

CLIMATE CHANGE MITIGATING AND ADAPTATION POLICY

Purpose:

This policy aims for Batıçım to:

- Manage and reduce greenhouse gas emissions in line with science-based targets,
- Effectively manage its impacts on water resources and biodiversity,
- Disseminate sustainable supply chain practices,
- Address the risks and opportunities arising from climate change with a holistic approach and increase its corporate resilience against the inevitable effects of climate change.

Scope:

This policy covers:

- Batıçım Batı Anadolu Çimento Sanayii A.Ş. and all its subsidiaries,
- All related operational activities,
- Board members, senior management, employees, suppliers and business partners.

Definitions:

- **Sustainability Committee:** The top management body responsible for determining and monitoring the implementation of the sustainability strategy.
- **Subcommittees:** Technical and operational working groups that carry out projects and applications in specific sustainability areas (energy, water, waste, social impact, etc.).
- **Corporate Governance Committee:** The committee responsible for implementing the Policy, taking into account diversity factors to adapt the Board of Directors structure to Batıçım's needs.
- **TSRS (Turkish Sustainability Reporting Standards):** A set of standards that enables companies in Turkey to report their sustainability performance in a transparent, comparable, and internationally compliant manner. Prepared by the Capital Markets Board (SPK), largely based on IFRS S2 (Climate Disclosures) and IFRS S1 (Sustainable Financial Information) standards.
- **UNGC (United Nations Global Compact):** The world's largest voluntary corporate sustainability initiative, run by the United Nations. Participating companies; It commits to adhering to 10 principles in the areas of human rights, labor standards, the environment, and the fight against corruption.
- **TCFD (Task Force on Climate-related Financial Disclosures):** A framework created by the Financial Stability Board that enables transparent reporting of the financial impacts of climate change-related risks and opportunities. It recommends disclosures under the headings of strategy, governance, risk management, and metrics/targets.

- **CDP (Carbon Disclosure Project):** CDP is an independent non-governmental organization that provides a global reporting platform for companies, cities, and regions to measure, manage, and disclose their environmental impacts. CDP collects data on climate change, water security, and deforestation and publishes it in publicly available reports. Through CDP, companies increase investor and stakeholder confidence by transparently reporting their carbon emissions, climate risks, and environmental management strategies.
- **SBTi (Science Based Targets initiative):** SBTi is an international initiative that enables companies to base their greenhouse gas emission reduction targets on scientific principles. In line with the IPCC (Intergovernmental Panel on Climate Change) and Paris Agreement targets, the necessary emission reduction levels to limit global temperature increase to 1.5°C are determined. Companies apply to SBTi to have their targets validated, thus certifying the scientific adequacy of their climate strategies.
- **GRI (Global Reporting Initiative):** This is the most widely used set of standards worldwide for sustainability reporting. It allows organizations to report on their environmental, social, and governance (ESG) performance; impacts, risks, and opportunities with a stakeholder-focused approach.

Responsibilities:

The Sustainability Committee, on behalf of the Board of Directors, carries out the implementation, monitoring, and oversight process of the policy.

Batıçım operates in accordance with the following principles within the scope of its Climate Change Mitigation and Adaptation Policy:

1. Consolidated Structure and Scope

The company adheres to the principles of climate change mitigation and adaptation in all its areas of activity and internal operations, including its affiliates; it integrates this approach into its strategic planning, investment decisions, and operational processes.

2. Governance and Senior Management Participation

It addresses climate change mitigation and adaptation issues under the oversight of the Board of Directors and with the active participation of senior management. In this context, it regularly monitors and evaluates the effectiveness of policies, targets, and practices through the Sustainability Committee and the relevant Sustainability Subcommittee, which operate under the Board of Directors.

3. Intercommittee Coordination

Under the coordination of the Sustainability Committee, the Sustainability Subcommittee, comprised of managers from different disciplines, addresses climate change issues from a collective perspective; ensuring a common understanding and uniformity of practice throughout the organization.

4. Risk and Opportunity Management

It manages physical and transition risks arising from climate change; under the coordination of the Sustainability Committee and the Sustainability Subcommittee, based on TCFD recommendations; It evaluates climate-related risks and opportunities in accordance with International Financial Reporting Standards (IFRS S1 and S2) and Turkish Sustainability Reporting Standards (TSRS 1 and TSRS 2). Within this scope, it conducts risk analyses for climate-related risks and opportunities and manages the resulting outputs in an integrated manner with the corporate risk management system.

5. Collaboration with Stakeholders

It acts in collaboration with employees, suppliers, customers, public authorities, and other stakeholders regarding the management of climate risks and opportunities; it aims to improve climate performance throughout the entire value chain, including the supply chain.

6. Data, Monitoring, and Transparency

It regularly monitors the targets and performance indicators determined within the scope of combating and adapting to climate change; it reports the results in accordance with legislation and international standards.

7. Continuous Improvement and Adaptation

It regularly reviews and improves the implementation of the policy in line with national and international legislation, UN Global Compact principles, GRI Standards, CDP declarations, SBTi targets, ISO 14001 Environmental Management System, and TSRS requirements.

Applications:

Batiçim implements the following practices within the scope of combating and adapting to climate change, in compliance with the UN Global Compact, SBTi, ISO 14001, TCFD, IFRS S1–S2, TSRS 1–2, GRI, and CDP frameworks:

1. Carbon Management and Emission Reduction

It regularly calculates, monitors, and reports greenhouse gas emissions at Scope 1, Scope 2, and Scope 3 levels based on the GHG Protocol; and continuously improves its data infrastructure.

It aims to set emission reduction targets in line with the Science-Based Targets Initiative (SBTi) and integrate these targets into investment plans and operational decision-making processes.

It implements projects aimed at reducing carbon intensity through energy efficiency, the use of alternative fuels and raw materials, renewable energy applications, and process optimization.

It contributes to reducing the climate impact of its customers and the value chain by promoting the development of low-carbon products and solutions.

2. Water Management

Regularly monitors water withdrawals, consumption, and discharges; aims to improve performance by setting water efficiency targets.

Promotes the use of reclaimed water and the evaluation of alternative water sources.

Conducts regular monitoring studies for facilities operating in water-stressed regions.

Implements process improvement and monitoring mechanisms to minimize negative impacts on water resources.

3. Biodiversity Conservation

Managing our activity and raw material supply areas with a biodiversity impact-focused approach is a primary objective.

Rehabilitation, afforestation, and habitat improvement efforts in quarry sites and operation areas are carried out in accordance with commitments made to public institutions.

Continuously improving practices aimed at preventing and mitigating negative impacts on ecosystems in line with current legislation, compliance obligations, and best practices is among our primary objectives.

We prioritize preventive and protective measures when operating in protected areas, sensitive ecosystems, and regions with high biodiversity value.

4. Sustainable Supply Chain

Establishes sustainable supply criteria that take into account the environmental and climate performance of suppliers.

Integrates greenhouse gas emissions, water use, and environmental compliance criteria into supplier evaluation and monitoring processes.

Promotes low-carbon, local, and relatively low-environmental-impact supply alternatives; supports awareness and development across the supply chain.

Encourages collaborative and joint project approaches to reduce environmental impacts originating from the supply chain.

Suppliers are encouraged to comply with applicable national and international environmental legislation; to obtain all necessary permits, authorizations, documents, licenses, and certificates within the scope of their activities; and to take measures to prevent, reduce, and, where necessary, mitigate environmental impacts.

5. Monitoring, Reporting and Continuous Improvement

Indicators related to climate change, water and environmental performance are monitored in accordance with relevant reports under the coordination of the Sustainability Committee;

Performance results are reported transparently within the framework of relevant legislation such as GRI Standards, CDP declarations and TSRS.

The effectiveness of the policy and the results of its implementation are reviewed at regular intervals and updated in line with a continuous improvement approach.

Violations and Consequences:

In case of a policy violation, the situation is reported to the Board of Directors by the Sustainability Committee. Necessary improvement plans are prepared to address the violations and submitted to the Board of Directors for approval.

Legal Basis:

SPK Corporate Governance Communiqué
United Nations Framework Convention on Climate Change
Paris Climate Agreement, to which Turkey is a party
Turkey's National Contribution Statement (NDC)
Law No. 2872 on the Environment
Regulations of the Presidency of Climate Change

Sustainability and ESG (Environmental, Social, Governance) Principles

Entry into Force:

This Policy enters into force with the approval of the Batıçım Board of Directors. Changes to the policy may be made by a decision of the Board of Directors when necessary.

Executive Body:

The Sustainability Committee monitors and oversees the Policy on behalf of the Board of Directors. The Sustainability Committee conducts review activities at least once a year or in response to developments that may arise, for the revision of the Policy.