

**PROJECT LIMESTONE**  
**STAKEHOLDER ENGAGEMENT PLAN**



**Çimsa Çimento Sanayi ve Ticaret A.Ş.**  
**(ÇİMSA)**

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## ABBREVIATIONS

Acronym	Description
CAC	Calcium Aluminate Cement
Company	Çimsa Çimento Sanayi ve Ticaret A.Ş. (ÇİMSA)
CSR	Corporate Social Responsibility
E&S	Environmental and Social
EBRD	European Bank for Reconstruction and Development
EPC	Engineering, Procurement and Construction
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESR	Environmental and Social Requirement (of the EBRD)
GBVH	Gender Based Violence and Harassment
GHG	Greenhouse Gas
RK	Rotary Kiln
SEP	Stakeholder Engagement Plan

# 1 INTRODUCTION

## 1.1 Background

The European Bank for Reconstruction and Development (the “EBRD” or the “Bank”) has provided a loan to Çimsa Çimento Sanayi ve Ticaret A.Ş. (“ÇİMSA” or “the Company”) to finance the Company’s decarbonisation investments at its Mersin cement factory (“the Project”).

The SEP provides an overview of national legislation and EBRD requirements related to information disclosure and outlines the general approach to stakeholder engagement and public consultation. The SEP is a living document; therefore, it will be periodically reviewed and updated in line with new activities, changes in Project designs and newly identified stakeholders.

## 1.2 Objectives of the SEP

This SEP aims to:

- identify all stakeholders having an interest in the Project and define their roles and participation capacities,
- facilitate the relations of the Project team with stakeholders during project implementation, construction and operation periods,
- ensure that adequate and timely information is provided to stakeholders,
- provide sufficient opportunity to stakeholders to voice their opinions and concerns,
- establish a relationship and form of communication between the Project related units, contractors, suppliers, affected communities and other parties interested in the Project activities and impacts,
- focus on issues that are required to bring ÇİMSA into compliance with the relevant requirements of the EBRD, and
- establish and operate an effective grievance management system.

This SEP has been designed in a way that ÇİMSA can demonstrate engagement that is effective, meaningful, consistent, comprehensive, coordinated and culturally appropriate, in line with all the relevant legal and regulatory commitments and good international industry practice.

## 2 Project Information

### 2.1 ÇİMSA

ÇİMSA, a subsidiary of Sabancı Holding, was founded in Mersin in 1972. ÇİMSA operates integrated production plants in Türkiye, located in Mersin, Eskişehir, and Afyonkarahisar. Internationally, the Company operates three production facilities in Buñol (Spain), Houston, Texas (USA), and Ireland, and strategically located terminals across Europe's key markets, including Germany, Spain, and Italy. Renowned as one of the world's foremost brands in white cement and calcium aluminate cement, ÇİMSA sustains and expands its global operations through Cimsa Building Solutions, combining its operational expertise with the financial strength of its main shareholder, Sabancı Holding.

### 2.2 Mersin Cement Factory

Mersin cement factory ("the Site") is located in Toroslar neighborhood of Akdeniz district of Mersin province located in southern Türkiye (Figure 1). The distance of the Site to Mersin port is approximately 16 km.

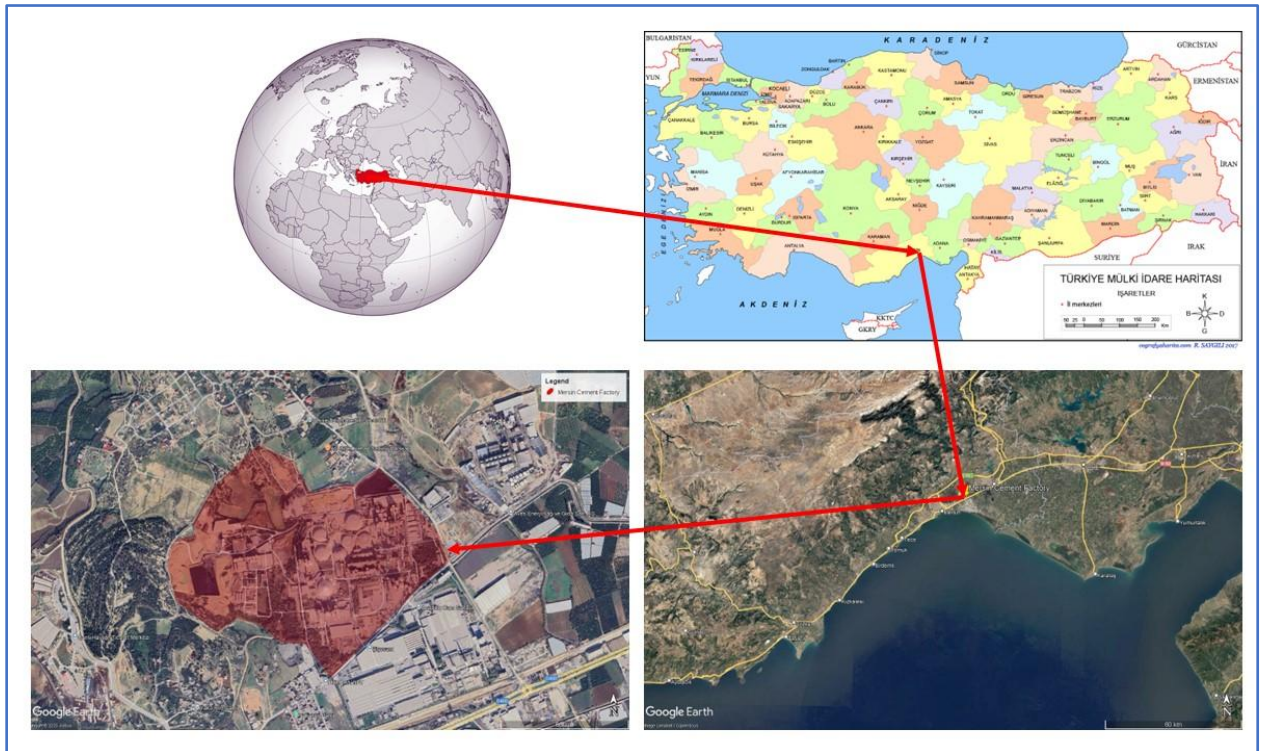


Figure 1. Location of Mersin Cement Factory

The Site is located in an industrial setting surrounded by residential and agricultural areas where the nearest settlements, Tekke and Yaka neighborhoods, are located approximately 400 m to the north and 300 m to the southwest of the Site, respectively. Sisecam, a major glass manufacturer, is located adjacent to the south of the Site. Mersin-Adana highway passes from further south. There is a vegetable oil manufacturing site to the east.

The operations started in Mersin cement factory in 1975. The milestones in the history of Mersin cement factory are presented in Table 1.

Table 1. Milestones in the history of Mersin cement factory



Year	Milestone
1975	1st Line was established (1M ton grey clinker/year).
1989	Grey/White reversible line was established (2nd Line) - first reversible kiln in the world.
1997	2nd Line heat exchanger investment, capacity increased from 230k ton to 420k ton.
2000	- A new white clinker line established (3rd Line) and Mersin plant became the world's largest white cement producer in a single factory (660k ton). - 2nd Line pre-calciner investment, capacity Increased to 540k ton.
2002	1 <sup>st</sup> Calcium Aluminate Cement (CAC) kiln started its operation.
2007	2 <sup>nd</sup> CAC kiln becomes operational.
2010	1st Line clinker cooler upgrade (satellite cooler changed to grate cooler), capacity increased from 1M ton to 1.3M ton.
2012	Waste Heat Recovery (WHR) facility was established (9.8 MWh).
2013	3rd CAC kiln becomes operational.
2015	CAC coal mill started its operation.
2016	First CAC50 clinker was produced.
2018	First FLUX clinker was produced.
2021	- 1st Line Alternative Fuel (AF) investment. AF rate (AFR) has reached 15% at grey clinker line. - CAC capacity increase (+25.000 ton clinker/year)
2022	2nd Line AF Investment. AFR has reached 13%, highest white clinker AFR ratio in Türkiye.
2023	CAC investment (+66.000 ton clinker/year) – 4 <sup>th</sup> CAC kiln
2024	- CAC investment decision (+66.000 ton clinker/year) – 5 <sup>th</sup> CAC kiln investment - First RECIPRO40S clinker produced

Mersin cement factory sits on an area of 850,000 m<sup>2</sup> and the Site is engaged in the production of grey and white cement, calcium aluminate cement (“CAC”) which is a special product that offers heat resistance, high performance, and durability.

### 2.3 The Project

The proceeds of the EBRD loan will be used to finance several technical investments planned at Mersin cement factory to support the decarbonisation strategy of ÇİMSA (“Project Limestone” or “the Project”), including the following:

- New line for Calcium Aluminate Cement production line - 5<sup>th</sup> CAC line
- Rotary Kiln I – Energy recovery from waste
- Rotary Kiln II – Fuel from waste inc. biomass
- Rotary Kiln III – Fuel from waste inc. biomass
- Alternative raw material storage and feeding system
- 4.16 MW solar energy generation
- Change in the product mix
- Grinding-separator and system fan upgrade
- Rotary Kiln I cooler upgrade and capital expenditure to improve the heating/burning process

Information on the planned investments is presented below. It should be noted that according to the information provided by the EBRD, the Bank will initially finance some of the investment items listed above. The investments to be financed by the Bank will result up to 246,166 tCO<sub>2-eq</sub> savings until 2030.

### 2.3.1 5<sup>th</sup> CAC Kiln Investment

Following the completion of the 4<sup>th</sup> CAC Kiln in 2023, the capacity of the CAC production plant within Mersin cement factory increased by 66,000 tons/year, reaching a total capacity of 133,000 tons/year. This has positioned ÇİMSA as the third-largest producer in the world. In line with the strategy to expand growth and add value in the field of sustainable building materials, the 5<sup>th</sup> CAC kiln is planned to be commissioned in the first half of 2026, further increasing capacity by an additional 66,000 tons/year, thereby strengthening the Company's global position. It should be noted that the 5<sup>th</sup> CAC Kiln investment will not result in an overall capacity increase in Mersin Cement Factory as grey clinker production will be decreased to compensate for the planned increase in CAC clinker (as committed by ÇİMSA as part of the EIA decision). The new production technology to be used aims to achieve reduced calorific consumption, decreased electricity usage, and consequently, a reduction in CO<sub>2</sub> emissions. Information on the 5<sup>th</sup> CAC Kiln investment project implemented by ÇİMSA is presented below in Table 2.

Table 2. Information on 5<sup>th</sup> CAC kiln investment project

Aspect	Explanation
Contractor	SINTEK
Start Date	13.11.2024
Completion Date	15.04.2026
Construction Permit/ Building License	12.05.2025
EIA Decision	EIA Not Required Decision, dated 21.04.2025
GHG Reduction Relevance	As part of the EIA commitment, ÇİMSA has committed to replace 66,000 ton grey clinker production with 66,000 ton CAC clinker. As the former is more GHG intensive, an estimated 6,072 ton reduction is expected from overall plant emissions.

Excavation works have been completed, and civil and steel engineering works were ongoing in July 2025 (Figure 2).



Figure 2. Views from 5<sup>th</sup> CAC kiln construction works

The layout of the 5<sup>th</sup> CAC kiln being constructed next to the 4<sup>th</sup> CAC kiln is presented in Figure 3.

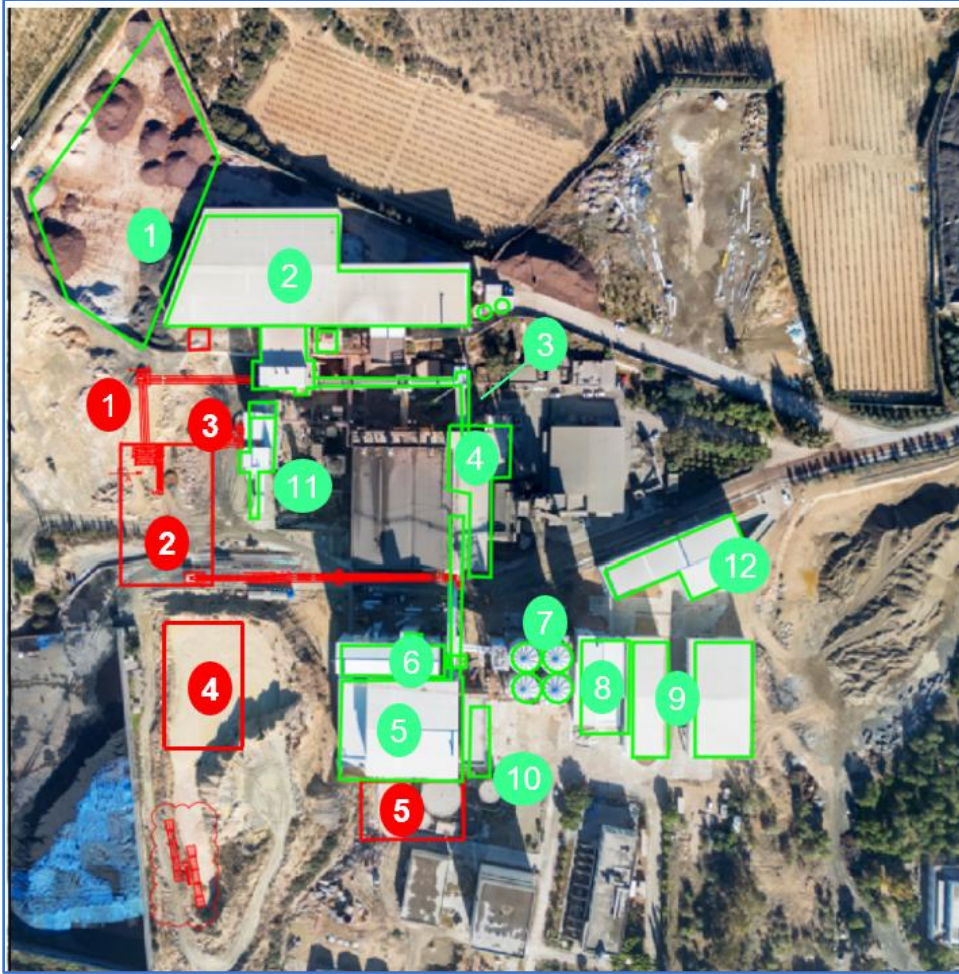


Figure 3. Layout of the CAC Kilns #4-5 (Green areas indicate the scope of 4<sup>th</sup> CAC Kiln and Red areas indicate the scope of 5<sup>th</sup> CAC Kiln)

**5<sup>th</sup> Kiln Scope:** 1. Raw material conveying 2. Kiln & storage 3. Coal silo 4. Coal storage 5. Clinker storage

**4<sup>th</sup> Kiln Scope:** 1. Raw material stockpile area 2. Raw material storage 3. Raw material conveying 4. Kiln and storage

5. Clinker storage and crusher 6. Cement mill 7. Cement silo 8. Packaging and big bag 9. Palletising and palletising stock 10. Electrical room 11. Coal mill & silo 12. Crusher & big bag

### 2.3.2 Other Investments

#### ***Rotary Kiln 1 – Energy recovery from waste***

The investment entails the installation of refuse derived fuels feeding system through the main burner of Rotary Kiln 1 (Figure 4). The investment is planned to start in 2027 and completed in 2028. ÇİMSA expects to increase the Alternative Fuels substitution ratio from 13% to 25% with this investment, which, in turn, is estimated to reduce Scope 1 GHG emissions by ~43,000 tons per year.





Figure 4. Schematics of RK#1 and the planned RDF feeding system in red

### ***Rotary Kiln 2 – Fuel from waste inc. biomass***

The investment entails the installation of a feeding system of solid refused fuels (including biomass) for Rotary Kiln 2 (Figure 5). The investment is planned to start in 2027 and completed in 2028. ÇİMSA expects to increase the Alternative Fuels substitution ratio from 2% to 20% with this investment, which, in turn, is estimated to reduce Scope 1 GHG emissions by ~40,000 tons per year.

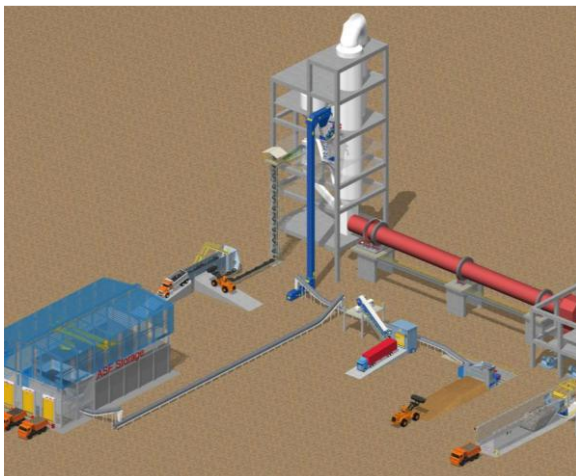


Figure 5. Illustration of the feeding system planned for RK#2

### ***Rotary Kiln 3 – Fuel from waste inc. biomass***

The investment entails the installation of a feeding system of solid refused fuels (including biomass) for Rotary Kiln 3 (Figure 6). The investment is planned to start in 2026 and completed in 2027. ÇİMSA expects to increase the Alternative Fuels substitution ratio from 0% to 30% with this investment, which, in turn, is estimated to reduce Scope 1 GHG emissions by ~78,000 tons per year.

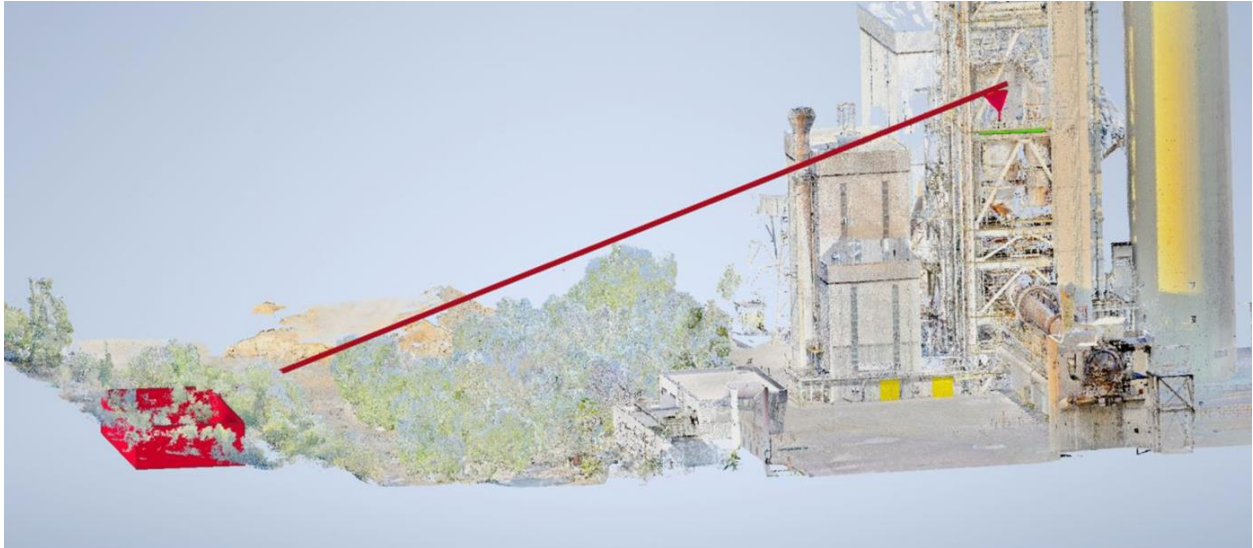


Figure 6. Illustration of the feeding system planned for RK#3

#### ***Alternative raw material storage and feeding system***

The investment entails the use of fly ash as alternative raw material instead of cement clay (fed through cement raw mill). As reported by ÇİMSA, there are many facilities using boilers in the region and there is an ash source, but dosing is not possible due to the absence of a silo in Mersin cement factory at the time of the ESDD. ÇİMSA expects 20% clay replacement with 300 tons/day fly ash supply. The investment is planned to start in 2027 and completed in 2028. ÇİMSA expects to reduce Scope 1 GHG emissions by ~17,000 tons per year.

#### ***4.16 MW solar energy generation***

ÇİMSA plans to install a field type solar power plant within the premises to generate electricity from solar energy (4.16 MW). As reported by ÇİMSA representatives, the investment is in very early stage as there has not been any permitting related developments at the time of the ESDD. The investment is planned to be started and completed in 2027. ÇİMSA expects to reduce Scope 2 GHG emissions by ~2,600 tons per year. As this investment requires capacity allocation by the competent authority, the timeline may change.

#### ***Change in the product mix (transition to additive cement products)***

The investment entails the installation of a cement silo (12,000 ton capacity) for transition to additive cement products and reducing clinker usage rate. The investment is planned to start in 2029 and completed in 2029. ÇİMSA expects to reduce Scope 1 GHG emissions by ~54,000 tons per year. Calculation was made based on the transition of 500,000 tons of domestic market and 300,000 tons of export market CEM I product to CEM II type product.

#### ***Technological Investments for Process Improvement of Line-1 Cooler Upgrade***

ÇİMSA aims to reduce fuel usage with the technological investments and energy optimization projects regarding to kiln cooler upgrade for RK#1 (Figure 7). The investment is planned to start in 2026 and completed in 2027. ÇİMSA expects to reduce Scope 1 GHG emissions by ~5,000 tons per year.



Figure 7. Illustration of cooler upgrade (before and after) planned for RK#1

#### 2.3.2.1 Estimated GHG Reductions from Planned Investments

ÇİMSA has developed an estimated GHG reduction scheme for each investment item (Table 3).

Table 3. GHG reductions estimated for the planned investments by ÇİMSA

Investment Item	Impact	Estimated GHG Reduction (in tons CO <sub>2</sub> -eq)
Kiln I - (energy recovery from waste)	Increased alternative fuel (mainly biomass) utilisation	42,902
Kiln II (fuel from waste inc. biomass)		39,357
Kiln III (fuel from waste inc. biomass)		78,445
Alternative raw material storage and feeding system	Fly ash/ other alternative raw material usage instead of clay	16,999
4.16 MW solar energy generation	Increased use of renewable resources	2,592
Change in the product mix	Decrease clinker usage	53,760
Heating/burning process improvement through Kiln I Cooler Upgrade	Reduction of fuel consumption	5,209
Grinding-separator and system fan upgrade	Reduction of energy consumption	829
5 <sup>th</sup> CAC Line	Reduction of fuel and energy consumption	6,072

Total GHG reduction associated with the investment items amounts to 246,166 tons CO<sub>2</sub>-eq. According to the internal calculations performed by ÇİMSA, the GHG emissions reductions will be primarily due to the reduction of Scope 1 emissions while the reduction of Scope 2 emissions will be mainly due to solar energy generation and process improvements (grinding-separator and system fan upgrade) resulting in electricity savings.

### 3 Project's Expected Benefits, Potential Impacts and Mitigation Measures

The Project's potential environmental and social impacts were assessed during Project's Environmental and Social Due Diligence (ESDD) study conducted in July 2025. The ESDD entailed consultations with stakeholders to understand the Project's potential risks, impacts and mitigations to reduce identified negative impacts, and to expand positive impacts. A summary of environmental and social (E&S) management systems and key E&S issues associated with existing operations and the Project is presented below. The key E&S gaps, risks, and potential adverse impacts as well as the mitigation measures to be taken by ÇİMSA are summarised in Table 4.

Table 4. Project's key E&S risks and impacts and the associated mitigation measures

Gap/Risk/Impact Description	Mitigation Measure
<p>The nature of cement operations result in onsite and offsite dust generation which needs to be managed systematically through a management plan with a dedicated monitoring component.</p> <p>Existing and Project related activities have direct and indirect impacts on internal and external stakeholders, particularly the local communities and sensitive receptors in the vicinity of Mersin cement factory.</p>	<p>ÇİMSA shall undertake a comprehensive survey to map dust sources and impacted receptors and develop and implement a Dust Management Plan to reduce flue gas and fugitive dust emissions and minimise impacts on the workforce and local communities potentially impacted from Company operations. The Dust Management Plan shall be applied for the area of influence of ÇİMSA operations in Mersin, taking into account the quarries, as well as the receptors along the access roads and within the nearby settlements. The Plan shall be based on sound methodologies for the development of a dust source inventory, maintenance, operational controls, and ambient dust monitoring. ÇİMSA will complement the action with smart and robust dust monitoring systems established prior to the 5th CAC kiln and other investments becoming operational, in order to generate credible baseline data that will demonstrate the difference in ambient dust levels between the pre- and post-investment periods.</p> <p>ÇİMSA will develop a standalone community health and safety plan of existing and Project related risks to the local communities.</p> <p>ÇİMSA will develop and implement a Road and Traffic Safety Management Plan to address the risks associated with transportation of raw materials used in cement production from the quarries to the factory, transportation of the produced cement to customers.</p>
<p>There is room for improvement in terms of aligning the existing cement manufacturing operations with international standards and best available techniques.</p>	<p>ÇİMSA will improve the existing operations to align the Company with the EU Directive (2010/75/EU) on industrial emissions and the associated BAT Conclusions for the Production of Cement, Lime and Magnesium Oxide and undertake a detailed technical study report to explore options and opportunities to adopt the best available techniques presented in the BAT Conclusions for the Production of Cement, Lime and Magnesium Oxide Production.</p>
<p>There is room for improvement to further reduce the greenhouse gas emissions associated with the Company operations.</p>	<p>ÇİMSA will develop and implement a GHG Reduction Plan in accordance with the decarbonisation strategy of the Company. ÇİMSA has also identified GHG emission reduction pathway based on Science-Based Targets Initiative (SBTI). ÇİMSA's shall implement the following strategies as part of its decarbonisation pathway:</p> <ul style="list-style-type: none"> <li>• Increasing the use of alternative resources to reduce the use of fossil fuels and natural resources</li> <li>• Transition to a sustainable product portfolio containing low clinker and high additives to support the transition to a low carbon economy</li> <li>• Applications of decarbonised raw materials with low carbon density</li> <li>• Renewable energy generation</li> <li>• Technology improvement and new technology investments</li> </ul>
<p>The external stakeholders of ÇİMSA need to be engaged systematically and the external grievances need to be formally addressed through an external grievance mechanism.</p>	<p>ÇİMSA will implement the stakeholder engagement plan (SEP) and the external grievance mechanism. The SEP, in particular the external grievance mechanism, will be disclosed via the corporate web site and will be made available physically to local communities impacted from the Project (e.g., at the mukhtar's office, village tea house, etc). All grievance shall be recorded and responded in line with the steps defined in the external grievance mechanism.</p>



## 4 Policies of ÇİMSA and National and International Requirements

This SEP has been prepared in accordance with the following legislation and standards:

- Relevant Turkish national legislation
- EBRD's Environmental and Social Policy (2024) and the associated Environmental and Social Requirement (ESR) 10

Further details of the relevant policies, Turkish legislation and applicable international requirements are provided below.

### 4.1 Relevant Policies of ÇİMSA

The policies and procedures of ÇİMSA relevant to stakeholder engagement include:

- Human Rights Policy
- Equality, Diversity, and Inclusion Policy
- Corporate Social Responsibility Policy
- Stakeholder Engagement Policy
- Supplier Management Procedure
- Responsible Procurement Policy
- Responsible Investment Policy
- Integrated Management System Policy
- Code of Ethics

ÇİMSA and Sabancı Holding Code of Ethics covers relationships with customers, employees, shareholders, business partners, suppliers, competitors, government agencies and society. The Code has a principle that defines the Company's relationships with internal and external stakeholders built on trust. The Company conducts all its activities and transactions in compliance with the laws of the Republic of Türkiye and international legal frameworks; ensures the timely provision of accurate, complete, and comprehensible information to regulatory authorities and organizations. Maintaining an equitable stance towards all public institutions, administrative bodies, civil society organizations, and political parties, the Company refrains from expecting any form of benefit and fulfils its obligations with a sense of duty and responsibility. These policies and procedures demonstrate a commitment to engaging with various stakeholders, including employees, suppliers, communities, and charitable organizations, among others.

### 4.2 National Regulatory Requirements

There are several laws and regulations in force that define terms and conditions to inform and consult public while conducting certain activities. The ones that would apply to the Project are as follows:

#### ***Constitution of the Republic of Türkiye (Articles 25, 26, 74 and 148)***

Constitution of Republic of Türkiye is the fundamental document in respect to guaranteeing citizens' freedom of thought and opinion (Article 25). No one shall be compelled to reveal his/her thoughts and opinions for any reason or purpose; nor shall anyone be blamed or accused because of his/her thoughts and opinions. Everyone has the right to express and disseminate his/her thoughts and opinions by speech, in writing or in pictures or through other media, individually or collectively. This freedom includes the liberty of receiving or imparting information or ideas without interference by official authorities (Article 26). In addition, Turkish citizens and foreigners residing in Türkiye, on the condition of observing the principle of reciprocity, have the right to apply in writing to the competent

authorities and to the Grand National Assembly of Türkiye with regard to the requests and complaints concerning themselves or the public (Article 74). Everyone may apply to the Constitutional Court on the grounds that one of the fundamental rights within the scope of the European Convention on Human Rights which are granted by the Constitution has been violated by public authorities provided that ordinary remedies are exhausted (Article 148).

***Law on the Right to Information (No. 4982)***

Law on the Right to Information regulates the procedure and the basis of the right to information according to the principles of equality, impartiality and openness that are the necessities of a democratic and transparent government.

***The Law on Use of the Right to Petition (No. 3071)***

Citizens of the Turkish Republic are entitled to apply Turkish Grand National Assembly and the public authorities by written petition, in respect to their requests and complaints, in accordance with the Article 3 of the Law on Use of the Right to Petition (Official Gazette dated 01.11.1984 and numbered 3071). Foreigners residing in Türkiye are also entitled to enjoy this right on the condition of reciprocity and using Turkish language in their petitions.

#### 4.3 EBRD's Environmental and Social Requirements

The main applicable international standard for the Project, EBRD's Environmental and Social Requirements (ESRs) within Environmental and Social Policy (2024), aligned with the approach of the United Nations Economic Commission for Europe (UNECE) Aarhus Convention, identify the environment as a public good and considers stakeholder engagement as an essential part of good business practices, corporate citizenship, and a way of improving the quality of projects.

Environmental and Social Requirement 10 of the EBRD is specifically focusing on stakeholder engagement requiring the following:

- The Company will conduct stakeholder engagement on the basis of providing local communities that are directly affected by the Project and other relevant stakeholders with access to timely, relevant, understandable and accessible information, in a culturally appropriate manner, and free of manipulation, interference, coercion and intimidation.
- Stakeholder engagement will involve the following elements: stakeholder identification and analysis, stakeholder engagement planning, disclosure of information, consultation and participation, grievance mechanism, and ongoing reporting to relevant stakeholders.
- The nature and frequency of stakeholder engagement will be proportionate to the nature and scale of the Project and its potential adverse impacts on the affected communities, the sensitivity of the environment and the level of public interest. The requirements of national law with respect to public information and consultation, including those laws implementing host country obligations under international law, must always be met.

The Company will define clear roles, responsibilities, and authority and recruit or assign specific personnel to be responsible for the implementation and monitoring of stakeholder engagement activities.





Views of the Site from Tekke neighborhood are presented in Figure 9.



Figure 9. Views of the Site from Tekke neighborhood and closest residential buildings

Sucular quarry is located 600 m to the north of Sucular neighborhood. Location of the settlement and its view from the access road leading to the quarry are shown in Figure 10 and Figure 11, respectively.



Figure 10. Sucular quarry and Sucular neighborhood (residential areas are shown in yellow)



Figure 11. View of Sucular neighborhood from the access road to Sucular quarry (the trucks do not take the road that leads towards the settlement)



In addition to Sucular quarry, ÇİMSA operates several other quarries as part of its operations. Some of those quarries are located within a residential setting; as such, mukhtars and residents of those settlements are identified as important stakeholders of the Project.

#### *Local Businesses*

Businesses positively impacted by local procurement of the Company and its contractors (catering, technical materials and equipment procurement, consumables etc.)

#### *Vulnerable Groups*

Vulnerable groups may be affected by the Project or activity by virtue of their physical disability, social or economic standing, and limited education or lack of employment. Within the scope of the Project, community members, women and children can be defined as vulnerable groups who are expected to be affected by traffic safety and other unforeseen risks to community health and safety.

#### *National Governmental Organisations*

National governmental organisation are of importance to the Project as they are responsible for implementation of applicable legislation and granting the required permits. These include, but not limited to:

- Ministry of Environment, Urbanisation and Climate Change
- Ministry of Energy and Natural Resources
- Energy Market Regulatory Authority (EMRA)
- TEIAS (Turkish Electricity Transmission Corporation)
- Ministry of Industry and Technology

#### *Local Governmental Organisations*

Local government institutions are of importance to the Project as they are responsible for implementation of legislation, and development of plans and policies at the provincial/municipal level. In addition, the local governmental organisations in the Project area will need to be kept informed of progress and plans in their area, to consider the Project activities in their policy-making, regulatory and other duties and activities. The relevant stakeholders are:

- Mersin governorship
- Provincial directorates of relevant ministries
- Akdeniz district governorship
- Mersin metropolitan municipality
- Toroslar and Sucular neighborhood mukhtars (and mukhtars of other settlements where quarries are located)

#### *Non-governmental organizations*

Non-governmental actors and other interest groups with direct interest in the Project and their social and environmental aspects and that can influence the Project directly or through public opinion. The NGOs that may have an interest in the Project include:

- Chamber of Commerce and Industry
- Cement Manufacturers Association
- Agricultural cooperatives, and similar organisations.

### *Contractors and Suppliers*

Contractors involved in routine operations of the Company, including raw material extraction and transportation, as well as the engineering, procurement and construction (EPC) contractor of Project investments. Project related material suppliers, suppliers of materials/equipment for existing operations are also considered important stakeholders for the Project.

### *Media and press*

- National TV channels and newspapers
- National online platforms related with cement industry, decarbonisation and renewable energy
- Local newspapers (e.g., Akdeniz Gazetesi, Tarsus Ekspres, etc)

### *Customers*

Customers are vital external stakeholders of Mersin cement factory, representing the end-users of the product. They encompass individuals, construction companies, and infrastructure developers who rely on cement for various projects.

### *Academic Institutions, Universities, Educational Institutions*

Academic institutions, universities and educational institutions contribute to research, education, and innovation within cement industry. These institutions engage in various collaborations, research projects, and knowledge exchange initiatives with the Plant, aimed at advancing technology, sustainability practices, and industry standards.

### *Shareholders, Investors and Financial Institutions*

As a prominent player in the cement sector, ÇİMSA has attracted shareholders and investors, including financial institutions such as the EBRD, interested in its innovative approaches and international expansion. With Sabancı Holding serving as its main shareholder, ÇİMSA leverages its financial backing to drive growth and sustain its operations both domestically and globally.

## 5.2 Internal Stakeholders

Internal stakeholders are defined as shareholders, employees and contractor companies. All these stakeholders are within the framework of the Project's impact.

### *ÇİMSA Employees*

ÇİMSA, a subsidiary of Sabancı Holding and one of the most prominent cement companies, operates three cement factories in Eskişehir, Afyon, and Mersin in Türkiye. Additionally, with its headquarters (HQ) in Istanbul, the Company employs more than 1,000 employees.

### *Contractors*

ÇİMSA delegates various production-related tasks to its contractors. These tasks include raw material extraction and transportation and product packaging and transportation. The EPC contractor is involved in the construction of 5<sup>th</sup> CAC kiln. Additionally, the private security contractor of ÇİMSA, employs security guards on-site, while contractor shuttle drivers are responsible for transporting workers to and from Mersin cement Plant. Furthermore, there will be additional project-based contractors.

### 5.2.1 Stakeholder Identification Summary

The internal and external stakeholders identified for the Project is summarized in Table 5 below:

Table 5. Summary Stakeholder Identification Table

Stakeholder Groups	Definitive Stakeholders	Summary of Specific Interest/Relevance
<b>External Stakeholders</b>		
<b>Local Communities</b>	Residents of Tekke and Yaka neighbourhoods Residents of Sucular neighborhood and other settlements located in the vicinity of quarries Local business owners Road users (along transportation routes from quarries to Mersin cement factory)	Community health and safety (e.g., dust, blasting, noise and vibration impacts) Traffic and road safety Livelihood impacts External grievances Information disclosure Local employment and procurement
<b>Vulnerable Groups</b>	Local community members who have limited access to communication channels, disabled persons, women and children	Community health and safety Traffic and road safety External grievances Information disclosure Local employment
<b>National Governmental Organizations</b>	Ministry of Environment, Urbanisation and Climate Change Ministry of Energy and Natural Resources Energy Market Regulatory Authority (EMRA) TEİAS (Turkish Electricity Transmission Corporation) Ministry of Industry and Technology	Permits and licenses Official inspections/audits
<b>Local Governmental Organizations</b>	Mersin governorship Provincial directorates of relevant ministries Akdeniz district governorship Mersin metropolitan municipality Mukhtars of nearby settlements	Permits Community health and safety External grievances
<b>Non-governmental Organizations/ Professional Chambers</b>	Chamber of Commerce and Industry Cement Manufacturers Association Agricultural cooperatives, and similar organisations	Lobbying Other collaboration opportunities (women empowerment, environmental protection, capacity building trainings etc.) R&D projects External grievances
<b>Contractors and suppliers</b>	EPC contractor Raw material extraction and transportation contractors Project equipment suppliers	Salient labor rights and working conditions Supply chain management Workers' grievance mechanism Community health and safety Gender Based Violence and Harassment (GBVH) Traffic and road safety
<b>Media</b>	National TV channels and newspapers National online platforms related with cement, decarbonisation, and renewable energy Local newspapers	Information disclosure External grievances
<b>Academic Institutions, Universities, Educational Institutions</b>	Mersin University Local vocational schools	Education and training Research & development Information disclosure
<b>Others</b>	Customers Shareholders and Investors The EBRD	Financial, environmental and social sustainability Project finance, environmental and social monitoring
<b>Internal Stakeholders</b>		
<b>ÇİMSA employees</b> <b>Contractor employees</b> <b>Truck drivers</b> <b>Private security personnel</b>	ÇİMSA employees Contractors and sub-contractors and their employees	Working conditions, internal grievances Capacity building, stable employment and opportunity, occupational health and safety Human rights and GBVH Traffic and road safety

## 6 Summary of Existing Stakeholder Engagement

ÇİMSA established its Stakeholder Engagement Policy on 20.12.2017 which includes the identification and periodic update of priority stakeholder groups and communication channels. The prioritization matrix exercise was employed internally to determine the importance ranking of stakeholder priorities. During this process, each identified issue is evaluated and scored from both ÇİMSA's perspective and that of the relevant stakeholder group, leading to the emergence of focus areas for ÇİMSA. Feedback, suggestions, complaints, and requests received through communication channels with stakeholders are considered in prioritizing actions. The parties identified in the plan as forming the stakeholder chain include employees, investors, customers, the public, suppliers, subcontractors, public institutions, academic organizations, Sabancı Group companies, financial institutions, non-governmental organizations, sectoral organizations-professional associations, media, and similar entities that may be affected by or may affect the Company's activities.

Various stakeholder engagement activities have been conducted, particularly with local communities in the vicinity of Mersin Cement Factory and surrounding raw material quarries. These interactions highlight continuous efforts of ÇİMSA to foster good neighbourly relations, support community development, and contribute to local employment and procurement. Feedback received from local representatives confirms that the Company is attentive to community needs and responsive in addressing them. While operational activities may occasionally give rise to concerns, these are managed through constructive dialogue and close cooperation with stakeholders. This stakeholder engagement plan will formalise the existing and planned engagement activities performed by ÇİMSA for its operations carried out in Mersin, including an external grievance mechanism, that will be implemented during the Project.



## 7 Stakeholder Engagement Programme

The stakeholder engagement programme for the Project is presented in Table 6 below:

Table 6. Stakeholder Engagement Approach and Future Stakeholder Engagement

No	Stakeholders	Activity Level	Effect	Consultation Subjects	Consultation Method	Frequency	Period
A Local Communities							
1	Residents of Yaka and Tekke neighborhoods  Residents of settlements in the vicinity of quarries  Residential buildings close to the Mersin cement factory  Road users  Local business owners	Local	Affected	Community health and safety Traffic and road safety External grievances Livelihood impacts Local employment Information disclosure	Face-to-face meetings Brochure, leaflet Announcements posted in public areas Online tools – recruitment platforms Phone/Petition/E-mail Company website and social media accounts	Monthly consultations to inform the stakeholders on the Project schedule, risk mitigation measures planned by ÇİMSA, SEP and the external grievance mechanism, etc) and as needed during important milestones (busy traffic, recruitment/employment notices, etc).	Pre-construction, construction
						Quarterly	Operation
2	Vulnerable Groups	Local	Affected	Community health and safety Traffic and road safety External grievances Local employment Information disclosure	The Company to tailor and adopt appropriate engagement practices and tools to ensure the identification of vulnerable groups and their adequate access to information and participation	As needed during important milestones (start of construction, busy traffic, recruitment/employment notices, etc).	Pre-construction, construction
						Quarterly	Operation
B Public Institutions							
3	National governmental organizations	National	Affecting	Permits and licenses Audits Legal regulations	Face to face meetings Online meetings E-mail Official correspondence Phone	As needed	Pre-construction, construction and operation

No	Stakeholders	Activity Level	Effect	Consultation Subjects	Consultation Method	Frequency	Period
4	Local governmental organizations	Regional	Affecting	Permits Environmental issues Community health and safety Traffic and road safety External grievances	Face to face meetings Online meetings E-mail Official correspondence Phone	As needed	Pre-construction, construction and operation
<b>C Contractors and Suppliers</b>							
5	Contractor and suppliers	Local Regional National	Affected Affecting	Salient labor rights and working conditions Traffic and road safety External grievances Occupational health & safety	Contractual measures Supply Chain Management System Online tools and verifications Correspondence Supply chain E&S inspections as applicable Grievance Mechanism	As needed and in line with relevant contracts, plans and programs	Before procurement of Project equipment, construction and operation
<b>D NGOs / Professional Chambers</b>							
6	Chamber of Commerce and Industry Cement Manufacturers Association Agricultural cooperatives, and similar organisations	Local National Regional	Affecting	Environmental and social issues Information disclosure External grievances	Face to face meetings Thematic/sectoral roundtable meetings Online meetings E-mail Phone	As needed	Construction and Operation
<b>F Media</b>							
7	National TV channels and newspapers National online platforms Local newspapers	Local National	Affecting	Information disclosure External grievances	Press releases Web site E-mail Face to face meetings Phone Site visit by journalists	As needed	Construction and Operation

No	Stakeholders	Activity Level	Effect	Consultation Subjects	Consultation Method	Frequency	Period
<b>G Other</b>							
<b>8</b>	Shareholders and investors Customers Financial Institution	National International	Affecting Affected	Project updates and changes in operations Environmental and social risks and environmental and social management Sustainability and Project finance	Web site – updates in investor relations Annual reports Correspondence Online meetings	Annual (and as needed)	Construction and Operation
<b>H Internal Stakeholders</b>							
<b>9</b>	Company employees Contractors and sub-contractors and their employees (including EPC Contractor) Truck drivers Security guards	National Regional	Affecting Affected	Project updates and changes in operations Labor rights, overtime, code of conduct including provisions for GBVH, GRM for workers etc. Working conditions and capacity building Internal grievance mechanism Occupational health and safety Traffic and road safety	Trainings Face to face meetings Awareness raising brochures Online tools Workers Grievance Mechanism	Quarterly (and as needed)	Construction and Operation

## 8 Disclosure and Consultation

Disclosure of the SEP and Non-Technical Summary (NTS) documents will provide information about the Project and the assessment of impacts and planned mitigation measures and monitoring activities. The SEP, external grievance mechanism (specifically the contact details of the community liaison officer of ÇİMSA) and the NTS will be made available to the local communities.

Gender equality and gender-based violence and harassment (GBVH) will be considered in the implementation of the SEP especially with the stakeholders. To this end, ÇİMSA will take the following measures in line with gender equality principle:

- Disaggregating all data obtained and recorded during the Project lifecycle based on gender
- Gender impact monitoring during the Project operation periods (local employment, labor rights, local businesses etc.)
- Internal grievance mechanism accessible and confidential for female employees of the Company and its contractors in the Project to prevent gender-based violence and harassment
- All employees will receive GBVH trainings as a part of induction training
- Informing all employees about the results of GBVH Risk Assessment to be carried out, and Gender Policy to be developed.
- Keeping internal and external grievance records by gender
- Analysing and monitoring the effectiveness of stakeholder engagement methods in terms of the participation of women stakeholders

## 9 Grievance Redress Mechanism

### 9.1 Existing External Grievance Mechanism

The contact section of the Company's website (<https://cimsa.com.tr/en/contact/>) includes the phone number of Mersin Cement Plant. Individuals who wish to make an external complaint can do so verbally through the phone number found in this section, either by contacting Çimsa Headquarters, Mersin Cement Factory switchboards, or directly to the Administrative Affairs Manager and Plant Managers (for plant operations) as well as Raw Material Leaders (for quarry operations).

### 9.2 Further Actions

The Company shall enhance its existing Grievance Procedure to comply with the EBRD ESRs. In order to prevent and/or resolve any grievances in a timely and effective manner, EBRD ESR10 requires establishing and maintaining a permanent mechanism for receiving and handling stakeholders' grievances, concerns and requests. The process of the Grievance Mechanism to be implemented by the Company are presented below:

- The Company will encourage the use of grievance mechanism by making diverse venues available (by website form, e-mail, phone, WhatsApp, and written grievance form – as given in Appendix A) visible in different platforms such as social media, billboards, public and communal spaces etc. to ensure an open-communication policy.
- Stakeholders can raise their grievances and requests during any stakeholder engagement activity. All grievances will be recorded in a grievance log.
- Any grievance or request can be submitted verbally (face-to-face or by telephone) or in writing by post or e-mail or by filling in a grievance form by any external or internal stakeholders. Grievance forms will also be placed where external stakeholders can access them such as security office in the site, and in the mukhtars' offices.
- The stakeholders will be informed on the grievance mechanism during the stakeholder engagement activities.
- If the person filing a grievance would like to receive a written reply, reliable contact details should be provided by that person.
- Both signed and anonymous grievances will be accepted. In both cases, any information on the grievance owner's personal details will not be shared with third parties and will be kept as strictly confidential. Full compliance with the national law on obtaining and processing personal information will be ensured.
- An investigation will be performed for each grievance and results will be recorded in grievance register. The grievance holder will be informed on the findings of the due diligence; whether the grievance is classified as appropriate or inappropriate.
- The proposed mitigation measures will be discussed in advance with the complainant as far as practical. The maximum period of grievance processing is 30 days. The prepared reply will be approved by the Company and sent to the grievance holder in 30 days after the receipt of the grievance.
- If the grievance holder's contact information is known, he/she will be notified when the grievance is received, answered and resolved. If it is necessary to contact the contractors/subcontractors for problem resolution or mitigation measures, the Company and contractors shall act together.



- A register of grievances will be kept. This register will include grievance status detail. Same process above will be in place for the applications received from The Presidency's Communication Center (CiMER).
- The news in press and social media will also be followed and recorded in a separate media/news log. Negative news and concerns raised through media channels/platforms will be analyzed and will be processed through the grievance mechanism. The mechanism shall entail a non-retaliation principle to allow the submission of grievances without fear of retaliation.

To further align the grievance mechanism with the EBRD ESRs and foster a comprehensive approach, the Company shall establish a distinct grievance channel that exclusively addresses human rights concerns and GBVH incidents. This channel shall be accessible to supplier and contractor workers as well. To ensure a well-informed workforce, it is essential that the Company guarantees that all employees, including contractors and subcontractors, are trained about the worker's grievance mechanism's functioning. Periodic refresher sessions should also be conducted by the human resources department to keep employees up to date.

All projects financed by EBRD shall be structured to meet the requirements of the EBRD Environmental and Social Policy which includes ten ESRs for key areas of environmental and social sustainability that projects are required to meet, including ESR10 Stakeholder Engagement. In addition, EBRD's Independent Project Accountability Mechanism (IPAM), as an independent last resort tool, aims to facilitate the resolution of social, environmental and public disclosure issues raised by Project-affected people and civil society organizations about EBRD financed projects among Project stakeholders or to determine whether the EBRD has complied with its ESP and the Project-specific provisions of its Access to Information Policy; and where applicable to address any existing non-compliance with these policies, while preventing future non-compliance by the EBRD.

## 10 Resource and Responsibilities

ÇİMSA will be responsible for the implementation and monitoring of the SEP on a regular basis. The Company will assign dedicated person(s) in its E&S organisation who will be responsible for the implementation of the relevant actions defined in this SEP.

## 11 Monitoring and Reporting

The SEP will be periodically reviewed and updated, as necessary, during the course of the Project. ÇİMSA will record all incoming grievances. The SEP Monitoring Framework for the Project is described below in Table 7. In addition to the monitoring frequency indicated below, there will be annual monitoring to EBRD annually within environmental and social reports.

Table 7. SEP Monitoring Framework

Monitoring Focus	Monitoring Indicator	Phase	Monitoring Frequency	Parties Responsible for the Monitoring
<b>Public trust and satisfaction</b>	<ul style="list-style-type: none"> <li>• Number of grievances and type of grievances</li> <li>• Court cases against the Company</li> <li>• List of Corporate Social Responsibility activities, type of activity, targeted number of beneficiaries reached</li> <li>• Coverage in the national/local media</li> <li>• Coverage in social media</li> <li>• List of important events organized/participated for raising awareness about climate change, sustainability, energy efficiency etc.</li> </ul>	Construction Operation	Monthly	ÇİMSA
<b>Stakeholder engagement process and grievance mechanism</b>	<p>Identified stakeholder engagement/public consultation process - record of the activities as related to:</p> <ul style="list-style-type: none"> <li>• Number of meetings held</li> <li>• Internal activities - Gender disaggregated number of the participants attended the trainings/meetings</li> <li>• Visits to local authorities or other local stakeholders</li> <li>• Internal grievances (number and type)</li> <li>• Timeline required to solve grievances</li> <li>• Status of grievances (open/closed)</li> <li>• Number of grievances that are on hold/ or disagreed</li> </ul>	Construction Operation	Monthly	ÇİMSA

## APPENDIX A: TEMPLATE FOR GRIEVANCE FORM

A – General Information		
Received by:		
Registration Form No:		
Registration Date:		
Registration Location:	<input type="checkbox"/> Field	<input type="checkbox"/> Office
Registry Type:	<input type="checkbox"/> Grievance	<input type="checkbox"/> Request
B- Received Through		
<input type="checkbox"/> Phone <input type="checkbox"/> Petition <b>(Copy of the petition must be added to this form)</b>	<input type="checkbox"/> Face-to-face <input type="checkbox"/> Meeting or focus group <input type="checkbox"/> E-mail <input type="checkbox"/> Other (ÇİMER etc.....)	
C.1- About Grievance Holder		C.2- Stakeholder Category
Name Surname	Anonymous (when requested)	<input type="checkbox"/> Public Institution/Local Government <input type="checkbox"/> Local community (Individual) <input type="checkbox"/> Local community (Community) (number of community members...) <input type="checkbox"/> Local business <input type="checkbox"/> NGO <input type="checkbox"/> Contractor firm <input type="checkbox"/> Subcontractor firm <input type="checkbox"/> Supplier firm <input type="checkbox"/> ÇİMSA employee <input type="checkbox"/> Contractor/subcontractor/supplier employee <input type="checkbox"/> Media <input type="checkbox"/> Other
Contact Information	Tel: E-mail:	
Address		
Province/District		
Signature of the Grievance Holder		
Only for grievances/requests received face-to-face, during meetings		

<b>D.1- About Grievance/Request</b>	<b>D.2- Grievance/Request Type</b>
<i>Detailed description of the grievance/request</i>	<input type="checkbox"/> Damage to building/land/structure <input type="checkbox"/> Environmental impact (pollution, dust, noise etc.) <input type="checkbox"/> Traffic risks <input type="checkbox"/> Request for employment <input type="checkbox"/> Working conditions <input type="checkbox"/> Dismissal <input type="checkbox"/> Payments of employee wages <input type="checkbox"/> Request for donation (individual) <input type="checkbox"/> Request for support/sponsorship (institutions) <input type="checkbox"/> Request for local community
<b>E- Actions to be Taken</b>	