinker utilization rate of less than 80%)

Type of product(s) or service(s)

Cement and concrete	Other, please specify (Blended Cement)

Description of product(s) or service(s)
The products which have a clinker utilization rate of less than 80% are defined as low carbon products. In the scope, 10 products are defined as sustainable products. We achieved a revenue of 487.8 million TL in 2022 with our 10 sustainable products. In addition, we carry out studies to increase the use of alternative fuels and reduce the use of carbon-intensive raw materials in our processes. We evaluate local and international market conditions, consumer preferences, the applicability of our solutions and the application of new technologies in our processes in order to optimize our risks regarding customer expectations.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
Yes

Methodology used to calculate avoided emissions
Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions (ILCA)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
Cradle-to-grave

Functional unit used
Sold cementitious product

Reference product/service or baseline scenario used
The CO2 savings obtained with products with a clinker utilization rate below 80% were evaluated. In addition, scenarios where clinker usage is over 80% but CO2 savings can be achieved by using optimum clinker with various improvements are included.

Life cycle stage(s) covered for the reference product/service or baseline scenario
Cradle-to-grave

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
135000

Explain your calculation of avoided emissions, including any assumptions
170,000 tons of clinker were saved through low-carbon products. With this clinker savings, 135,000 tons of CO2 savings were achieved according to the calculation based on emission intensity.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
5.7

C-CE4.9

(C-CE4.9) Disclose your organization's best available techniques as a percentage of Portland cement clinker production capacity.

	Total production capacity coverage (%)
4+ cyclone preheating	18
Pre-calciner	82

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
4844326

Comment
We produce three types of (Grey, White, and CAC) cement. The given gross global Scope 1 emissions figure represents the emissions of all cement types.

Scope 2 (location-based)

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
314923

Comment
We produce three types of (Grey, White, and CAC) cement. The given gross global Scope 1 emissions figure represents the emissions of all cement types and ready-mixed concrete .

Scope 2 (market-based)

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
0

Comment
CIMSA consumes electricity from the interconnected grid.

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
134349

Comment
It includes upstream (cradle-to-gate) emissions of purchased goods and services. The emission related to the purchased good and services was calculated and verified by a third party first in 2021. Therefore, the baseline year for this category is 2021.

Scope 3 category 2: Capital goods

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
2604

Comment
It includes upstream (cradle-to-gate) emissions of capital goods. The emission related to the capital good was calculated and verified by a third party first in 2021. Therefore, the baseline year for this category is 2021.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
82151

Comment
Fuel-and-energy-related activities include Well to tank (WTT) process emissions of consumed fuels and electricity. The emission related to this category was calculated and verified by a third party first in 2021. Therefore, the baseline year for this category is 2021.

Scope 3 category 4: Upstream transportation and distribution

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
52626

Comment
This category covers WTW emissions from outsourced logistics services used which are not already reported in scopes 1 and 2 emissions. It covers our global operations across all business units. The emission related to this category was calculated and verified by a third party first in 2021. Therefore, the baseline year for this category is 2021.

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
36

Comment
Emissions from waste depend on the type of waste being disposed of, and the waste diversion method. The emission related to this category was calculated and verified by a third party first in 2021. Therefore, the baseline year for this category is 2021.

Scope 3 category 6: Business travel

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
11636

Comment
Emissions arising from air travel have been accounted for under business travel-related Scope 3 emissions. The emission related to this category was calculated and verified by a third party first in 2021. Therefore, the baseline year for this category is 2021.

Scope 3 category 7: Employee commuting

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
2335

Comment
Employee commuting is realized by scheduled buses and minibuses. The emission related to this category was calculated and verified by a third party first in 2021. Therefore, the baseline year for this category is 2021.

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
74799

Comment
It includes outsourced logistic services for the transportation of sold products. The emission related to this category was calculated and verified by a third party first in 2021. Therefore, the baseline year for this category is 2021.

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
IEA CO2 Emissions from Fuel Combustion
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
WBCSD: The Cement CO2 and Energy Protocol

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
5089124

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
We produce three types of (Grey, White, and CAC) cement. The given gross global Scope 1 emissions figure represents the emissions of all cement types and also ready-mixed concrete.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
We consume electricity from the grid which is reported as Scope 2, location-based figure. We consume International Renewable Energy Certificate (I-REC)-certified electricity which is reported as Scope 2, location-based figure.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
261447

Scope 2, market-based (if applicable)
129447

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
We consume electricity from the grid which is reported as Scope 2, location-based figure.
We drew 300,000 MWh of electrical energy from International Renewable Energy Certificate (I-REC)-certified geothermal energy sources, preventing the release of 132,000 tonnes of CO_2 into the environment, which would be covered by Scope 2, market-based figure.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions
The administrative building facilities and head office

Scope(s) or Scope 3 category(ies)
Scope 1
Scope 2 (location-based)
Scope 2 (market-based)

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of Scope 3 emissions from this source
<Not Applicable>

Date of completion of acquisition or merger
<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents
0

Estimated percentage of total Scope 3 emissions this excluded source represents
<Not Applicable>

Explain why this source is excluded
The administrative buildings of facilities and head office are not included since their emissions are negligible estimated as %0.1 of total emissions. The head office is located in the business center. Since there is no separate meter owned by ÇİMSA, consumption quantities are determined by allocation method and invoiced to ÇİMSA by the business center management. The emissions are not calculated since it is very low and estimated based on allocation

Explain how you estimated the percentage of emissions this excluded source represents
The total Scope 1 and Scope emissions are 5,350,571 tCO2. The estimated emissions from the administrative buildings are calculated as 4,000 tCO2 to be on the conservative side. Therefore, the emissions are negligible since they are estimated as less than %0.1 of total emissions on the safe side.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
186457.25

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
The average-data method, which involves estimating emissions using secondary (e.g., industry average) emission factors for upstream emissions per consumption unit (e.g., kg CO2e/tonne material) is applied. The "DEFRA Greenhouse Gas Reporting: Conversion Factors 2022" is used. It includes upstream (cradle-to-gate) emissions of purchased goods used in the cement and ready-mix concrete business. This covers purchased raw materials (gypsum, limestone, additives etc.).
The average-data method is applied according to the "GHG Protocol Technical Guidance for Calculating Scope 3 Emissions". Emissions are calculated by the data on the mass (kilograms) or other relevant units of goods purchased and multiplied by the emission factor. The activity data which is amount of raw materials purchased is based on purchase records.
Cradle-to-gate emission factors of the purchased goods per unit of mass (e.g., kg CO2e/kg) are applied which are based on the "DEFRA Greenhouse Gas Reporting, Conversion Factors 2022".

Capital goods

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
6491.33

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
The average-data method, which involves estimating emissions using secondary (e.g., industry average) emission factors for upstream emissions per consumption unit (e.g., kg CO2e/tonne material) is applied. The "DEFRA Greenhouse Gas Reporting: Conversion Factors 2022" is used. It includes upstream (cradle-to-gate) emissions of capital goods purchased in the reporting year. This covers purchased mechanical equipment.
The average-data method is applied according to the "GHG Protocol Technical Guidance for Calculating Scope 3 Emissions". Emissions are calculated by the data on the mass (kilograms) or other relevant units of capital good and multiplied by the emission factor. The activity data which is amount of mechanical equipment is based on purchase records.
Cradle-to-gate emission factors of the capital goods per unit of mass (e.g., kg CO2e/kg) are applied which are based on the "DEFRA Greenhouse Gas Reporting, Conversion Factors 2022".

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
344435

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
The average-data method, which involves estimating emissions using secondary (e.g., industry average) emission factors for upstream emissions per consumption unit (e.g., kg CO2e/kWh) is applied. The "DEFRA Greenhouse Gas Reporting: Conversion Factors 2022" is used. Fuel-and-energy-related activities include Well to Tank (WTT) process emissions of consumed fuels which is used in the cement plants such as kiln fuels, onsite power generation and electricity.
The energy consumption figures are based on invoices and measured parameters. The data is based on energy consumption that is monitored and cross-checked with the supplier invoice. Emission factors are based on the "DEFRA Greenhouse Gas Reporting, Conversion Factors 2022".

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
50503.29

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
80

Please explain
This category covers the emissions from outsourced logistics services used which are not already reported in scopes 1 and 2 emissions. It covers the transportation of our raw materials from supplier to facilities and our global operations across all business units. The data includes road, rail, and waterway transport.
The emissions are calculated based on the distance-based method, which involves determining the mass and distance, then applying the appropriate mass-distance emission factor for the vehicle used according to the Greenhouse Gas Protocol -Corporate Value Chain (Scope 3) Accounting and Reporting Standard. To calculate emissions, the number of goods purchased in mass by the distance traveled in the transport leg and then multiply that by an emission factor specific to the transport mode. Because each transport mode or vehicle type has a different emission factor, the transport legs are calculated separately and total emissions aggregated. The activity data which is the amount of raw materials transported is based on purchase records. Emission factors are based on the "DEFRA Greenhouse Gas Reporting, Conversion Factors 2022".

Waste generated in operations

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
1.83

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
This category covers emissions from third-party disposal and treatment of waste generated in our operations in the reporting year.
The waste-type-specific method is applied which involves using emission factors for specific waste types and waste treatment methods. The emissions are calculated based on the "DEFRA Greenhouse Gas Reporting: Conversion Factors 2022" tool. Emissions from waste depend on the type of waste being disposed of, and the waste diversion method. Therefore, waste data based on its type (e.g., cardboard, food waste, wastewater) and the waste treatment method (e.g., incinerated, landfilled, recycled) are necessary for calculation.
We record all kinds of waste generated in our activities every year and upload the amount of waste according to their waste code to the online system in line with the local regulation. By this declaration, we calculate emissions inventory according to DEFRA GHG Conversion Factors. Emission factors are based on the "DEFRA Greenhouse Gas Reporting, Conversion Factors 2022".

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
493.77

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Business travel includes air travel and hotel accommodation for Cimsa’s employees.
The distance-based method, which involves determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used is applied as per the Greenhouse Gas Protocol -Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The distance-based method involves multiplying activity data (i.e., vehicle-kilometers or person-kilometers traveled by vehicle type) by emission factors (typically default national emission factors by vehicle type). Vehicle types include all categories of aircraft, rail, subway, bus, automobile, etc.
The emission factor for hotel stays is based on the country (kilograms of CO2e emitted per hotel night). The "DEFRA Greenhouse Gas Reporting: Conversion Factors 2022" is used.
We gathered travel information from our travel management company which includes both flights and hotel stays. The emissions arising from air travel and hotel stays have been calculated.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
2783.63

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
The distance-based method, which involves collecting data from employees on commuting patterns (e.g., distance traveled and mode used for commuting) and applying appropriate emission factors for the modes used is applied as per the Greenhouse Gas Protocol -Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Total distance traveled by employees over the reporting period (e.g., passenger-kilometers traveled) and mode of transport used for commuting (e.g., train, subway, bus, car, bicycle) data are necessary for calculation.
Employee commuting is realized by scheduled buses and minibuses. Since the employee number carried on each trip is assumed to equal the full capacity of vehicles, this calculation may include a little overestimation. The distance data is obtained from the supplier service agreement. Emission factors are based on the "DEFRA Greenhouse Gas Reporting, Conversion Factors 2022".

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Our leased assets are calculated under Scope 1 and 2 since they are under our operation control. Therefore, we don't have any emissions from upstream leased assets in the reporting year.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
191976.5

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
80

Please explain
It covers the transportation of our sold products from facilities to supplier and our global operations across all business units. The data includes road, rail, and waterway transport.
The emissions are calculated based on the distance-based method, which involves determining the mass and distance, then applying the appropriate mass-distance emission factor for the vehicle used according to the Greenhouse Gas Protocol -Corporate Value Chain (Scope 3) Accounting and Reporting Standard. To calculate emissions, the number of goods purchased in mass by the distance traveled in the transport leg and then multiply that by an emission factor specific to the transport mode. Because each transport mode or vehicle type has a different emission factor, the transport legs are calculated separately and total emissions aggregated. The activity data which is the amount of product transported is based on sales records. Emission factors are based on the "DEFRA Greenhouse Gas Reporting, Conversion Factors 2022".

Processing of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
33108

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Average-data method involves estimating emissions for processing of sold intermediate products based on average secondary data, such as average emissions per process or per product. The reported emission covers electricity consumption at the ready mixed concrete plant.
The emission factor is applied as 11 kWh/tonne of cement according to the Cement Sector Scope 3 GHG Accounting and Reporting Guidance (WBCSD).

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Based on World Business Council for Sustainable Development - Cement Sustainability Initiative - Scope 3 Guidance it is not relevant.
Also, our main Scope 3 emissions are purchased goods, fuel and energy related activities, upstream and downstream transportation which covers our about %93 of Scope 3 emissions. The use of sold product emissions is neglectable based on materiality assessment.

End of life treatment of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
8841

Emissions calculation methodology
Average data method
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
This category includes emissions from the waste disposal and treatment of products sold at the end of their life. The average-data method on waste treatment is from the point that the products are sold by Cimsa through to the end of life after consumer use.
The waste-type-specific method is applied which involves using emission factors for specific waste types and waste treatment methods. The emissions are calculated based on the "DEFRA Greenhouse Gas Reporting: Conversion Factors 2022" tool. Emissions from waste depend on the type of waste being disposed of, and the waste diversion method.
Therefore, waste data based on its type and the waste treatment method (e.g., incinerated, landfilled, recycled) are necessary for calculation. The waste type is concrete which is the product sold. It is assumed on the conservative side that all concrete is sent to landfill for disposal. The amount of sold products is based on sales data.
Emission factors are based on the "DEFRA Greenhouse Gas Reporting, Conversion Factors 2022".

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Based on World Business Council for Sustainable Development - Cement Sustainability Initiative - Scope 3 Guidance it is not relevant.
We don't have any emissions from the operation of assets that are owned by us and leased to other entities in the reporting year that are not already included in scope 1 or scope 2. Since no assets are leased, we don't have any emissions from downstream leased assets in the reporting year.

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Based on World Business Council for Sustainable Development - Cement Sustainability Initiative - Scope 3 Guidance it is not relevant.
A franchise is a business operating under a license to sell or distribute another company’s goods or services within a certain location. We don't have any franchise.
Therefore, we don't have any emissions from franchise in the reporting year.

Investments

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Based on World Business Council for Sustainable Development - Cement Sustainability Initiative - Scope 3 Guidance it is not relevant.
This category is applicable to investors (i.e., companies that make an investment with the objective of making a profit) and companies that provide financial services. Investment emissions associated with the investments in the reporting year are not already included in Scope 1 or Scope 2. The emissions from fuel and electricity consumption due to investment projects applied on the site are calculated under Scop1 and 2 emissions.
Therefore, we don't have any emissions from investments in the reporting year.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
There are no additional upstream emission sources.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
There are no additional downstream emission sources.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.0006235

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
5350571.09

Metric denominator
unit total revenue

Metric denominator: Unit total
8582005230

Scope 2 figure used
Location-based

% change from previous year
80

Direction of change
Decreased

Reason(s) for change
Other emissions reduction activities
Change in revenue

Please explain
Total emissions released in 2022 increased by 17% compared to the previous year. The total turnover of 2022, has increased by 313%. As a result of this, the intensity decreased by 80% compared to the previous year.

C-CE6.11

(C-CE6.11) State your organization's Scope 1 and Scope 2 emissions intensities related to cement production activities.

	Gross Scope 1 emissions intensity, metric tons CO2e per metric ton	Net Scope 1 emissions intensity, metric tons CO2e per metric ton	Scope 2, location-based emissions intensity, metric tons CO2e per metric ton
Clinker	0.866	0.825	0.04
Cement equivalent	0.709	0.675	0.032
Cementitious products	0.775	0.739	0.036
Low-CO2 materials	0.382	0.329	0.02

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	5078727	IPCC Sixth Assessment Report (AR6 - 100 year)
CH4	3660	IPCC Sixth Assessment Report (AR6 - 100 year)
N2O	6738	IPCC Sixth Assessment Report (AR6 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Turkey	5089124

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division
By facility

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Grey Cement	3513756
White Cement	1519900
Calcium Aluminate Cement (CAC)	44441
Ready-mixed concrete	11027

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Mersin Cement Plant - Grey Cement	1077149	36.8	34.633333
Eskişehir Cement Plant - Grey Cement	697581	39.78	30.520556
Kayseri Cement Plant - Grey Cement	281753	38.75	35.549791
Niğde Cement Plant - Grey Cement	333346	37.95	34.686367
Afyon Cement Plant - Grey Cement	1123927	38.66	30.615968
Mersin Cement Plant - White Cement	1169704	36.8	34.633333
Eskişehir Cement Plant - White Cement	350196	39.78	30.520556
Mersin Cement Plant - CAC	44441	36.8	34.633333
Ankara Clinker Grinding Plant	0	39.97	33.11712
Ready-mixed concrete facilities	11027		

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	5078097	4837789	This figure includes grey, white, and CAC cement production activities.
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Turkey	261447	129447

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division
By facility

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Grey Cement	174763	84123
White Cement	82081	42261
Calcium Aluminate Cement (CAC)	3431	1891
Ready-mixed concrete	1172	1172

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Mersin Cement Plant - Grey Cement	55797	29397
Eskişehir Cement Plant - Grey Cement	35355	13355
Kayseri Cement Plant - Grey Cement	16088	9048
Niğde Cement Plant - Grey Cement	15634	7714
Afyon Cement Plant - Grey Cement	51889	24609
Mersin Cement Plant - White Cement	64239	34099
Eskişehir Cement Plant - White Cement	17842	8162
Mersin Cement Plant - CAC	3431	1891
Ankara Clinker Grinding Plant	0	0
Ready-mixed concrete	1172	1172

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	261447	129447	This figure includes grey, white and CAC cement production activities. We consume electricity from the grid which is reported as Scope 2, location-based figure. We consume International Renewable Energy Certificate (I-REC)-certified electricity which is reported as Scope 2, location-based figure.
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	132000	Decreased	2.1	Renewable energy sourced electricity with I-REC and YEK-G (local) certificates is prioritized for decarbonizing Scope 2 emissions due to electricity use. CIMSA increased share of renewable energy sourced electricity use from 4.8 % in 2021 to 58.2 % in 2022. We drew 300,000 MWh of electrical energy from International Renewable Energy Certificate (I-REC)-certified geothermal energy sources in the first 7 months of the year, preventing the release of 132,000 tCO2 into the atmosphere. Our total emissions (Scope 1 and Scope 2) in the previous year were 6,437,518 tCO2e. It decreased to 5,350,571 tCO2e in the reporting year. Therefore there is an 16.9% decrease in total emissions. ((5,350,571 - 6,437,518) /6,437,518) * 100 = 16.9% By avoiding of 132,000 tCO2, the total Scope 1 and 2 emissions are decreased 2.1%. (132,00 / 6,437,518) * 100 = 2.1%
Other emissions reduction activities	954947	Decreased	14.8	We carry out studies to increase the use of alternative fuels and reduce the use of carbon-intensive raw materials in our processes. Currently, we obtain 26% of our energy from alternative fuels. With the support of the Alternative Fuel Feeding Plant, which we commissioned at the Afyon Factory in February 2022, we exceeded our target of 22% alternative fuel use, reaching 26%, and doubled the previous year. In CAC Plant, furnace shaft extension, increased combustion efficiency (burner) and close loop cooling system yielded in 118.84 MWh electricity energy, 3 TJ heat energy saving resulting in 25,847 tCO2 emission reduction. In Mersin Plant (2.) raw meal mill, compressor specific energy consumption is decreased meanwhile process and raw material specific electricity usage is lowered. In Mersin Plant (3.), furnace processes are optimized, transition to energy efficient cooling and ecofiltration technologies are completed. All combined, these project resulted in 1379.7 MWh electricity energy and 1.126 TJ heat energy saving totaling up to 713.1 tCO2e emission reduction Our total emissions (Scope 1 and Scope 2) in the previous year were 6,437,518 tCO2e. It decreased to 5,350,571 tCO2e in the reporting year. Therefore there is an 16.9% decrease in total emissions. ((5,350,571 - 6,437,518) /6,437,518) * 100 = 16.9% By avoiding of 132,000 tCO2, the total Scope 1 and 2 emissions are decreased 2.1%. (954,947 / 6,437,518) * 100 = 14.8%
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 80% but less than or equal to 85%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	191389	5734385	5925774
Consumption of purchased or acquired electricity	<Not Applicable>	300000	248696	548696
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	45804	<Not Applicable>	45804
Total energy consumption	<Not Applicable>	537193	5983081	6520274

C-CE8.2a

(C-CE8.2a) Report your organization's energy consumption totals (excluding feedstocks) for cement production activities in MWh.

	Heating value	Total MWh
Consumption of fuel (excluding feedstocks)	LHV (lower heating value)	5884742
Consumption of purchased or acquired electricity	<Not Applicable>	548696
Consumption of other purchased or acquired energy (heat, steam and/or cooling)	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	6433438

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value
LHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other biomass

Heating value
LHV

Total fuel MWh consumed by the organization
191389

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
This figure includes sewage sludge, wood, non-impregnated saw dust, animal meal, other biomass, and biomass content from alternative fuels which are consumed as an alternative fuel.

Other renewable fuels (e.g. renewable hydrogen)

Heating value
LHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Coal

Heating value
LHV

Total fuel MWh consumed by the organization
4876944

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
The provided data includes coal, anthracite, petrol coke, and lignite consumption.

Oil

Heating value
LHV

Total fuel MWh consumed by the organization
59712

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
The data includes heavy fuel and diesel oil consumption. Ready-mixed concrete facilities' diesel oil consumption is also included.

Gas

Heating value
LHV

Total fuel MWh consumed by the organization
18284

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
The given data represents natural gas consumption.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
LHV

Total fuel MWh consumed by the organization
779444

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
This figure includes waste oil, tyres, RDF including plastics, mixed industrial waste, other fossil based wastes (excl. biomass content of mixed fuels) which are consumed as an alternative fuel.

Total fuel

Heating value
LHV

Total fuel MWh consumed by the organization
5925774

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

C-CE8.2c

(C-CE8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel for cement production activities.

Sustainable biomass

Heating value
LHV

Total MWh fuel consumed for cement production activities
0

MWh fuel consumed at the kiln
0

MWh fuel consumed for the generation of heat that is not used in the kiln
0

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment

Other biomass

Heating value
LHV

Total MWh fuel consumed for cement production activities
191389

MWh fuel consumed at the kiln
191389

MWh fuel consumed for the generation of heat that is not used in the kiln
0

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment
This figure includes sewage sludge, wood, non-impregnated saw dust, animal meal, other biomass, and biomass content from alternative fuels which are consumed as an alternative fuel.

Other renewable fuels (e.g. renewable hydrogen)

Heating value
LHV

Total MWh fuel consumed for cement production activities
0

MWh fuel consumed at the kiln
0

MWh fuel consumed for the generation of heat that is not used in the kiln
0

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment

Coal

Heating value
LHV

Total MWh fuel consumed for cement production activities
4876944

MWh fuel consumed at the kiln
4876944

MWh fuel consumed for the generation of heat that is not used in the kiln
0

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment
The provided data includes coal, anthracite, petrol coke, and lignite consumption.

Oil

Heating value
LHV

Total MWh fuel consumed for cement production activities
18681

MWh fuel consumed at the kiln
18333

MWh fuel consumed for the generation of heat that is not used in the kiln
348

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment
The data includes heavy fuel and diesel oil consumption.

Gas

Heating value
LHV

Total MWh fuel consumed for cement production activities
18284

MWh fuel consumed at the kiln
17778

MWh fuel consumed for the generation of heat that is not used in the kiln
506

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment
The given data represents natural gas consumption.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
LHV

Total MWh fuel consumed for cement production activities
779444

MWh fuel consumed at the kiln
779444

MWh fuel consumed for the generation of heat that is not used in the kiln
0

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment
This figure includes waste oil, tyres, RDF including plastics, mixed industrial waste, other fossil based wastes (excl. biomass content of mixed fuels) which are consumed as an alternative fuel.

Total fuel

Heating value
LHV

Total MWh fuel consumed for cement production activities
5884742

MWh fuel consumed at the kiln
5883889

MWh fuel consumed for the generation of heat that is not used in the kiln
853

MWh fuel consumed for the self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	45804	45804	45804	45804
Heat	5925774	5925774	191389	191389
Steam	0	0	0	0
Cooling	0	0	0	0

C-CE8.2d

(C-CE8.2d) Provide details on the electricity and heat your organization has generated and consumed for cement production activities.

	Total gross generation (MWh) inside the cement sector boundary	Generation that is consumed (MWh) inside the cement sector boundary
Electricity	45804	45804
Heat	5884742	5884739
Steam	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption
Turkey

Sourcing method
Unbundled procurement of energy attribute certificates (EACs)

Energy carrier
Electricity

Low-carbon technology type
Geothermal

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
300000

Tracking instrument used
I-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute
Turkey

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
<Not Applicable>

Comment
We consumed 300,000 MWh of electrical energy from International Renewable Energy Certificate (I-REC)-certified geothermal energy sources, preventing the release of 132,000 tonnes of CO_2 into the environment, which would be covered by Scope 2, market-based figure.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
Turkey

Consumption of purchased electricity (MWh)
594500

Consumption of self-generated electricity (MWh)
45804

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
640304

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	ÇİMSA continually invests in R&D activities that contribute to expanding its product portfolio with optimized clinker-cement ratio and enhanced physical properties meanwhile maintaining operation specific decarbonization and digitalization projects focusing on energy saving and product specific carbon capture.

C-CE9.6a

(C-CE9.6a) Provide details of your organization's low-carbon investments for cement production activities over the last three years.

Technology area
Alternative low-CO2 cements/binders

Stage of development in the reporting year
Small scale commercial deployment

Average % of total R&D investment over the last 3 years
8.23

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)
2595387.04

Average % of total R&D investment planned over the next 5 years
9.05

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Namely Re-Con R&D project targets the utilization of alternative raw materials and foster circular economy practices resulting in decreased material acquisition (Scope 3 emissions) as well as binder production (Scope1) related emissions. In particular, construction demolition waste is re-used in non-load bearing construction elements meanwhile enhancing the properties of concrete by integrating different waste types into recipes. Considering the fact that the decarbonization focus is related to Scope 1 emissions for the cement industry, the replacement of alternative raw material with the final product leads to an indirect decrease in clinker related emissions.

Technology area
Low clinker cement

Stage of development in the reporting year
Pilot demonstration

Average % of total R&D investment over the last 3 years
34.82

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)
4371575.73

Average % of total R&D investment planned over the next 5 years
0

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Namely New World project focuses on the development of a cement profile with 30-50 % lower carbon emissions with respect to CEM I type cements and also reduces production processes related to environmental impact. Considering the fact that decarbonization focus is related to Scope 1 emissions for the cement industry, the use of alternative raw materials leads to the reduction of emissions related to clinker production.

Technology area
Carbon capture, utilization, and storage (CCUS)

Stage of development in the reporting year
Applied research and development

Average % of total R&D investment over the last 3 years
19.25

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)
5970893.95

Average % of total R&D investment planned over the next 5 years
0

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Namely C-World project is basically focused on sequestrating carbon in concrete during hydration in the cement curing process. This project leads to carbon sequestration in downstream operations offsetting overall carbon emissions.

Technology area
Control systems

Stage of development in the reporting year
Pilot demonstration

Average % of total R&D investment over the last 3 years
17.1

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)
3559161.37

Average % of total R&D investment planned over the next 5 years
18.81

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Namely HyperCog is a digitalization project with the outcome of Human-Machine Interface (HMI) module which was developed to decrease energy consumption, water consumption and fuel consumption in white cement production line. Considering the fact that decarbonization focus is related to Scope 1 emissions for the cement industry, energy and material saving related digitalization projects lead to the reduction of emissions related to Scope 1 emissions.

Technology area
Alternative low-CO2 cements/binders

Stage of development in the reporting year
Pilot demonstration

Average % of total R&D investment over the last 3 years
8.13

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)
1930061.44

Average % of total R&D investment planned over the next 5 years
8.94

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Namely Iceberg R&D project targets developing an ecohybrid cement type by using demolition waste from end-of-life buildings. By use of alternative raw materials, it is expected to decrease material acquisition (Scope 3 emissions) as well as production (Scope1) related emissions. Considering the fact that the decarbonization focus is related to Scope 1 emissions for the cement industry, the replacement of alternative raw material with the final product leads to an indirect decrease in clinker related emissions.

Technology area
Other, please specify (Material property and end-use quality enchancement)

Stage of development in the reporting year
Full/commercial-scale demonstration

Average % of total R&D investment over the last 3 years
9.36

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)
2952554.32

Average % of total R&D investment planned over the next 5 years
0

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
In Non-Shrink project, the cracks and shrinkage occurring after the curation of ready concrete are decreased by up to 70%. Providing better material quality and longevity advantages extends the life span of the product which lowers the demand for the same product and attached material acquisition and production related emissions indirectly in the long run.

Technology area
Other, please specify (Material property and end-use quality enchancement)

Stage of development in the reporting year
Pilot demonstration

Average % of total R&D investment over the last 3 years
3.12

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)
664853.63

Average % of total R&D investment planned over the next 5 years
3.43

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
In the Forge-H2020 project, the development of a coating material that is intended to increase the corrosion/erosion resistance of the materials currently used in energy-intensive industries, and improve their life cycle which lowers the demand for the same product and attached material acquisition and production related emissions indirectly in long run.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Çimsa_Limited Assurance EFR ENG Opinion.pdf

Page/ section reference
Page 2

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Çimsa_Limited Assurance EFR ENG Opinion.pdf

Page/ section reference
Page 2

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Downstream transportation and distribution

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Çimsa_Limited Assurance EFR ENG Opinion.pdf

Page/section reference
Page 2

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Year on year emissions intensity figure	ISAE 3410	The following parameters are verified: "Scope 1 Cementitious Gross Specific CO2 Emissions" "Scope 1 Cementitious Net Specific CO2 Emissions"
C8. Energy	Energy consumption	ISAE 3000	The following parameters are verified: "Annual energy and fuel consumption by resource" "Direct energy generation by source" "Renewable energy generation and consumption (Mwh)" "Total electricity generation (Mwh)"
C9. Additional metrics	Other, please specify (Amount of sustainable product and services revenue)	ISAE 3000	The following parameters are verified: "Amount of sustainable product and services revenue" "Ratio of sustainable product and service revenues to total revenue" "Number of of sustainable product and service" "R&D and innovation investments (TL)"

Çimsa_Limited Assurance EFR ENG Opinion.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

The only regulatory framework which is legally binding regarding CIMSA's activities is domestic MRV regulation (Measurement, Reporting, and Verification)- since 2015 - which had no financial implications such as carbon taxing and international tariffs; but demanded environmental integrity for certain industries. CIMSA has also voluntarily maintained painstaking carbon footprint calculation and verification processes which lead to the outcome of improved data quality as well as corporate awareness in corporate culture regarding carbon emissions driven climate change. Maintained efforts of MRV and carbon footprint calculations to become the backbone for outlining CIMSA's decarbonization strategies and forecasting potential impacts of domestic and international carbon pricing instruments.

Domestic ETS is anticipated to be released in 2024 in Turkey, which will be in line with the implementation schedule of the Green Deal. As per Green Deal, the cement industry will be required to report its emissions in 2023 which will be followed by tariff exposures after 2026. Hence, CIMSA considers both domestic and international carbon tariffs in target markets in its financial planning.

ÇIMSA assesses carbon pricing-related financial impacts with multifaceted dynamics of the economy and regulatory context. In this regard, drivers like exchange rates and inflation as well as allocation capacities in the Turkish carbon market are considered hand-in with decarbonization measures. Despite having a relatively small share of Scope 3 emissions, with an extensive approach CIMSA takes into account pass-on factors between shareholders implicating common responsibilities on potential decarbonization actions. Thus, with awareness of shared responsibility, CIMSA promotes low-carbon transportation and procurement activities in its value chain network.

Considering the concentration of emission sources in Scope 1 and Scope 2, CIMSA prioritizes carbon intensity-lowering actions particularly focusing on alternative raw material and fuel use in parallel to the extensive energy efficiency, heat recovery, and operational improvements that might bring significant impacts on Scope 1 emissions. Furthermore, green electricity procurement and localization of the supply chain play a key role in value chain-related emissions. In order to achieve a stringent decarbonization pathway, CIMSA seizes the opportunities for collaboration in CCUS technology development and alternative low-carbon product innovations particularly by long lasting R&D activities.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price
Shadow price

How the price is determined
Alignment with the price of allowances under an Emissions Trading Scheme
Alignment with the price of a carbon tax
Price with material impact on business decisions

Objective(s) for implementing this internal carbon price
Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities
Navigate GHG regulations
Stakeholder expectations
Reduce supply chain emissions

Scope(s) covered
Scope 1
Scope 2
Scope 3 (upstream)
Scope 3 (downstream)

Pricing approach used – spatial variance
Differentiated

Pricing approach used – temporal variance
Evolutionary

Indicate how you expect the price to change over time
CIMSA assumes continual increase of carbon price which may reach 150 euros per metric tonne of carbon by 2030- according to the ongoing exchange of view between sector shareholders, and carbon market specialists. Based on this assumption, CIMSA foresees an increasing trend in carbon prices which is taken into account in financial planning with increasing impact of carbon pricing instruments.

CIMSA also closely monitors EU ETS market which is a benchmark for defining minimum and maximum carbon price per metric ton. The below stated values of maximum price 98.01 EUR is taken from EMBER as EU ETS maximum price in 2022 and 86.53 USD is taken as actual minimum price from World Bank database (https://carbonpricingdashboard.worldbank.org/map_data) which is the average carbon price in EU ETS market.

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)
1421.24

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)
1693.71

Business decision-making processes this internal carbon price is applied to
Capital expenditure
Operations
Procurement
Product and R&D
Remuneration
Risk management
Opportunity management
Value chain engagement
Public policy engagement

Mandatory enforcement of this internal carbon price within these business decision-making processes
Yes, for all decision-making processes

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan
CIMSA takes into account that carbon prices that might be in line with local ETS and carbon tariffs on CIMSA's products in domestic and foreign markets. By internalizing these costs, CIMSA prioritized to invest in decarbonization projects with more attractive payback back periods particularly decreasing direct costs for energy and raw material. By considering carbon tariff risks, accelerated decarbonization investments also brings inaccountable costs like reputation and market potential. In line with concrete outcomes of carbon pricing instruments, CIMSA financially outlined the costs of its decarbonization milestones in parallel to SBTi commitment processes which solidified operational, capital expenditure and R&D decisions taking carbon pricing into account.

CIMSA also propagates its decarbonization approach to its shareholders, suppliers and contractors. Taking a step further from raising the awareness in corporate culture about decision making with sustainable and social responsibility perspective, CIMSA solidified its policies of sustainable procurement and stakeholder relationship in 2022. An ongoing outcome of this approach is the modal shift from high carbon transportation options to the low carbon transportation options as well as promotion of EV and low-carbon fuels in internal operations. In this regard shift to railway and maritime transport is monitored and its share is targeted to be increased gradually.

Financial risks and opportunities driven by climate change driven market and regulatory context is analysed by Risk and Internal Control and Financial Planning and Analysis departments and reported to Sustainability Committee led by our CEO, these reports are influential on financial planning of new decarbonization investments. Ongoing decarbonization investments and divestments clearly demonstrates dedication of our company to sustainability targets and also bring advantages on capital access with low interest rate for future investments.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers/clients
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect GHG emissions data at least annually from suppliers
Collect climate-related risk and opportunity information at least annually from suppliers
Collect other climate related information at least annually from suppliers

% of suppliers by number
100

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5
95

Rationale for the coverage of your engagement
CIMSA voluntarily maintains meticulous processes for calculating and verifying its carbon footprint. This dedication results in improved data quality, especially in capturing the emissions associated with upstream procurement and supplier activities, which are detailed year by year. These calculations are verified annually by a third party. The ongoing efforts in monitoring, reporting, and verifying (MRV) carbon footprint calculations serve as a foundation for shaping CIMSA's supplier management practices, aligning them with a decarbonization perspective throughout the value chain.

CIMSA has identified its value chain and prioritized emissions that are within its control, aligning with the "GCCA Sustainability Guidelines for the monitoring and reporting of CO2 emissions from cement manufacturing" set by the Global Cement and Concrete Association. All supplier contracts of CIMSA encompass the GCCA supply chain 10 principles, which encompass areas such as human rights, labor, environment, and anti-corruption. CIMSA adopts a life cycle approach that begins with actively engaging suppliers. Since 2008, CIMSA has implemented the ISO 14001 Environmental Management System, which has contributed to the development of a mature environmental perspective within the company. Our stakeholder engagement, particularly within the supply chain, is thoroughly assessed through both third-party and internal audits. These audits comprehensively review supplier contracts to ensure compliance with environmental requirements. Additionally, all feedback received is carefully evaluated to drive improvements in our system.

The initial chain that can be influenced is identified as the transportation of goods from suppliers. The company's "Being In 3 Continents" strategy has been thoroughly assessed to determine its impact on emission reduction within the supply chain. Anticipated emission reductions have been calculated by considering the establishment of new production sites and the selection of suppliers. Modal shift towards railway and maritime transportation is carried out in possible routes and consistently maintained in the last years to lower transportation emissions.

Impact of engagement, including measures of success
Our collaboration with suppliers fosters a shared vision among companies and contributes to the development of a robust and sustainable supply chain. In terms of knowledge sharing, our initial goal is to establish a common understanding of climate change and sustainability throughout our supply chain. This enables us to align efforts and work collectively towards addressing these important issues which is defined as a measure of success.

Our key suppliers, - particularly those involved in ready-mix concrete and aggregates, which play a crucial role in addressing climate change and sustainability- also begun the process of collecting data for emission calculations, and in the coming years, they will be required to disclose their emissions in order to continue as suppliers to Cimsa. Broadening the inclusiveness and expanding the scope of emissions data, climate-change related information collection is considered a significant indicator of success for our engagement activities.

CIMSA has established clear priorities to effectively implement its ESG (Environmental, Social, and Governance) approach across its entire value chain, including its recent focus on the supply chain. To communicate its expectations to suppliers and business partners, CIMSA has published the Responsible Purchasing Policy, which outlines purchasing principles and articulates the company's expectations. By implementing this policy, CIMSA addresses environmental, social, ethical, governance, and human rights concerns within its supply portfolio. The objective is to assess performance, identify areas for improvement, and address risks associated with these issues, thereby ensuring appropriate action is taken.

By evaluating vendors in accordance with the Responsible Purchasing Policy and analyzing emission data, CIMSA implements a strategy of retaining and engaging suppliers. CIMSA also places importance on enhancing the capabilities of its supplier network to foster enduring partnerships. Furthermore, we conduct internal surveys to evaluate the ESG and emission reduction performance of our suppliers. In our procurement processes, we give priority to companies that have made notable advancements in these domains.

Comment
By actively engaging with our suppliers in the transportation sector, we have been able to calculate Scope 3 emissions more accurately and with increased confidence levels. In line with the parameters outlined by the Task Force on Climate-related Financial Disclosures (TCFD), we have also begun monitoring non-financial data related to our supplier activities. This engagement has prompted us to closely monitor our suppliers' costs as well, further enhancing our oversight and understanding of the overall supply chain.

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Run a campaign to encourage innovation to reduce climate impacts on products and services
Invest jointly with suppliers in R&D of relevant low-carbon technologies

% of suppliers by number
6.8

% total procurement spend (direct and indirect)
3.78

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
CIMSA places great emphasis on ensuring a continuous and reliable supply of alternative fuel. By establishing strong partnerships with suppliers, we not only secure the availability of alternative fuel but also promote circular economy practices within a wide network. To enhance our performance in this area, we focus on diversifying the types of alternative fuel, increasing the number of suppliers, and expanding the overall amount of alternative fuel utilized.

Moreover, we prioritize the selection of low-emission waste materials during the procurement of waste resources, actively supporting emission reduction efforts. Through collaboration with waste management companies, we work towards the supply and production of low-carbon fuels (alternative fuels) at our facilities in Eskişehir and Afyon. This collaboration plays a vital role in mitigating the climate change and significantly contributes to achieving our targets related to circular economy practices and reducing Scope 1 greenhouse gas emissions.

Impact of engagement, including measures of success
Measures of success are currently defined as increase in the amount of total alternative fuel usage, total procurement, and number of suppliers.

In 2021, the total procurement spent for alternative fuel was %1.26 of total procurement expense and the number of suppliers was 98. In comparison to 2021, in 2022 CIMSA increased the number of suppliers, % of procurement, and also alternative fuel amount used.
CIMSA increased alternative fuel suppliers to 121, % the total procurement spend was increased to 3.78 and the amount of alternative fuel use increased by 109% in 2022.

The impact of engagement activities is not directly contributing to the reduction in Scope 3 emissions since only alternative fuel freighting related emissions are evaluated under Scope 3. However, alternative fuel use brings a significant contribution in hard to abate Scope 1 emissions. In 2022, CIMSA achieved a 5% reduction in Scope 1 emissions due to alternative fuel use which is also a significant measure of success related to the outcome of engagement activities.

Comment
By implementing the Alternative Fuel Feeding Facility at our Afyon Factory in February 2022, we have surpassed our goal of 22% alternative fuel utilization, achieving a remarkable 26% and doubling our performance from the previous year. Moving forward, we strive to achieve a utilization rate of 28% in 2023 and 35% in 2025. To accomplish this, we have planned investments in waste-derived fuel stocking and feeding at our Mersin Plant, as well as optimization studies in our current facilities. These initiatives will further enhance our commitment to sustainable fuel usage and contribute to our environmental objectives.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

As CIMSA, we conduct voluntary carbon footprint calculations that encompass all downstream emissions, including transportation, usage, and disposal-related emissions. Our focus on client engagement and low environmental impact product development is crucial in reducing downstream emissions. Our objective in client engagement is to raise demand for our sustainable product portfolio, increase revenues from sustainable products, and simultaneously decrease downstream emissions. To better understand the expectations of our stakeholders, we organize stakeholder meetings and hold annual customer meetings to gather their needs and expectations. Additionally, our R&D department actively participates in international conferences and projects related to low-carbon products to meet customer demands.

At CIMSA, we continuously invest in the development of low-carbon products and share information with our customers to facilitate the transition to a low-carbon economy. We aim to create a growing market for these products and serve as an enabler in our customers' decarbonization efforts. This strategic focus aligns with our sustainability and human-oriented approach. In 2021, our strategy, titled "We create sustainable stakeholder value through low-carbon economy-supporting products for the development of sustainable living spaces – We shape Today for Tomorrow," was published.

Through our risk analysis and stakeholder consultations in 2022, we considered changing customer behavior and the transition to a low-carbon economy. We recognize that an increase in sales of low-carbon products such as Super Gray, CEM II products, and HyperCog will reduce the risk associated with regulatory changes. We classify products in the cement group with a clinker utilization rate below 80% as sustainable products and currently have 4 sustainable products generating 138,519,352 TL in revenue.

Furthermore, we have EPD (Environmental Product Declaration) certified products, and through their marketing, we raise awareness about climate change and environmental impacts. As indicated in the opportunities section of our report, a significant percentage of our revenue comes from EPD certified products, and we anticipate further growth in the coming years.

Impact of engagement, including measures of success

The indicators of achievement are determined by an escalation in the quantity of sustainable products, the percentage of revenue derived from sustainable products, and the growing demand for sustainable products from both the market and clients.

Through active engagement with customers, we anticipate an increase in the demand for products that possess Environmental Product Declarations (EPD) and hold sustainability certifications. We have set specific targets to enhance the sales of EPD-certified and sustainable products. These products are favored by customers as they contribute to earning points for LEED Green Building Certification. Moreover, our sustainability performance is evaluated through programs like EcoVadis, which comprehensively assesses various aspects including climate-related data. Furthermore, some clients evaluate our sustainability performance based on our EcoVadis ratings.

In our marketing, research, and development (R&D), and climate change strategies, we prioritize the shift towards low-carbon solutions. We employ scenario analysis to gauge expectations for future years. With the support of a robust R&D department, we are dedicated to aligning customer expectations with environmental requirements. It is our responsibility to assume a leading role in the cement sector on a global scale by effectively addressing these demands.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Ministries;

· Cimsa has lobbying activities to open incentive mechanisms for processed biomass waste. In terms of creating incentives, we meet and share data with the Ministry of Environment and the Ministry of Industry. With the incentive mechanisms, municipalities can build a Mechanical-Biological-Treatment facility with a biological dryer instead of regular storage, and the cement sector can both use these biomass fuels and reduce their emissions. With the driving force of zero waste regulation in place a search for biological treatment solutions has been accelerated. The main focus is to minimize GHG's through energy efficiency, alternative fuel usage, and increasing additives in the cement. This will provide fewer emissions in all sectors not only for Cimsa and Cimsa is one of the leaders who work to create a solution for emission reductions in the cement sector in Turkey.

· EU Green Deal related regulations and international carbon pricing instruments affecting cement products with ongoing CBAM processes are discussed with ministries in the context of local ETS system implementation, sector allocations, and estimating financial effects of a transition period.

Universities;

· Çimsa has entered a collaboration with Mersin University to measure the level of digital maturity. Çimsa provided its support as a field of execution for the thesis study which specifies the digital maturity level of the Turkish cement industry in 37 different parameters. These studies allowed the measurement of Çimsa's maturity level. Furthermore, the study exhibited development areas in different parameters, shedding light on the goals of digitalization.

· Within the scope of the "Industry PhD Program" conducted by TÜBİTAK in order to encourage the employment of researchers holding a PhD in the industry, the joint project application from Çimsa and Sabancı Holding was qualified to be supported. Within the context of the project, Sabancı University faculty members and 3 PHD students will develop cement with reduced environmental impacts, and PHD students will be provided with scholarships.

· 3D printing technology was aimed to develop by using Super White's fast setting and durability features for innovative solutions in digital design. The project, which was carried out with Özyeğin and Çukurova Universities, was completed by printing different objects.

R&D;

· In order to upscale its R&D activities, CIMSA established Sabancı Global Technology Center Gmbh in Munich, Germany which in tandem with Sabancı Building Solutions B.V and Formulhane -based in Istanbul- is going to develop low carbon intensity products, new generation technologies, and construction materials.

· Within the scope of HORIZON 2020, which was set up by the EU to support scientific and applied research, development, and innovation projects, Çimsa received EUR 980,000 in total support with its three R&D projects. Çimsa was ranked in the top 10 in the list of the most successful Turkish Industrial Enterprises published by TÜBİTAK.

· In the Mersin facility, we have a partnership with a waste handling company to produce RDF,

· Carbon Capture and Storage technology development studies by the R&D Department, also taking part in national projects and GCCA Innovandi consortia

· Attendance at International Conferences and fairs to follow the developments about low carbon products.

· The EU-supported digitalization project, HyperCog, one of Çimsa's priority issues, completed its first year. The Company remotely participated in the project review meeting. Within the scope of the project, it is planned to increase efficiency and product quality by digitizing the white cement production line, as well as to optimize the use of natural resources and reduce environmental impact. At the same time, a big step towards Industry 4.0 will be taken with the transformation into a smart factory.

· The Iceberg project, an EU project, whose application was submitted in September 2019, qualified for support. Within the scope of the project, Çimsa will be responsible for the development and optimization of environmentally friendly cement and concrete-based building products. The project will involve cooperation for the development of ultra light non-structural wall elements and green wood chipping concrete panels by developing new ecohybrid cement with materials from the building demolition wastes. 100% of the budget is supported.

FORGE has been one of the eight projects of the 11 Turkish organizations supported by the EU Commission within the scope of "nanotechnology, advanced materials, biotechnology, advanced manufacturing, and processing technologies" under the Industrial Leadership and Competitiveness component of TÜBİTAK's Horizon 2020 Program. The projects started in 2020 and continued in 2022.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement
Complying with regulatory requirements

Description of this climate related requirement
The suppliers which are in the scope of local MRV regulation has to present their emission reports at the time of contract.

% suppliers by procurement spend that have to comply with this climate-related requirement
100

% suppliers by procurement spend in compliance with this climate-related requirement

Mechanisms for monitoring compliance with this climate-related requirement
Supplier self-assessment
First-party verification
Grievance mechanism/Whistleblowing hotline
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement
Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
Yes, we engage directly with policy makers
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate
Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
Yes

Attach commitment or position statement(s)
CIMSA_SBTi_Companies-taking-action.xlsx

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan
Cimsa ensures that stakeholders in its value chain is in line with business and sustainability of CIMSA and transition to a low carbon economy is. The governance model of Cimsa does not allow any engagement which is opposite to our strategy.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers
The mandatory carbon reporting regulation in Turkey came into force in May 2014. 2020 GHG reports of our cement plants have been prepared, then verified and submitted to Ministry of Environment and Urbanisation. Our GHG reports have been evaluated for compliance.

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Climate-related reporting

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
Turkey

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
We supported the Mandatory Carbon Reporting legislation and took the necessary precautions and actions for full compliance. We are putting effort to determine the most accurate and efficient GHG Monitoring Methodology. For this purpose; we are working together with the World Business Council of Sustainable Development - GCCA as a member. WBCSD GCCA is one of the world's pioneering organizations on sustainability in the cement industry. Therefore we evaluate all the methodologies relevant to GHG Monitoring available for the best fit. We finalized our preparations for GHG reporting and are ready. We are open and willing to share our accumulated experiences as well as by giving our comments to legal authorities to access the most accurate and efficient reporting system. In addition to that, we are working together with the Turk Cimento on this purpose.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
MRV activities, with extended voluntary carbon footprint calculations are backbone for outlining CIMSA's decarbonization strategies and forecast potential impacts of domestic and international carbon pricing instruments.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Domestic ETS and carbon market formation

Category of policy, law, or regulation that may impact the climate
Carbon pricing, taxes, and subsidies

Focus area of policy, law, or regulation that may impact the climate
Carbon taxes
Emissions trading schemes

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
Turkey

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
We participate in all the consultation meetings within the scope of ETS and CBAM conducted by the Ministry of Commerce and the Ministry of Environment, Urbanization and Climate, and we provide opinions on all preparatory documents. Domestic ETS and carbon market formation in line with international carbon pricing instruments that will affect products of cement industry in foreign markets are forthcoming matters for cement industry players who export to the global markets.. We are also involved in all preparations for the cement industry relevant topics such as allocations through TürkÇİmento, of which we are a member.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is not aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
Carbon prices in domestic and target markets and emission allocation s will play a key role at CIMSA's financial planning in terms of financial planning as well as projecting financial burdens in different markets.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Preparation of Sustainable Producsts Taxonomy

Category of policy, law, or regulation that may impact the climate
Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate
Circular economy
Low-carbon innovation and R&D

Policy, law, or regulation geographic coverage
National

Country/area/region the policy, law, or regulation applies to
Turkey

Your organization's position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Preparations are underway in Turkey to align with the EU Taxonomy, which involves the creation of draft documents. We are actively monitoring the progress on this matter through Turk Cimento and TUSIAD. Additionally, this year, there will be a collaborative training and evaluation project involving the Big4 companies. The aim of this project is to enhance our capacity to conduct internal assessments of the EU taxonomy.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
CIMSA is in the process of expanding its range of sustainable products. As a crucial criterion, it aims to reduce the clinker-cement ratio, which will be defined within a forthcoming product and services taxonomy. This taxonomy will align with the EU Taxonomy, considering the EU as an important economic partner for both Turkey and CIMSA. By aligning its product portfolio and shaping public opinion and organizational perspectives according to stringent taxonomy expectations, CIMSA aims to mitigate regulatory risks and strengthen its preparation for innovative products and advancements within the cement industry.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association
Other, please specify (Turkish Cement Manufacturers Association (Turk Cimento))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
TCMA (Turk Cimento) is a strong and an active association of cement manufacturing companies in Turkey. Beyond business wise topics it also started to guide and raise the awareness of its members on Sustainable Business. It tries to develop action plans for cement manufacturers.

The Vice-Chairman of the Board and Chairman of the Sustainability Sub-Committee are members of our Board, the Industry Group Head of Sabancı Holding and CEO of ÇİMSA. Therefore, we take an active role in pioneering the cement industry on sustainability in Turkey. Çimsa's Environment and Sustainability Executive is a member of the Environment and Climate Change Committee of TCMA (Turk Cimento). She shares his accumulated experience and fosters the use of alternative raw materials and alternative fuels which is important for reducing CO2 emissions at the cement industry.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
83500

Describe the aim of your organization's funding
TCMA is a leading shelter organization for cement industry and brings sustainability and climate mitigation related topics to the fronth fitting to the needs of industry shareholders. CIMSA takes actively part in the organization and also benefits the valuable interaction and learning platform.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Global Cement and Concrete Association)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Core members of the Global Cement and Concrete Association. (GCCA) include cement companies who are also members of the World Business Council for Sustainable Development (WBCSD). They manage and maintain the GCCA Charter (which identifies company commitments and responsibilities), define and fund its work program, and invite new members. Reducing GHG emissions from cement production is a key focus of GCCA's work.
We are in Cement Innovation, Cement Best Practice, and Reporting working groups.

We engage with GCCA and search for solutions to mitigate and adapt to our Climate Change effects. We also discuss legislation and also gather opinions from pioneering and peer companies all around the World. The event focused on how, through sharing knowledge and experience, the private sector can capture and build on the opportunities offered by the Sustainable Development Goals (SDGs) and understand the risks of inaction.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
998520.98

Describe the aim of your organization's funding
CIMSA takes part in development of industry related tools, reports and assessments. As an active member, CIMSA attributes importance to the continuity of GCCA's activities, in this regard continual funding is a sign of supporting the growth and influence of the association.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (Association of Turkish Consruction Material Producers (IMSAD))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
IMSAD is a non-governmental organization representing the construction industry domestically and abroad. IMSAD sustainability committee focuses on the environment, energy management, energy efficiency to develop climate change adaptation policies. Besides; it aims the coordination within the construction industry and performs to take the necessary actions on these issues in the name of industry. It works to raise awareness by informing its members. Çimsa is a member of the Sustainability Committee which conducts the above-mentioned duties precisely.

The Environment and Sustainability Executive is also a member and shares its own improvement works in sustainability meetings, contributes to the IMSAD sustainability report, follows all construction industry working about sustainability issues for the sustainability world.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
133600

Describe the aim of your organization's funding
CIMSA credits the significance of the reports and work regarding sustainable construction materials , by funding continuity of this work is supported.
CIMSA also transfers knowledge regarding sustainable product development with the large network platform. CIMSA also takes part in EU Taxonomy related work and Turkish EU Taxonomy development.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association

Other, please specify (TUSIAD (Turkish Industry and Business Association))

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
TUSIAD (Turkish Industry and Business Association) is the main association of the Turkish Business Society. Therefore it is the main channel of communication between the Turkish Business and Industrial Sector and the Turkish Government.

Environment and Sustainability Executive is actively involving TUSİAD's Environment and Climate Change Committee. TUSİAD prepared its Position Paper on the Material Issues of Fighting Against Climate Change. ÇİMSA is willing to convey its accumulated experience on the transformation of the cement industry for the Low Carbon Economy in Turkey.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
97500

Describe the aim of your organization's funding
TUSIAD is the leading association which is also a shelter organization for development of public opinion on sustainability which also brings significant topics and agenda for cement industry.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Trade association
Other, please specify (GCCA Innovandi)

Is your organization's position on climate change policy consistent with theirs?
Consistent

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position
Launched in 2020, the Innovandi Global Cement and Concrete Research Network is a consortium which critically brings together academia (over 40 leading global institutions) and industry (34 cement and concrete manufacturers, admixture companies, equipment and technology suppliers) to collaborate on essential actionable pre-competitive research, in areas such as calcined clays, concrete recycling, kiln electrification and carbonation.

CIMSA promotes proliferation of industry knowledge between shareholders which significantly contributes to the decarbonization through circular economy practices and electrification .

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)
307257

Describe the aim of your organization's funding
CIMSA actively participates in the Innovandı platform within the GCCA (Global Cement and Concrete Association) and closely monitors the latest developments in this field. CIMSA also applies for participation in relevant consortia focused on the development and integration of CCUS (Carbon Capture, Utilization, and Storage) technology. By doing so, CIMSA stays updated on global breakthrough technologies on an international scale. Notably, CIMSA is the only company from Turkey and a member of the GCCA, solidifying its position in these initiatives.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual
Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding
Turkish Business World and Sustainable Development Association (SKD)

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)
15000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
Turkish Business World and Sustainable Development Association (SKD) is a non-governmental organization established in 2004 and it represents the World Business Council for Sustainable Development in Turkey. Çimsa is a member of SKD (Business World and Sustainable Development Association) and involving in Sustainability Committee. Çimsa is planning to get engaged to access to the Turkey Materials Marketplace platform which is a cloud-based platform designed to facilitate cross-industry materials reuse among Turkish companies & communities
This is new and innovative business opportunities to reduce waste-to-landfill and carbon footprint, collaborate with like-minded peers, and implement real strategies within a new circular economy.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Type of organization or individual
Other, please specify (UN Global Compact)

State the organization or individual to which you provided funding
UN Global Compact Turkey Network In order to ensure that the 10 Principles of the United Nations (UN) Global Compact are widespread in the Turkish business world, to contribute to the sustainable development of Turkey by increasing responsible business practices and disseminating good practices, the name of “Global Compact Signatories” It was established in 2023.

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)
7500

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
UN Global Compact Turkey, which is one of the nearly 70 local networks of UN Global Compact around the world, aims to contribute to the sustainable development of Turkey with its multi-stakeholder member structure, which includes non-governmental organizations, universities and municipalities, as well as companies that take responsibility for sustainable development. It offers a development, sharing and collaboration platform for While UN Global Compact Turkey supports the development of its members in the field of sustainability with the activities it organizes, the resources and tools it offers; It functions as a meeting point for sharing good practices and establishing collaborations both locally and globally.

Through the collaboration with UN Global Compact Turkiye, CIMSA closely follows, the global and local sustainability agenda; good practices in the field of sustainability with ensured visibility of achievements- particularly the cases suitable for the cement industry- and reaches an extensive network of companies of almost every industry and size represented in more than 160 countries. Particularly for circular economy knowledge and industry experiences, CIMSA embraces new collaborations within the unique multi-stakeholder network of the UN Global Compact. CIMSA informs its sustainability strategy with the global sustainability agenda highlighted by UN Global Compact Turkey also for internal education and capacity building benefits from the tools, resources, and training by UN Global Compact Türkiye.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
Çimsa 2022 EFR - EN.pdf

Page/Section reference
Governace:page 18-33,
Strategy: 22-23,
Risks & opportunities: 113-119,
Emissions figures and other metrics: 244-247
Emission Targets: 63-65

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact	As a participant in the UN Global Compact, CIMSA, a prominent player in the cement industry, strives to set a leading example among cement manufacturers in Turkey. We are committed to promoting and integrating the ten principles and shared values of the Global Compact throughout our value chain and partnerships. Our objective is to be an exemplary model for responsible business conduct and to encourage the widespread adoption of these principles within our cement industry. In our annual integrated report, CIMSA adheres to the guidance framework of the Task Force on Climate-related Financial Disclosures (TCFD). We aim to disclose comprehensive information on the financial implications of climate-related risks and opportunities, enabling us to effectively integrate these factors into our business and investment decisions. By following the TCFD guidelines, we strive to enhance our understanding of climate-related impacts and align our strategies with sustainable practices for the cement industry.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	Cement production is using natural sources and the management of biodiversity in quarries is one of the main responsibilities of Cimsa since the beginning of its operations. To decrease the use of raw materials and rehabilitation the quarries are in the KPI's of the management.	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, but we plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

No

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years	<Not Applicable>

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	State and benefit indicators Response indicators

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Governance Risks and opportunities	Çimsa 2022 EFR - EN.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms