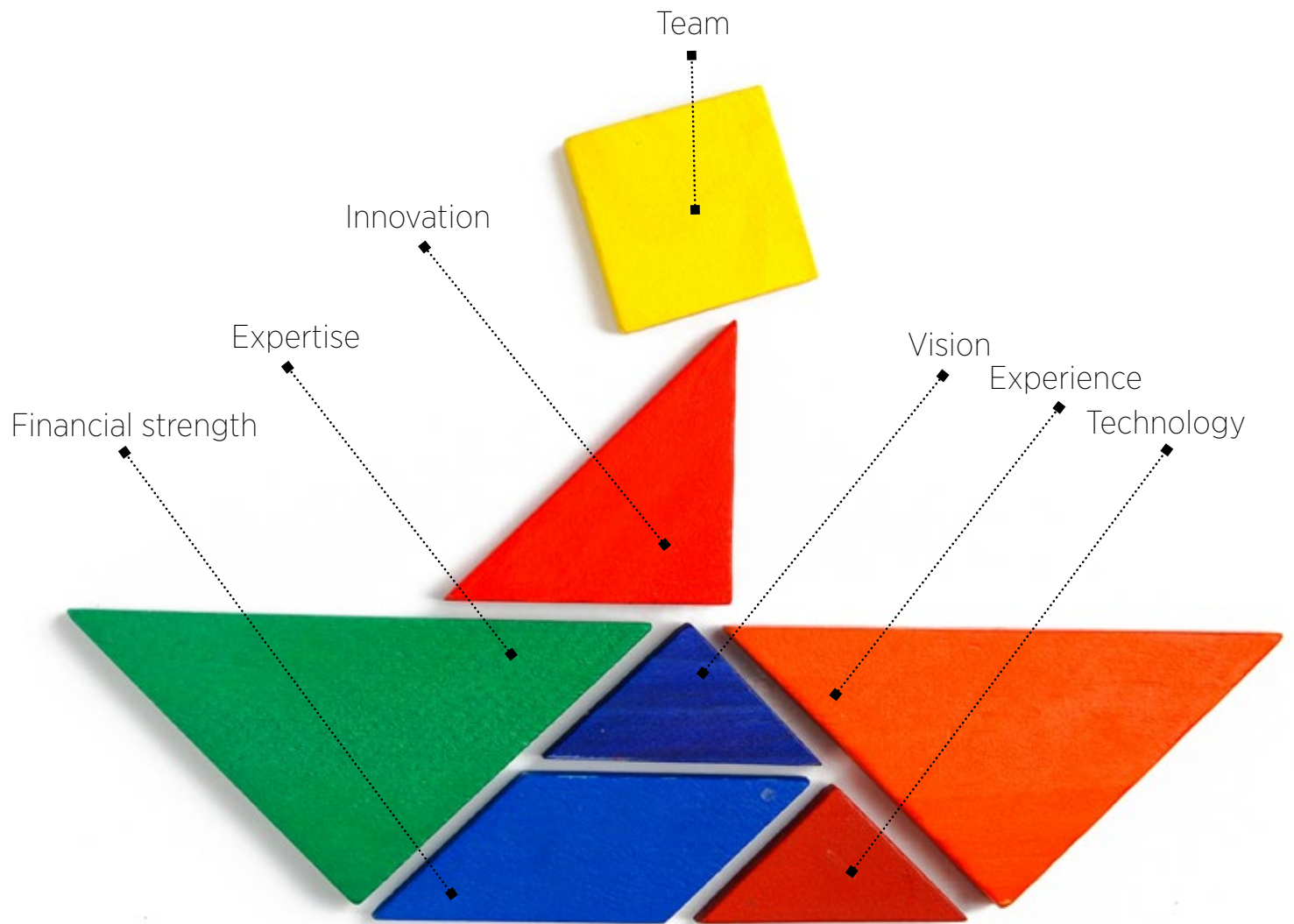


THE RIGHT COMPONENTS ARE WHAT CEMENT OUR SUCCESS



Akçansa Sustainability Report 2014 - 2015

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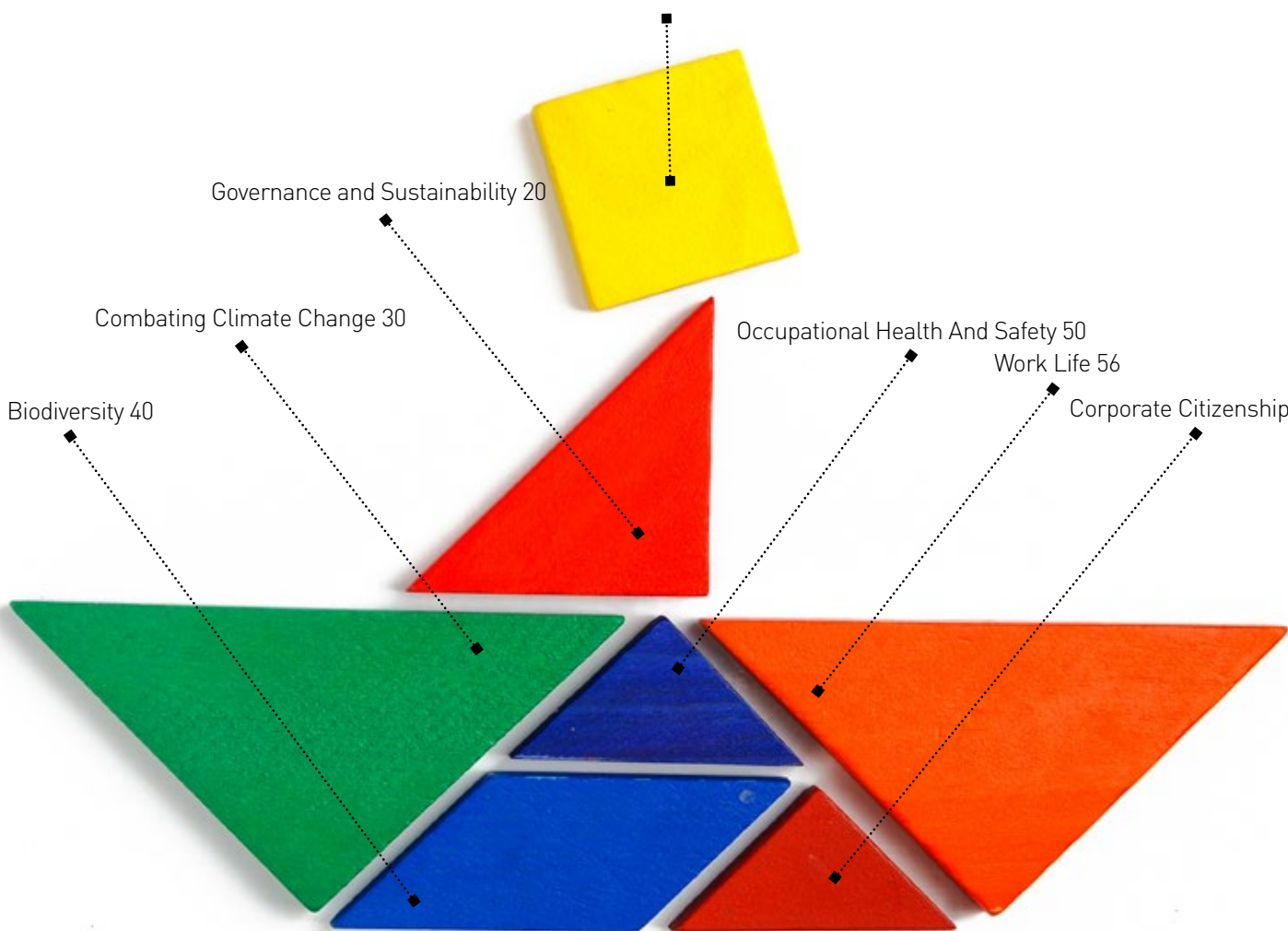
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ABOUT THE REPORT

Akçansa Çimento Sanayi ve Ticaret A.Ş. continues to generate value for its stakeholders within the framework of its vision “sustainable growth beyond all limits”, with its management understanding that emphasizes its responsibilities in the social, environmental, economic and ethical areas besides financial and operational success, in the 20th year of its establishment.

As in the previous period, 2014-2015 Akçansa Sustainability Report was also prepared in accordance with the “core” option criteria of GRI G4 Reporting Guidelines published by the Global Reporting Initiative. Methods suggested in the GRI G4 Reporting Guidelines were followed in the determination of reporting content as well as the formation of the data being used, unless otherwise specified.

The content of 2014-2015 Akçansa Sustainability Report, which we published in line with the right to correct, clear and updated information of our stakeholders, primarily employees, shareholders, dealers, suppliers and NGOs, as required by the principles of transparency and accountability, consists of the activities we conducted in Turkey under the brands Akçansa, Agregasa and Betonsa in the business lines of cement, aggregate and ready-mixed concrete, during the two calendar years between January 1st 2014 and December 31st 2015. The export activities of HC Trading, a subsidiary of Heidelberg Cement which is among our main shareholders, and information pertaining to our subsidiary Karçimsa are not included within the scope of this report.

The subjects we included in the report were determined through the prioritization study carried out in accordance with the principles specified in the GRI G4 Guidelines. As part of this study, feedbacks obtained through stakeholder engagement works such as stakeholder meetings and Neighbour Councils were also included alongside industry-specific data, sectoral institution reports, and the views of Akçansa executives.

Akçansa Sustainability Report publications for previous years are available on our corporate website www.akcansa.com.tr.

MESSAGE FROM THE CHAIRMAN AND GENERAL MANAGER

Dear Stakeholders,

As Akçansa, we are experiencing the pride of being the leader and the most admired company in our sector in our 20th year of operation. In consequence of our vision of “sustainable growth beyond all limits in the building materials sector as a company with the most preferred business model and as the most trusted company by all our stakeholders,” which we have successfully followed since our establishment to this day, in the reporting period Akçansa met 9.5% of Turkey’s cement need by itself. While our domestic cement and clinker sales were realized at a record level of 6.2 million tons in 2015, we also managed to increase our exports to the level 1.4 million tons.

Our primary objective is to generate sustainable value for our stakeholders. In order to achieve this, we adopt a business model that aims both for profitability and respect for people and nature. We have pioneered in our sector with the working culture we adopt and the practices we actualize in this regard. Many of our practices, such as waste heat energy recovery constitute an example in our sector, not only on the local scale but also on the international scale.

Akçansa has an R&D and innovation culture which has a long past and has implemented leading innovations in its sector. Our R&D teams develop innovative products by integrating social and industrial expectations with environmental and climate responsibility such as “yolbeton”. Innovative products take their place in our portfolio such as “energetic concrete”. Developed during

WHILE OUR DOMESTIC CEMENT AND CLINKER SALES WERE REALIZED AT A RECORD LEVEL OF 6.2 MILLION TONS IN 2015, WE ALSO MANAGED TO INCREASE OUR EXPORTS TO THE LEVEL 1.4 MILLION TONS.

our project competition the Concrete Ideas, “energetic concrete”, which has the characteristic of generating electric power as a first in the sector and which will take its place in our product portfolio in future.

The issue of climate change is an important working area for us, as it is for the whole cement industry. As Akçansa, we adopt a solution oriented approach with regard to climate change. Accordingly, we implement solutions that are effective both environmentally and economically in the combat against climate change, such as alternative fuel and raw material use, besides impact reducing practices such as energy efficiency and emission mitigation.

Akçansa carries out its workforce practices with the objective of becoming a preferred employer. The main strategy we adopt in this regard is to provide our employees with a fair, transparent working environment where a high level of emphasis is put on occupational safety, the improvement of personal development, entrepreneurship and creativity is supported, and human rights are respected. In the reporting period, as a rightful consequence of the works we undertook in this regard, we achieved the Golden Standard in Investor in People, a quality standard for human oriented workplaces; our Garipçe facility received the first prize, while our Büyükçekmece and Saray facilities were deemed worthy of

honorable mention within the context of Safe Work Healthy Life Awards organized by HeidelbergCement with the participation of more than 600 facilities from 22 countries.

The secret of our success is to listen to all our stakeholders, from our suppliers to dealers and customers, to the local community to civil society, and to regard meeting their expectations and views as an important component of our activities. It is not a coincidence that practices we implement by listening, discussing, and jointly deciding result in success. Our objective of generating sustainable value for all our stakeholders can only be achieved in this way. As in the reporting period, we will get together with our customers, suppliers and especially the local community on various platforms and work together to enhance the quality of life of future generations, in forthcoming periods. In this context, the success of the social development projects we implement should be specifically emphasized.

As we prepare for our 20th year, we submit our gratitude and extend our thanks to our employees who are the architects of the success we attained, our customers and business partners whom we regard as part of our organization and who always stand by us, our majority shareholders Sabancı Holding and Heidelberg, and all our stakeholders.



Mehmet Hacıkamiloğlu
Chairman of the Board of Directors



Umut Zenar
General Manager





Corporate Profile

Vision

“Sustainable growth beyond all limits”

To ensure sustainable growth beyond all limits in the building materials sector as a company with the most preferred business model and as the most trusted company by all our stakeholders.

Mission

To be a leading building materials company enhancing the quality of life of the society by means of our culture committed to environmental, legal and ethical principles to generate further values

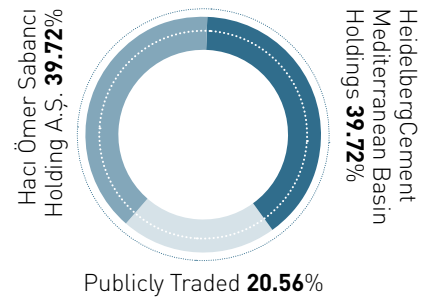
- for our customers with innovative products, services and solutions,
 - for our shareholders with our superior financial performance,
 - for our employees through our occupational health and safety oriented management approach and continuous development opportunities,
 - for our environment through the emphasis placed on alternative fuel & raw material usage, recovery processes and biological diversity,
 - and for all our other stakeholders.
- 

Akçansa, celebrating its 20th year in 2016, was established in 1996 by the merger of Akçimento and Çanakale Çimento, two long-established cement producers of Turkey. Akçansa started providing service under the brand "Betonsa", in result of its merger with Betonsa, its subsidiary, in 1998; and it carries out ready-mixed concrete operations in its nearly 40 facilities spread across the Marmara, Black Sea and Aegean regions. Akçansa, which merged with its subsidiary Agregas in 2002, continues its aggregate production operations in its four facilities, under the brand "Agregasa". Karçimsa, 51% of which is owned by Akçansa and 49% by Kardemir Demir Çelik Sanayi, was established in 1996 to carry out slag cement production by milling the clinker produced by Akçansa and the blast furnace slag produced by Kardemir.

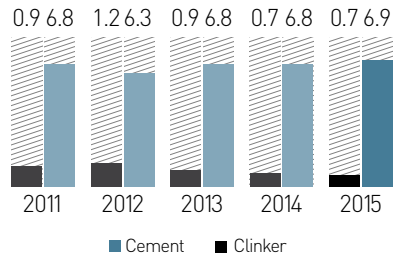
Akçansa, which was established with the synergic cooperation and partnership of Sabancı Holding, one of the leading organizations of Turkish econ-

omy, and HeidelbergCement, which is among numbered cement producers worldwide, is today the largest cement and ready-mixed concrete producer of Turkey and the leading company in its sector. With its cutting-edge technology facilities, its products complying with globally acknowledged quality standards, its wide product range, its environmentally friendly character awarded by Istanbul Chamber of Industry, its superior service and solution understanding, Akçansa meets approximately 10% of Turkey's cement demand.

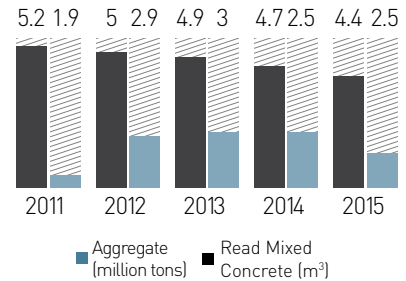
Capital Structure



Cement and Clinker Sales (million tons)



Ready-Mixed Concrete and Aggregate Sales

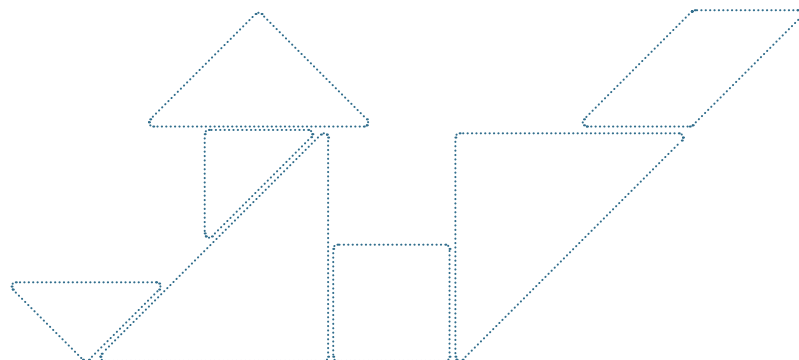


Key Indicators

	2011	2012	2013	2014	2015
Net Sales (million TL)	1,010	1,056	1,202.2	1,410.9	1,468.5
EBITDA (million TL)	192.7	215	270.2	389.8	429.8
EBITDA (%)	19.1	20.4	22.5	27.6	29.3
Net Profit (million TL)	100.3	120	157.9	248.8	281.1
Earnings per Share	0.52	0.63	0.82	1.30	1.50
Dividend per Share (%)	46.34	57.45	75.43	118.2	134.6
Net Financial Borrowing (million TL)	133.3	210.8	163.5	85.0	91.1
Equity (million TL)	862.9	911.5	987.6	1,143.0	1,187.2
Total Assets (million TL)	1,278.5	1,388.6	1,477.2	1,602.5	1,705.1
Clinker Production (million tons)	6.47	6.5	6.6	6.6	6.8
Cement Production (million tons)	6.6	6.1	6.6	6.7	6.8
Cement Exports (million tons)	1.5	1.2	0.9	0.6	0.7
Clinker Exports (million ton)	0.8	1.1	0.9	0.6	0.6



ITS ENVIRONMENTALLY FRIENDLY CHARACTER AWARDED BY ISTANBUL CHAMBER OF INDUSTRY, ITS SUPERIOR SERVICE AND SOLUTION UNDERSTANDING, AKÇANSA MEETS APPROXIMATELY 10% OF TURKEY'S CEMENT DEMAND.



Awards Received in the Reporting Period



2014

- Akçansa was deemed worthy of the "Most Appreciated Company of Turkey" award in the cement sector for the 13th time in the "Most Appreciated Companies of Turkey 2014" survey conducted in cooperation by GFK and Capital Magazine.
- It was ranked 61st in the "Top 500 Industrial Companies of Turkey" survey conducted by Istanbul Chamber of Industry, advancing 14 ranks in the list and preserving its top ranking among cement companies.
- It was deemed worthy of award in three different categories within the context of Sabancı Golden Collar Awards held for the 5th time, winning the first prize in the "Market Orientation" individual subcategory and "Corporate Synergy" subcategory, as well as the mention award in the "Value Creation" category.
- It was deemed worthy of the first prize in the "Sustainable Production" category at the Efficiency Project Awards organized by the Ministry of Science Industry and Technology.
- It achieved the third prize with its 100+ Concrete in the "Innovative Environment Friendly Product" branch at the 14th Istanbul Chamber of Industry (ISO) Environment and Energy Awards.



- Garipçe Facility, which supplied ready-mixed concrete for the 3rd Bridge Project, was deemed worthy of the second prize at the 5th Green Point Environment Competition, as well as the International ERMCO Representation Award. Akçansa became the first company in the history of the competition to receive an award based on a project.

2015

- Akçansa won the "Most Appreciated Company of Turkey" award in the cement sector for the 14th time in the "Most Appreciated Companies of Turkey 2015" survey.
- Akçansa was ranked 62nd in the 2014 "Top 500 Industrial Companies of Turkey" survey, preserving its top ranking among cement companies.
- It was ranked first among Sabancı Group Companies within the scope of the Golden Collar Awards and selected the "Most Value Generating Company" of the Group. It was deemed worthy of award in four different categories, including the first prize in the "Digitalization" category and "Market Orientation" individual subcategory, the third prize in the "Equality at Work" category, and an honorable mention in the "Synergy" category.
- It was awarded in the category of "Environment Themed Social Responsibility Practices" with its "Children Transforming the Future"



and "Biodiversity Competition" projects at the Green Point Industry Awards Competition organized by the Environmental Protection and Packaging Wastes Recovery and Recycling Foundation (ÇEVKO) for the second time this year.

- It was included among the finalists and awarded within the context of the European Union Environment Awards Turkey 2015 Program, which has been organized in Turkey since the year 2006. Akçansa also gained the right to represent Turkey in the international arena by participating in this competition.
- 2015 Safe Work Healthy Life Awards, participated by the operational fields in Heidelberg T.E.A.M. area, which Akçansa is a part of, found their owners with the ceremony held in London. Garipçe Ready-Mixed Concrete Facility, a project facility of Yavuz Sultan Selim Bridge, came first among HeidelbergCement's 625 facilities in 22 countries, receiving Grand OHS Award. In the competition, Büyükçekmece and Saray facilities, winners of Cement and Aggregate branches in Turkey, have won Mention Awards.
- It was deemed worthy of the "2014 Cement Sector Occupational Health and Safety Performance Award" by the Cement Industry Employers' Union which awards the best performing companies in the area of occupational health and safety from amongst its members.

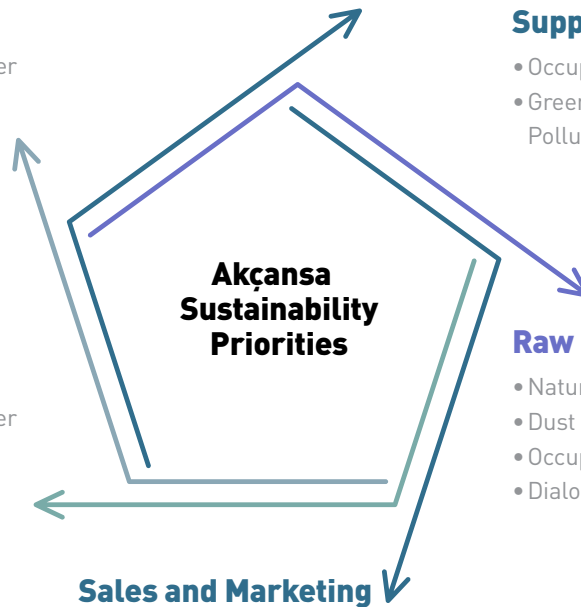
Materiality Issues in the Akçansa Value Chain

Logistic

- Greenhouse Gases and Other Pollutants
- Dust Emission
- Energy Efficiency
- Occupational Health and Safety
- Stakeholder Dialogue

Production

- Greenhouse Gases and Other Pollutants
- Dust Emission
- Energy Efficiency
- Alternative Raw Materials
- Alternative Fuel
- Water Management
- Occupational Health and Safety
- Stakeholder Dialogue



Supply

- Occupational Health and Safety
- Greenhouse Gases and Other Pollutants

Raw Material Production

- Natural Resource Management
- Dust Emission
- Occupational Health and Safety
- Dialogue with Stakeholders

- ## Sales and Marketing
- Product Pricing
 - Sustainable Innovative Products
 - Occupational Health and Safety

2020 SUSTAINABILITY AMBITIONS PROGRESS CHART

1. Attributing Utmost Priority to OHS

	Goal Definition	KPIs	2014 Realization	2015 Realization	Target 2015	Target 2020
Cement	Establishing best possible OHS conditions for employees, contractors and 3 rd parties.	Accident Severity Rate	208	67.5	0	0
		Fatalities	0	0	0	0
		Lost Time Accident Frequency Rate	2.9	7.3	0	0
Ready-Mixed Concrete (RMC)		Accident Severity Rate	30.3	163.9	0	0
		Fatalities	0	0	0	0
		Lost Time Accident Frequency Rate	1.7	6.8	0	0
Aggregate		Accident Severity Rate	0	0	0	0
		Fatalities	0	0	0	0
		Lost Time Accident Frequency Rate	0	0	0	0

2. Sustainable Supply Chain Management

	Goal Definition	KPIs	2014 Realization	2015 Realization	Target 2015	Target 2020
Cement, RMC, Aggregate	Alternative Fuel Supply	Practices for increasing supply of alternative fuels	9%	5%	20%	29%
	Raising awareness of stakeholders in the supply chain on sustainable business models	Projects with stakeholders in the supply chain	Survey studies have been conducted regarding sustainable supply chain activities; subsequently, trainings and audits for sustainability, environment and OHS have been planned.		Enhancing sustainability, environmental and OHS trainings and audits in the supply chain	Establishing KPIs for sustainability in the supply chain

3. Positive Contribution to Biodiversity

	Goal Definition	KPIs	2014 Realization	2015 Realization	Target 2015	Target 2020
Cement and Aggregate	Preparation of rehabilitation plans and their approval by public authorities	Rate of quarries with rehabilitation plan approved by public authorities	100%	100%	100%	100%
	Decommissioning of mine sites where the production is terminated	Areas rehabilitated (ha)	13.40	17.40	15.00	25.00

4. Combatting the Climate Change

	Goal Definition	KPIs	2014 Realization	2015 Realization	Target 2015	Target 2020
Cement	Reduction of fossil fuel use	Rate of fuel substituted by waste (as thermal value)	9%	5%	20%	29%
		Rate of fuel substituted by biomass (as thermal value)	3.51%	3.21%	5.00%	6.33%
	Reduction of clinker use in the cement	Clinker usage rate in the cement	87.63%	88.30%	81%	79%
Cement	Continuous monitoring of emissions	NO _x Emissions	Büyükçekmece Factory: 792 Çanakkale Factory: 665 Ladik Factory: 642	Büyükçekmece Factory: 630 Çanakkale Factory: 686 Ladik Factory: 767	< 800 mg/m ³	< 800 mg/m ³
		SO _x Emissions	Büyükçekmece Factory: 26 Çanakkale Factory: 22 Ladik Factory: 5	Büyükçekmece Factory: 24 Çanakkale Factory: 29 Ladik Factory: 6	< 50 mg/m ³	< 50 mg/m ³
		Dust Emissions	Büyükçekmece Factory: 14 Çanakkale Factory: 17 Ladik Factory: 24.7	Büyükçekmece Factory: 13 Çanakkale Factory: 18 Ladik Factory: 9.8	< 10 mg/m ³	< 10 mg/m ³
		Specific CO ₂ emissions (kg CO ₂ /ton clinker)	858	873	845	830
Cement	Online monitoring of NO _x and SO _x values	Rate of rotary kilns monitored online	100%	100%	100%	100%
	Dedusting of Factories	Covered stokehole rate	60%	60%	100%	100%
		Rate of covered clinker conveyor belts and stokeholes	100%	100%	90%	100%
	Replacement of electrostatic filters with bagged filters	Bagged filter rate in raw mills, kilns and cement mills	89.00%	92.00%	95%	100%
RMC	Storage of aggregate in closed units	Rate of facilities where the aggregate is stored in covered units	70.00%	70.00%	85%	100%
	Increasing usage of new mixer and pumps	Rate of mixers and pumps under 10 years-old	92.00%	92.00%	95%	100%
	Reduction of environmental complaints	Number of Complaints / Year	3	2	0	0
Aggregate	Installation of truck tire washing systems	Rate of washing systems installed facilities	25%	25%	100%	100%
	Covering tops of the facilities	Rate of top-covered facilities	100%	100%	100%	100%

Cement, RMC, Aggregate	Efficiency water management	Water saving rate and projects for efficient management of water	<p>Çanakkale Factory: In 2014, water was saved by reuse of sample return water of waste heat energy production facility.</p> <p>Büyükçekmece Factory: Surface water collection pools were constructed. Cooling water circuit pool became operational.</p> <p>Ladik Factory: Two sedimentation pools were constructed for coal stokeholes in the factory. Tire washing unit in front of closed coal stokehole was constructed. Cement trailer washing unit and sedimentation pool were constructed in the packaging zone and water recycled in these pools are reused.</p> <p>Water saving is aimed through the project for charging output of paper bag production facility wastewater treatment unit to the cooling towers.</p>	<p>Çanakkale Factory: Compared to previous year, in 2015 193,281 m³ (13%) less water withdrawn.</p> <p>Büyükçekmece Factory: Water collection pool was constructed at raw material entrance gate. Compared to previous year, in 2015 56,734 m³ (18%) less water withdrawn.</p> <p>Ladik Factory: In 2015, a project, which will be completed in 2016, for harvesting rainwater to use gas cooling towers was initiated. Compared to previous year, in 2015 15,731 m³ (12%) less water withdrawn.</p> <p>RMC: Water diagrams were prepared as a pilot project in 3 RMC facilities. Water usage volumes were determined.</p> <p>Voluntary participation to CDP Water Programme was fulfilled.</p>	Developing a reporting standard for RMC. Defining water saving potentials in all facilities.	Achieving 5% reduction in water consumption compared to 2013.
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5. Sustainable Construction Solutions

	Goal Definition	KPIs	2014 Realization	2015 Realization	Target 2015	Target 2020
RMC	Becoming solution provider in green building projects	Rate of projects contributed in Marmara market	38%	24%	25%	30%
RMC and Cement	Reducing environmental footprint of buildings	Obtaining environmental product labels (EPD) for cement and concrete	Studies were initiated; Planning made for acquiring EPD for two products in 2017.		Acquiring EPD for RMC strength classes.	Developing products and solutions regarding sustainable construction solutions.
Aggregate	Production of recycled aggregate	Recycled aggregate production rate in total aggregate production	0%	0%	12%	20%

6. Stakeholder Engagement

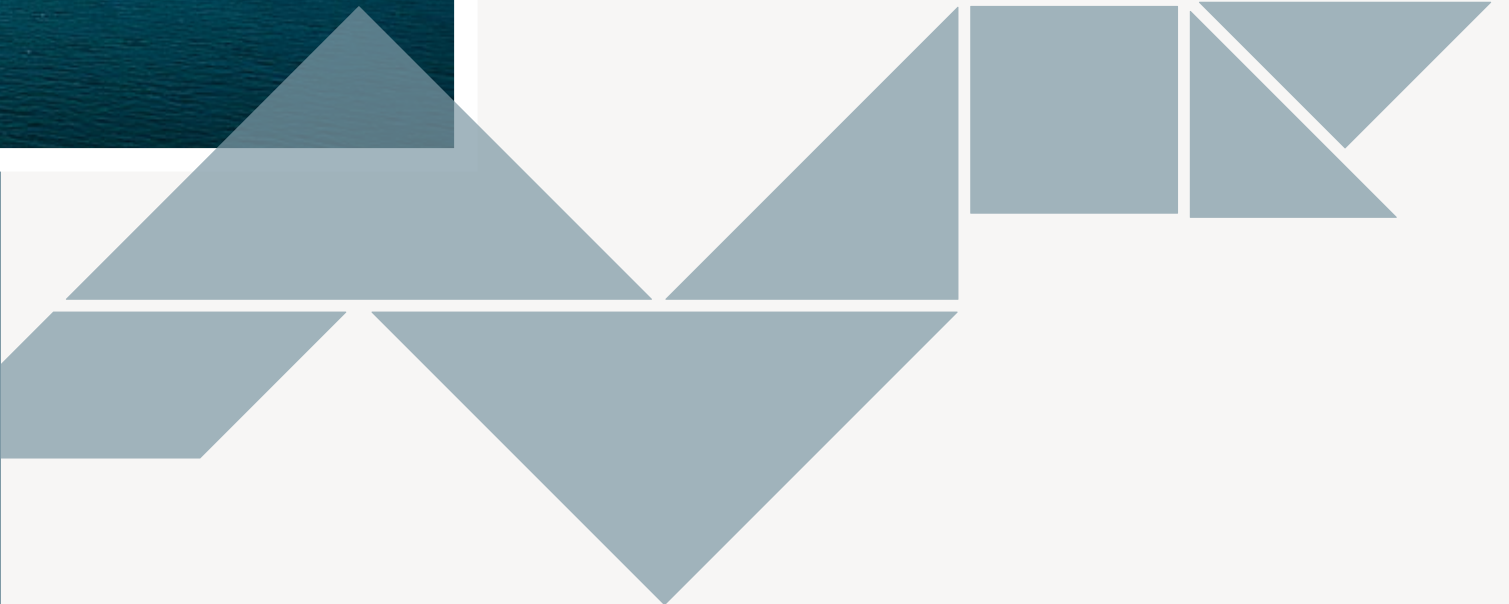
	Goal Definition	KPIs	2014 Realization	2015 Realization	Target 2015	Target 2020
	Corporate Citizenship	Conducting corporate citizenship projects in line with sustainability strategy	<p>Corporate Voluntarism Projects were developed.</p> <p>- Together with ÇEVKO, waste and recycling seminars were organized for primary school students.</p> <p>- Vocational School Coaches began their voluntary work in Samsun.</p>	<p>As addition to 2014 projects: My Neighbourhood Social Responsibility Project was initiated in Büyükçekmece in cooperation with District National Education Directorate and TOÇEV.</p> <p>Trainings were initiated in Akçansa Mobile Education Trailer.</p>	Increasing and promoting voluntarism projects. Developing social projects in line with local social expectations and Akçansa sustainability strategy.	Contributing development of society and growth.
	Increasing stakeholder engagement	Researches and mechanisms regarding increase of stakeholder engagement	Neighbour Councils were continued periodically in all factories. Meetings with various stakeholder groups such as Dealer Councils and Analyst Meetings were organized. Suggestions were evaluated and applied if applicable.	Neighbour Councils were continued periodically in all factories. Meetings with various stakeholder groups such as Dealer Councils and Analyst Meetings were organized. Suggestions were evaluated and applied if applicable.	Prioritization and project designing of requirement and expectation outputs of stakeholder engagement platforms.	Developing mechanisms which is directly channeled to Board of Directors for responding stakeholder expectations.
	Being the employer of choice	Place at employer of choice listing	Conducting projects in line with HR strategy	Improvement areas were defined for Gold level certification in Investors in People; Projects and practices initiated in line with HR strategy were diversified and extended. As of April 2016, Gold level certification in Investors in People was achieved.	Developing projects for becoming employer of choice.	Being "Employer of Choice" within the sector permanently and being amongst the first 50 company in all sectors.





Cement Sector, Local Economy and Akçansa

We Build Infrastructure of the
Development Through Projects Getting
Continents Together.





Cement and concrete, which have maintained their importance for the construction of the infrastructure of development throughout history, retain their significance as reliable, durable, easily applicable, and low cost raw materials in our day.

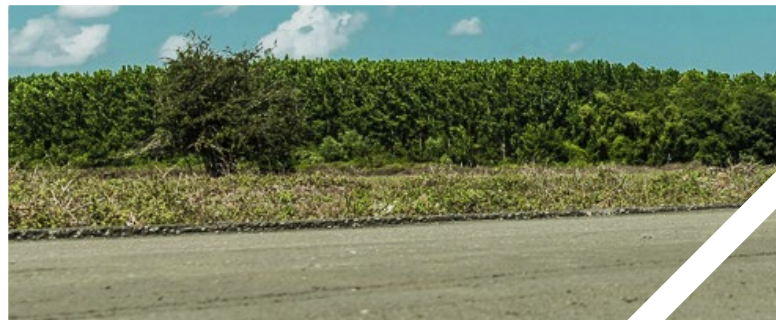
The cement sector succeeded in preserving its growth thanks to both public investments and long termed private sector investments. While the amount of production has slightly regressed from 72.7 million tons in 2013 to 71.4 million tons in 2015, the amount of consumption increased from 62.2 million tons to 63.7 million tons. Being a costly

product to transport, cement aims for the local market rather than export. Therefore, whenever the domestic demand rises there is a downward trend in export. In the reporting period, such a trend was observed with the cement export decreasing from 9.7 million tons in 2013 to 7.4 million tons as of 2015. On the other hand, clinker export, which was 2.2 million tons in 2013, reached 3.1 million tons as of 2015. In parallel with the developments in the sector, the domestic sales of Akçansa also showed increase in the reporting period and reached 6.2 million tons.

INNOVATIVE SPECIAL PRODUCT PORTFOLIO

Akçansa has been offering high quality ready-mixed concrete products to the Turkish market since the year 2003. With its special product portfolio, Akçansa aims to offer high performance solutions with reduced environmental impacts, primarily greenhouse gas emissions, ensuring heat and acoustic insulation, water-proofing, labour and time savings, contributing to the reduction of occupational health and safety risks in line with customer demands.

In the reporting period, self-compacting concretes, fiber-reinforced industrial ground concretes, screed concretes, light concretes and various



products developed for sustainable buildings took their place within the innovative special product portfolio, in result of researches conducted in cooperation by Betonsa Technology Center and ITU Faculty of Engineering Department of Construction Material.

333,314 m³ of special product sales was realized in 2014, and 257,490 m³ in 2015. The number of special products reached 20 as of 2015 year-end, while their share in ready-mixed concrete products was 5.9%.

KratosBeton is a new generation fiber reinforced product produced in cooperation by Kordsa Global and Akçansa. The product, which was produced to be used in the construction of safe, sturdy and sustainable buildings, also provides ease of implementation for projects by means of high quality synthetic fiber reinforcements. It is used in industrial grounds, screed and field concretes, gunned concrete and tunnel linings.

WHILE OUR DOMESTIC CEMENT AND CLINKER SALES WERE REALIZED

AT A RECORD LEVEL OF **6.2 MILLION TONS**

IN 2015, WE ALSO MANAGED TO INCREASE OUR EXPORTS TO THE

LEVEL **1.4 MILLION TONS.**

Yolbeton (road-concrete), roller compacted concrete (RCC), is a type of concrete road produced by combining aggregates with a uniform gradation, binding materials, water and additives at differing rates. The product is named after the heavy vibrated steel drum and rubber-tired rollers used for compacting and finalizing the concrete during its manufacture. RCC roads, which have the same durability and robustness as traditional concrete roads, are similar to asphalt coatings in implementation. RCC roads, which can be implemented rapidly and

economically thanks to these characteristics, stand out as an alternative superstructure and they are used in all urban and express ways.

100+Beton is a concrete product that can preserve project durability for long years with its high durability and impermeability characteristics. The product, produced by using low alkali cement and mineral additives, was developed for major infrastructure projects that require over a century of service life such as bridges, airports, subways, and highways.





A+Beton is a high performance concrete product with low carbon emission, resistant against environmental influences. A+Beton, which reduces CO₂ emission through the use of blast furnace slag at rates reaching up to 70%, was developed for environmentally friendly green buildings and sustainable structures. A+Beton product group consists of three basic categories with regards to their areas of usage in structures, namely "A+Beton Foundation", "A+Beton Road", and "Coating and A+Beton Construction".

Viskobeton is a self-compacting concrete product produced for use in structures requiring high strength and durability. Thanks to its low water characteristic and its low binder ratio; it is used in reinforcement projects, densely reinforced and narrow forms, areas where high quality smooth surfaces are desired, construction sites in city centers, aesthetic form designs, and places where vibrator use is not feasible.

Yeşilşap (green screed) is a light and environmentalist ready screed product. By means of the special mineral added cements used in its production, it reduces carbon dioxide emissions by up to 35%. Yeşilşap, which is 25% lighter than traditional screeds thanks to special chemical additives, also contributes to heat insulation in structures.

B2B Marketing Summit

In 2014, the subject of "B2B Digitalization" was addressed at the Marketing Summit hosted by Akçansa. The summit, which was realized with the participation of expert speakers and many senior executives from different segments of the business world, was monitored by more than 600 people consisting of marketing managers and academicians. The issue of digitalization in B2B marketing was evaluated in its various aspects at the summit.

Action CEM and Action CEM Plus

Through Action CEM cements, production of which was launched in 2014 at Büyükçekmece Factory, clinker / cement ratio was reduced and CO₂ emissions were reduced. Offered to the market as a result of one-year R&D studies, can be use all projects where durability against sulphate is especially demanded. Moreover, Action CEM is an ideal product for mass concretes with its low hydration character.

YEŞİLŞAP (GREEN SCREED) IS A LIGHT AND ENVIRONMENTALIST READY SCREED PRODUCT. BY MEANS OF THE SPECIAL MINERAL ADDED CEMENTS USED IN ITS PRODUCTION, IT REDUCES CARBON DIOXIDE EMISSIONS BY UP TO **35%**.

First Online Cement Store of Turkey

Akçansa realized a first in the sector and launched the first online cement store in Turkey, www.akcansamarket.com, in 2015. The platform offers various advantages to customers such as online ordering, distribution, price and various payment types.



Our Dialogue with Dealers and Customers

Akçansa positions its customers as business partners, it strives to meet customer expectations most effectively from production to aftersales with products and services that create added value. Prioritized improvement areas are identified in result of the customer satisfaction and engagement surveys conducted biyearly. Besides, customers are sent short and regular surveys about important issues in order to obtain feedbacks within the scope of the Customer Excellence Program started by HeidelbergCement. Necessary actions are taken and new practices are implemented based on customer satisfaction surveys and customer feedbacks. Akçansa works to constantly enhance customer satisfaction through Akçansa Loyalty Programs, dealer councils, dealer excursions, regular customer visits, and business processes support.

Akçansa, which aims to be on its customers' side to follow trends accurately, carry out correct analyses and enhance awareness in result of these analyses, went beyond traditional methods with its marketing strategy and started providing satisfaction oriented services in a wide context. In line with its corporate strategy, Akçansa switched from the customer-supplier approach to the "business partnership" model with the practices actualized in recent years. Accordingly, direct communication channels are formed in order to establish a more effective and comprehensive communication with dealers and customers. Some of the most significant among these channels are workshops and trainings organized for dealers and customers.



AKÇANSA SWITCHED FROM THE CUSTOMER-SUPPLIER APPROACH TO THE “BUSINESS PARTNERSHIP” MODEL WITH THE PRACTICES ACTUALIZED IN RECENT YEARS. ACCORDINGLY, DIRECT COMMUNICATION CHANNELS ARE FORMED IN ORDER TO ESTABLISH A MORE EFFECTIVE AND COMPREHENSIVE COMMUNICATION WITH DEALERS AND CUSTOMERS.

Akçansa Loyalty Programs

In line with the demands of Akçansa customers to carry existing relations “beyond commerce” through practices involving specific communication channels, service types and conditions, many programs aimed at developing customer relations were implemented. Works conducted under the name of Akçansa Loyalty Programs aim to meet the changing needs of different customers and to strengthen relationships.

“Yapı Club Card” practice, which allows for the rapid supply of all Akçansa products through a single channel, contributes positively to the productivity and profitability of business partners. The practice, which was designed to support hardware stores purchasing bagged cement through dealers in accordance with the tonnage of cement they sell, is projected to have a wider network with the participation of other construction material companies. The website www.yapi-club.com was created to facilitate access to the application.

Akçansa realizes “Leaders of the Future” meetings and trainings



aimed at the new generation representatives of dealers in order to emphasize the importance of institutionalization in family companies, in line with its objective of carrying its business into the future. In addition to the incorporation of young talents within Akçansa family, it is also aimed to establish a sustainable business manner with dealers.

The “Dealer Council” program, designed for dealers, who are considered business partners, to contribute to improvements related to business processes, is organized biannually. The council works, where the expectations and suggestions of dealers are discussed, provides significant inputs for the sustainability strategy Akçansa.

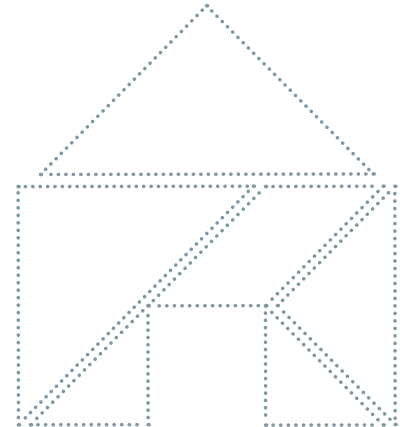
Akçansa started “Dealer Management Counselling and Coaching Program” in order to provide its dealers with counselling support regarding corporate image and identity to ensure their institutionalization, in the reporting period. All business partners were consulted within the framework of the

program and significant steps were taken towards corporate identity building.

Product Responsibility

As required by its product responsibility understanding, Akçansa provides its customers with quality reports and material safety data sheets regarding all the products it supplies to its customers. While product information is included in the labels on the packages of bagged cement products, for bulk cement products relevant documents are provided to customers during delivery. Product information documents also include environmental and OHS information and warnings, beside content information.

WHILE PRODUCT INFORMATION IS INCLUDED IN THE LABELS ON THE PACKAGES OF BAGGED CEMENT PRODUCTS, FOR BULK CEMENT PRODUCTS RELEVANT DOCUMENTS ARE PROVIDED TO CUSTOMERS DURING DELIVERY.



Betonsa Mobile Catalogue

Akçansa offers its customers a smart application through which they can always access special products and special solutions. The application contains a wide range of products from which users can easily make a selection. In addition, information about how to get to the nearest ready-mixed concrete facility is also provided based on location.

Contributions to Local Economy

Cement and ready-mixed concrete sectors are business segments where the whole value chain, all along the process starting with raw material production until the end user, is of a local character. For this reason, they have the potential to generate significant impacts on the local economy. The fact that production and consumption cover a specific geography contributes to local employment and economic value distribution in general. Akçansa, which makes a significant contribution to local economy, distributes a great portion of the economic value it generates to local stakeholder groups.

Procurement operations account for a large part of the direct economic value distribution. As part of procurement operations, managed through objective systems and decision making mechanisms, suppliers are expected to ensure the conditions of product standard, quality, quantity, and cost. In addition, the local character of suppliers is a reason for preference, local suppliers that meet the relevant norms at the service tenders initiated by Sabancı Holding Joint Procurement Group are prioritized.

Of the 1.01 billion TL worth procurement operations realized in 2014, 84% were procured from local suppliers on

the basis of expenses, whereas 86% of the purchasing expenses in 2015, which amount to 1.1 billion TL, were realized through local supply.

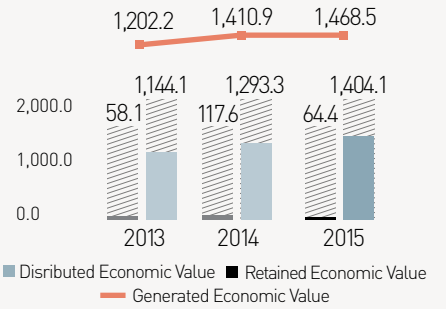
Efficiency Through R&D

Founded in 2014, R&D Directorate enabled that all R&D studies were combined under a single roof and managed more efficiently. R&D Studies conducted are mostly focused on energy efficiency, reduction of clinker/cement ratio, sustainable production, value-added, environmentally friendlier products. These studies are conducted together with project partners such as Istanbul Technical University, Bogazici University, Sabanci University, TUBİTAK, Çimsa, Kordsa.

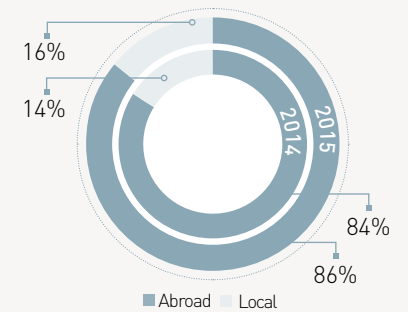
TEYTEB Projects finalized during the reporting period are:

- Research on Mineraliser Use in Clinker Production.
- Definition of Criteria of Use for Products Recycled from Construction and Demotion Wastes.
- Research on Use of Microalgae as Additional Fuel and CO₂ Retainer During the Cement Production Process.

Direct Economic Value Distribution (million TL)



Procurement Operations by Source (%)



OF THE 1.01 BILLION TL WORTH PROCUREMENT OPERATIONS REALIZED IN 2014, **84%** WERE PROCURED **FROM LOCAL SUPPLIERS** ON THE BASIS OF EXPENSES, WHEREAS **86%** OF THE PURCHASING EXPENSES IN 2015, WHICH AMOUNT TO **1.1 BILLION TL**, WERE REALIZED THROUGH **LOCAL SUPPLY**.





Governance and Sustainability

We Bond With Our Stakeholders and Create Added Value Together.



Akçansa adopts a transparent and accountable management understanding, fully complying with the laws. Within the framework of this management understanding, it aims to generate the highest value for its stakeholders and ensure corporate sustainability. In this regard, sustainability management and stakeholder engagement, which are structured with systematic methods, are supported with best practice examples and constantly improved.

Akçansa corporate governance structure was prepared in line with laws and international standards; and it involves the issues of internal auditing, risk management, quality systems, and business ethics.



Corporate Governance

The corporate governance understanding of Akçansa is built on the principles of equality, transparency, accountability, and responsibility. By means of corporate governance organs formed in accordance, Akçansa constantly improves its managerial competences, ensuring

that public disclosures are made completely and timely, all stakeholders are treated equally and their rights are guaranteed, and conflict of interests are prevented.

Akçansa Board of Directors consists of eight nonexecutive members, of which two independent members, elected by the General Assembly

from among knowledgeable and highly competent individuals with a qualifying experience and work history. The offices of Chairman of the Board of Directors and General Manager are conducted by different individuals. Akçansa General Manager, who has executive responsibilities, fulfills his duties in cooperation with the Executive Board composed



THE CORPORATE GOVERNANCE COMMITTEE IS RESPONSIBLE FOR ENSURING THE COMPLIANCE OF THE AKÇANSA CORPORATE GOVERNANCE MODEL WITH LOCALLY AND INTERNATIONALLY ACCLAIMED CORPORATE GOVERNANCE PRINCIPLES, AS WELL AS LEGAL REGULATIONS.

of senior executives representing various areas of expertise.

The Audit Committee, which operates under the Board of Directors, is composed of two independent members and advises the Board of Directors to take necessary measures after examining the internal audit structure of the company in quarterly periods. The Corporate Governance Committee is responsible for ensuring the compliance of the Akçansa corporate governance model with locally and internationally acclaimed corporate governance principles, as well as legal regulations. The Corporate Governance Committee also fulfills the duties of the Nomination Committee and the Remuneration Committee. The Early Risk Detection Committee consists of independent board members and it is responsible for the early detection of any risks that could jeopardize the existence and continuity of the company, as well as determining, efficiently managing, and monitoring measures to be taken for their elimination.

As an active member of the Corporate Governance Association of Turkey, Akçansa closely follows developments in corporate gover-

nance and supports works conducted in this area.

Internal Audit and Risk Management

The determination and monitoring of all probable risks that the company may face form the basis of risk management at Akçansa. There are mechanisms to ensure effective risk management in parallel with the risk management and practices implemented by Sabancı Holding and HeidelbergCement Group. Preventive approaches are developed within the framework of the risk management plan, which also includes sustainability priorities among risk elements.

The highest level body responsible for risk management is the Early Determination of Risk Committee, and the risk management function is organized as a separate unit from the Internal Audit unit. The reports, prepared in line with ISO 30001 Standard for all risk elements, are presented to the Board of Directors every two months, thereby ensuring that performance is monitored at the level of senior management.

The Internal Audit Unit carries out periodical audit works in compliance with the standards prepared by the Inter-

In 2014, Akçansa has signed UN Global Compact which offers global principles as an innovative corporate responsibility approach. With this respect, Akçansa commits to adopt 10 principles in human rights, labour rights, environment and fighting against corruption areas as a part of its workplace culture and for all processes.





national Internal Audit Institute. Comprehensive systematical and thematic audit works are conducted involving matters ranging from business ethics to processes yielding operational and financial results, improvement works are projected in line with the findings achieved in result of the works.

Excellence and Quality

Akçansa refers to national and international quality and management system standards in order to respond to global trends and local demands, as well as ensure standardization in business processes and products; it fulfills its obligations with regards to professional associations of which it is a member.

In general, ISO 9001 and TS EN 197-2 management systems are followed in business processes; all cement products are produced in compliance with the CE Certificate and TS EN 197-1 standard. While ready-mix concrete products are produced in accordance with TS EN 206-1 standard and G Practice Communiqué, production at aggregate facilities is CE certificated and carried out in compliance with

TS EN 12620 Standard. In addition, all facilities have Quality Assurance System certificates awarded by the Turkish Ready-Mix Concrete Association (THBB). Occupational health and safety practices are implemented according to OHSAS 18001 Occupational Health and Safety Management System, environmental resources are managed according to ISO 14001 Environmental Management System, and energy management is conducted according to ISO 5001 Energy Management System criteria.

Quality and management standard certifications are periodically renewed through external audit and verification studies that are carried out; thereby ensuring continuous product quality and safety, the management of environmental resources, and human health and safety.

At Akçansa, business continuity plans that will ensure the pursuance of work are prepared in order to minimize the company's loss in cases of business interruption due to any reason. Relevant functions and departments are responsible for preparing and managing these plans.

AT AKÇANSA, BUSINESS CONTINUITY PLANS THAT WILL ENSURE THE PURSUANCE OF WORK ARE PREPARED IN ORDER TO MINIMIZE THE COMPANY'S LOSS IN CASES OF BUSINESS INTERRUPTION DUE TO ANY REASON.



Business Ethics

Akçansa adopts the Sabancı Code of Business Ethics (SA-ETİK) of Sabancı Group, of which it is a subsidiary; corporate principles, ethical values, and standards are defined within the framework of this document throughout the company. SA-ETİK serves as a guideline for company employees to fulfill their responsibilities within the scope of legal regulations, internal norms and contracts and completely for the benefit of the corporation, by avoiding behaviors that might harm the corporation. SA-ETİK principles are also supported through internal policies.

The Code of Business Ethics is binding for all operations of the company, members of the Board of Directors, managers, and employees. Besides, all suppliers, subcontractors, dealers and business partners are also expected to comply with these principles. The constitution and sustenance of a corporate culture and working environment promoting ethical principles is the responsibility of managers.

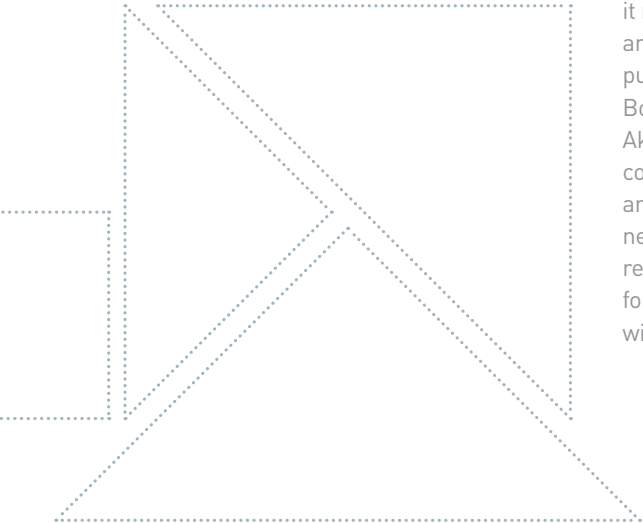
Akçansa conducts all its operations within the framework of local legal regulations and international rules of law; being a publicly traded company, it manages its activities in compliance with the relevant communiqué published by the Capital Markets Board. Seeking to ensure that Akçansa employees are aware of the corporate impacts of their actions and attitudes, SA-ETİK creates the necessary transparent, honest and reliable communication environment for the management of the relations with shareholders, as well as in all

goals, decision-making and business management processes.

The “Procedures and Methods to Be Followed While Making an Ethical Decision” and “Resolution of Unconformities” process were defined in the SA-ETİK document and contact information were shared. Employees can transmit their notifications regarding ethical principles to their managers, Human Resources, Ethic Principle Consultant, or Sabancı Holding Ethics Board by phone or e-mail, in secrecy.

Employees are informed about the principles through the distribution of booklets about the principles and information trainings. Newly recruited employees are provided with e-learning trainings regarding ethical principles, while a survey of compliance with ethical values involving all company employees is implemented annually in order to keep awareness of ethical principles alive and to refresh memories. The current feedbacks of employees regarding ethical values are obtained through the web-based “SA-ETİK yearend practice” repeated annually. In the reporting period, 583 employees completed SA-ETİK yearend practice, while 53 employees completed the business ethics compliance statement assigned to newly recruited employees.

Ethical principles are available on Akçansa Portal, which is easily accessible by all employees. Corporate principles and values, information regarding projects being carried out, regulations about corporate objectives, processes and practices, request forms and catalogues are also accessible through the portal.



Akçansa Sustainability Committee Organization Chart



Sustainability Management

Akçansa makes a point of ensuring the further development of the society in which it operates as well as generating economic added value through its operations. In this direction, it places its sustainability approach at the center of all its business processes, from raw material production to sale marketing, to end user and after-sales relations. Social development works are also carried out within the framework of sustainability approach. The corporate sustainability policy of Akçansa is implemented according to the objectives set in HeidelbergCement's Sustainability Ambitions 2020 that encompasses all its subsidiaries. The annual practices and performance measurement of the company according to Sustainability Ambitions 2020 are conducted by Akçansa Sustainability Committee.

The Sustainability Committee reports the practices realized, performance results obtained, performance improvements achieved in materiality issues to the Executive Board directly and to the Board of

Directors by means of risk reports.

A Sustainability Workgroup was organized in order to identify the sustainability priorities of Akçansa. Data collected by the Sustainability Committee through channels such as surveys and researches, satisfaction surveys, workgroup studies, OHS Committees, marketing communication works, competitions, Bridge Days, Neighbour Councils, Sustainability Ambitions 2020 and local and international risks and opportunities were evaluated to determine the priority issues. Sustainability priorities were addressed within the scope of the processes of raw material production, procurement, cement and ready-mixed concrete production, logistics, and sales & marketing, which are the five links forming the value chain.

Akçansa Sustainability Committee is composed of the members of thematic workgroups formed in parallel with strategic targets, communication manager, and coordinator, under the presidency of Akçansa Executive Board representative. The committee maintains its studies within the framework of six

thematic workgroups and each field of study is coordinated by an expert committee member.

Dialogue with Stakeholders

Akçansa adopts a participatory management understanding whereby it remains in constant dialogue with its stakeholders and provides transparent statements regarding its social, environmental, and economic performance in line with the demands, views, and suggestions of stakeholders. Akçansa has determined different communication channels and processes according to the needs of defined stakeholder groups. Dialogue channels are constantly improved with a proactive approach.

Akçansa regards stakeholder dialogue as one of the main components of its sustainability strategy. In accordance, stakeholder engagement is included among the thematic issues within the scope of Akçansa Sustainability Ambitions 2020. Performance monitoring regarding the issue is pursued, while there are short and long term targets.



Occupational Health and Safety

- Creating a safe living culture by adopting "0" Accident Policy



Sustainable Supply Chain

- Managing sustainable procurement and logistics operations
- Conducting business development activities for increasing alternative fuel and biomass use



Biodiversity

- Rehabilitated mining sites
- Organizing the Quarry Life Award Competition



Climate and Environmental Protection

- Conducting energy efficiency and waste heat recovery projects for emission control and reduction of CO₂ emissions; increasing alternative fuel and biomass use
- Effective water management



Sustainable Construction Solutions

- Reducing the environmental impacts of products by conducting R&D studies; thus reducing clinker/cement ratio
- Environmental product declarations
- Working for green building market penetration
- Increasing recycled aggregate use



Stakeholder Engagement

- Establishing effective communication with stakeholders; for this respect, organizing meetings such as neighbour councils, open door days, leaders of future, concrete ideas competition and carrier days
- Conducting practices towards the goal of being the most admired employer



Akçansa works for a common future together with its “neighbours”. It frequently gets together with stakeholders through various activities, acting with the motto “stand up, speak up, participate”. It aims to produce creative solutions, evaluate its strengths and discover aspects open to improvement by getting together with its business partners, suppliers, dealers and customers, local community, and other stakeholder groups through annually organized “Stakeholder Meetings” and “Neighbour Council” practices. At these meetings where Akçansa senior executives participate in, new developments and information regarding Akçansa are transparently communicated to stakeholders at first hand while stakeholder views conveyed to the management directly.

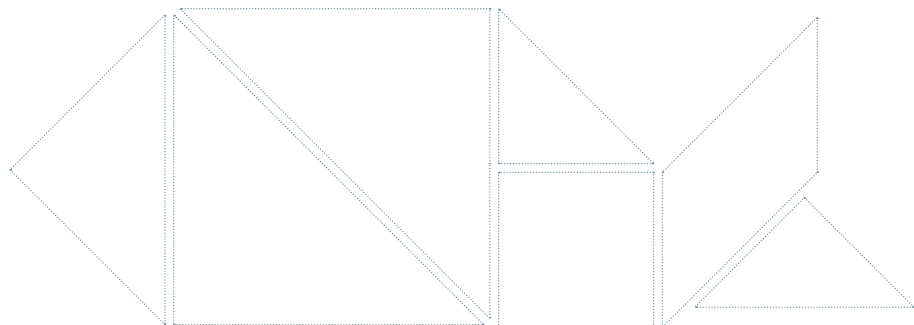
As part of the Stakeholder Meeting held during the reporting period, most of the sustainability issues of the sector were brought up. Within

the context of the meeting, the issues of energy and energy efficiency, waste management, awareness raising, training and sector leadership, urban transformation, innovation and new products, industry and academy partnership, biodiversity, transparency and reporting, carbon management, communication with dealers and suppliers and contribution to their development, occupational health and safety, contribution to national and regional economy, support for the youth and for social entrepreneurs, women’s employment and gender equality were emphasized. Following the meeting, the feedbacks of stakeholders about the meeting and their comments on the priorities of Akçansa were received by means of evaluation forms. In addition, stakeholders shared their short and long term suggestions.

Neighbour Councils, organized annually at Çanakkale, Samsun and Büyükçekmece plants, aim to

inform local stakeholders defined as “neighbours”, reinforce communication, and learn about their demands and expectations. These meetings are attended by the plant director, plant managers and employees, headpersons of neighbouring villages, representatives from neighbouring associations, school directors, municipal environmental planning specialists, NGO representatives, and the community.

The outputs obtained in result of the meeting are reported to the Executive Committee and works that are agreed upon are included within the corporate action plan.



Stakeholder Map



Stakeholder Group	Practice Type and Frequency
Employees	Survey and Research (at various intervals); Training Activities, SA-ETHICS, Corporate Portal, Announcements and Posting (continuous); Suggestion and Rewarding System (instant); OHS Committees, Function Based Meetings (monthly); Working Groups and Committees (at least six times a year); Akçansa Harcı Magazine (three times a year); Performance Management and Career Development Meetings, Social Activities (at least twice a year); Management Meetings, Communication Meetings, Annual Report, Sustainability Report, Environment Day (annually); Working Life Evaluation Survey (biannually); We Listen to You (periodic)
Majority Shareholders	General Meetings, Annual Report, Sustainability Report (biannually); Board of Directors Meetings, Financial Performance Meetings (quarterly); Material Disclosure (upon necessity)
Minority Shareholders	Investor Presentations, One on One Interviews (upon request); General Meetings, Annual Report, Sustainability Report (biannually); Financial Performance Meetings (quarterly); Material Disclosure (upon necessity)
Dealers	One on One Meetings (upon request); Abroad Dealer Meetings, Domestic Dealer Meetings, Annual Report, Sustainability Report (biannually); Akçansa Harcı Magazine (twice a year)
Suppliers	One on One Meetings (upon request); OHS Committees (monthly); Annual Report, Sustainability Report (biannually); Supplier Business Ethics Principles (continuous); Akçansa Harcı Magazine, Business Ethics Briefings (twice a year)
Product End Users	Product Labels, Marketing Communication Studies (continuous); Participation in Fairs, Product Information Training (several times a year); Annual Report, Sustainability Report (biannually)
Local Communities	Complaint System, Social Projects, Donations and Sponsorships (upon request); Information Meetings (upon necessity); Annual Report, Sustainability Report (biannually); Neighbour Council (annually); Bridge Day (annually)
Sector Actors	Meetings and Discussions, Exemplary Projects and Initiatives (upon request); Participation in Fairs (several times a year); Annual Report, Sustainability Report (biannually)
Local Administrations	Meetings and Discussions, Support for Infrastructure Investments, Festival and Social Event Sponsorships (upon request); Annual Report, Sustainability Report (biannually); Neighbour Council (annually)
Public Organizations	Meetings and Discussions (upon request); Informative Reports (at various intervals); Public Audits (at various intervals/instant); Annual Reports, Sustainability Report (biannually); Neighbour Council, Bridge Day (annually)
NGOs	Memberships (continuous); Working Groups, Committee and Board Memberships (periodic); Joint Projects and Initiatives, Meetings and Discussions (upon request); Annual Report, Sustainability Report (biannually);
Universities and Academics	Scholarship and Internship Opportunities, Participation in Academic Congresses and Seminars (continuous); R&D Project Partnerships, Sponsorship and Support; Support for Academic Research and Publications; Meetings and Discussions (upon request Annual Report Sustainability Report (biannually); Concrete Ideas Project Competition (annually)
Employee Families	Informative Studies (continuous); Akçansa Harcı Magazine (three times a year); Social Events (at least twice a year); Environment Day (annually)
Opinion Leaders	Meetings and Discussion (upon request); Annual Report, Sustainability Report (biannually)
Media	Interviews and Talks, Neighbour Council (annually); Bridge Day (annually); Meetings and Discussions (upon request); Press Releases, Material Disclosure (upon necessity); Annual Report, Sustainability Report (biannually)



A photograph of two wind turbines on a grassy field under a clear sky. The image is partially covered by several semi-transparent, overlapping geometric shapes in shades of teal and blue, including triangles and polygons, creating a modern, abstract design.

Combating Climate Change

We Combine Our Business Model With
Fight Against Climate Change By Focusing
On Energy Efficiency.

With the awareness of the significant role of the cement sector in the issue of climate change, Akçansa manages its works in this area with the risk and opportunity oriented approach it has developed in line with its guiding policies and business strategies, within the framework of its short and mid-term objectives.

The primary sources used in determining the policies and strategies followed by Akçansa in its works for combating climate change and the areas of implementation to be actualized are the Kyoto Protocol, International Climate Summit decisions, local and international regulations.

Akçansa conducts activities such as increasing energy efficiency, mitigation of greenhouse gas and other emissions, alternative fuel and raw material use, product development, participation in local and international initiatives in relation to the management of climate change risks.

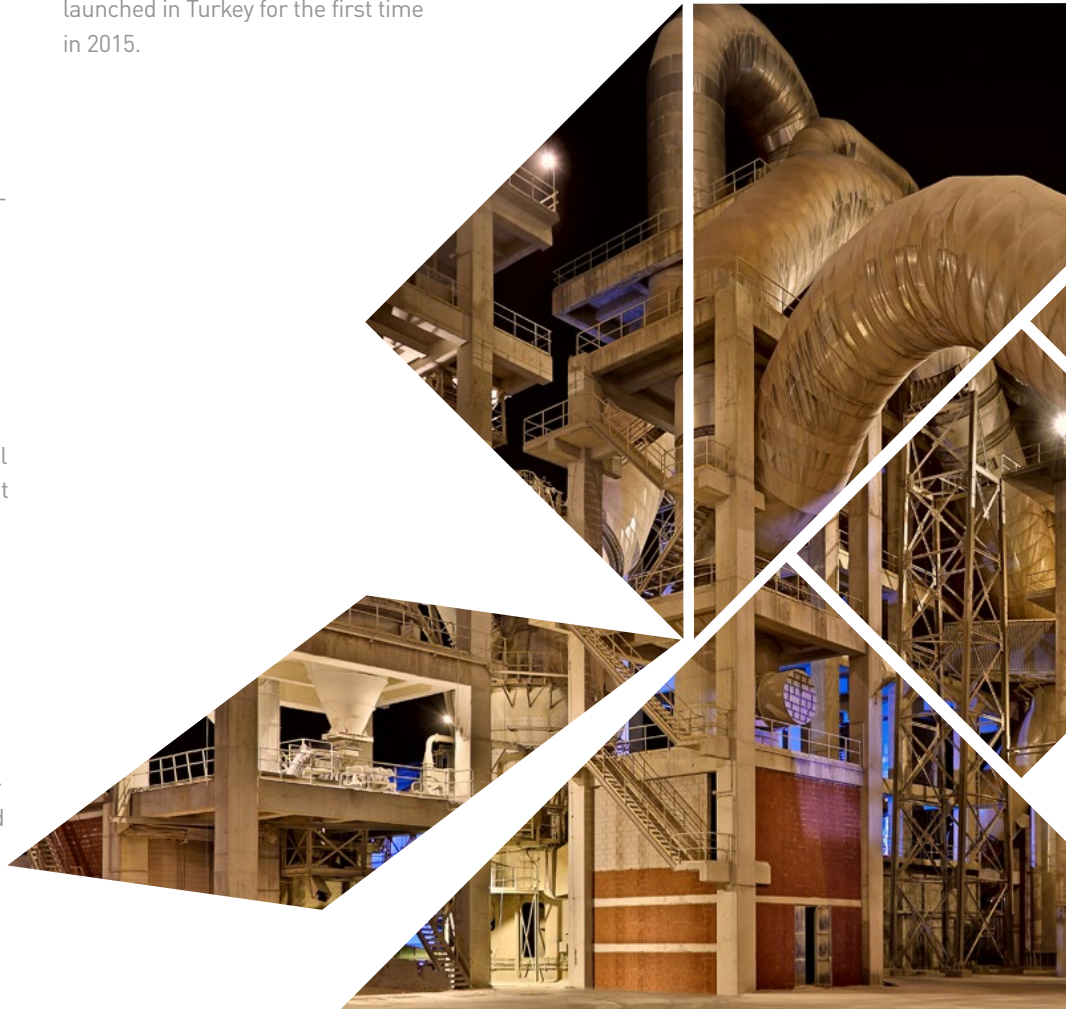
The constant monitoring of emissions account for a significant part of works to combat climate change. Akçansa takes the Energy and Carbon Dioxide Inventory Protocol developed by World Business Council for Sustainable Development Cement Sustainability Initiative (WBCSD - CSI) as basis for the greenhouse gas emission quantification works it conducts in this context. This methodology is also compatible with the Greenhouse Gas Protocol published by WBCSD and WRI.

As a signatory of the Energy Efficiency in Buildings Declaration published by the Business World and Sustainable Development Association in 2013, Akçansa carries out works to improve the energy efficiency of its buildings, while also contributing

to the production of energy efficient buildings by developing products that facilitate the production of energy efficient buildings.

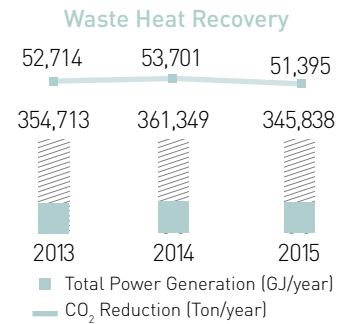
Akçansa has been continuously participating in the Carbon Disclosure Project Turkey practice, which is one of the most important works in the issue of climate change conducted on an international scale, since 2011. Maintaining its continuous performance increase trend throughout the years, transparency performance, which was at the level of 71 points in 2013, was increased to 92 points in 2015. Besides CDP climate change programme, Akçansa also participated in the water programme which is launched in Turkey for the first time in 2015.

THE PRIMARY SOURCES USED IN DETERMINING THE POLICIES AND STRATEGIES FOLLOWED BY AKÇANSA IN ITS WORKS FOR COMBATING CLIMATE CHANGE AND THE AREAS OF IMPLEMENTATION TO BE ACTUALIZED ARE THE KYOTO PROTOCOL, INTERNATIONAL CLIMATE SUMMIT DECISIONS, LOCAL AND INTERNATIONAL REGULATIONS.



Waste Heat Recovery

Akçansa pioneered in its sector with the power plant, with a capacity of 15 MW, it established within the context of the Waste Heat Recovery Project it realized at its Çanakkale Plant in 2011. Thanks to the facility, approximately 119 thousand GJ of energy savings and 15.7 thousand ton CO₂e of emission reduction were achieved in its first year. Throughout the years, energy production also increased, as of 2015 the recovered energy rose to the level of 346 thousand GJ, and the amount of emission reduction to the level of 51.4 thousand ton CO₂e.



Energy Efficiency

Production of clinker, composing material of cement, consists of processes that require a high amount of heat and therefore energy. Beside the large amount of cost it brings, this situation is also a significant source of the generated greenhouse gas emission stock. For this reason, energy efficiency, which is one of our fundamental means for combating against climate change elements, serves both to reduce environmental impacts and increase profitability.

Akçansa carries out its energy management processes in cement factories within the framework of ISO 50001 Energy Management System Standard. The operability of the system is controlled through periodical external audits and certified.

Waste heat recovery practices, leakage loss monitoring, opting for efficient equipment, and improving processes are among practices aimed at improving energy efficiency. Unit managers responsible for ener-

gy at cement, aggregate and concrete production facilities periodically get together to determine roadmaps for the more efficient use of energy and evaluate application examples, with the aim of reducing energy density, which is the primary purpose. On the other hand, energy managers are also responsible for relevant legal arrangements and regulations.

The amount of energy used for the production of one ton of clinker, which was 3.51 GJ in 2013, increased to 3.56 GJ in 2014, while in 2015 it was decreased to 3.54 GJ in result of the works conducted.

By means of the energy efficiency projects conducted during the reporting period, including process optimizations and more efficient equipment use, energy consumption was reduced by 249,128 GJ in 2014 and by 122,631 GJ in 2015. Thanks to these studies, 32,848 ton CO₂e of greenhouse gas emission was prevented in 2014, and 18,684 ton CO₂e in 2015.

Renewable Energy Investment in Çanakkale Factory

Through the wind turbine investment, licensing process of which was initiated in 2015, we aim at reducing greenhouse gas emissions. The capacity of the turbine, which is expected to be completed in 2016, is 2.35 MW and it will generate 7,844 MWh of electricity annually. This amount is equivalent to 1.8% of the total electricity consumption of the factory.

EMISSION MANAGEMENT

Cement production is realized through emission intensive business processes owing to energy consumption and calcination that occurs due to product composition. For this reason, Akçansa constantly monitors its carbon dioxide emissions, dust, and other polluting airborne emissions and conducts reducing works as part of its Sustainability Ambitions 2020. In this regard, Akçansa follows the Energy and Carbon Dioxide Inventory, an industry standard in Scope 1 and Scope 2 carbon dioxide emissions calculations, prepared

by WBCSD Cement Sustainability Initiative (CSI).

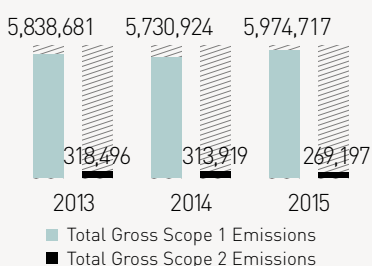
In the reporting period, as of January 1st 2015, all our air emissions were started to be constantly recorded through continuous measurement devices; hence, on-line data transmission to Ministry of Environment and Urbanisation and District Environmental Departments initiated in manner that data can be monitored instantly. This ways, authorities can monitor our stack gas emissions instantly.

In addition to cement production processes that are the primary source of emission generation,

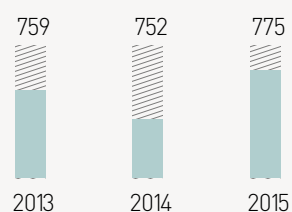
IN THE REPORTING PERIOD, AS OF JANUARY 1ST 2015, ALL OUR AIR EMISSIONS WERE STARTED TO BE CONSTANTLY RECORDED THROUGH CONTINUOUS MEASUREMENT DEVICES; HENCE, ONLINE DATA TRANSMISSION TO MINISTRY OF ENVIRONMENT AND URBANISATION AND DISTRICT ENVIRONMENTAL DEPARTMENTS INITIATED IN MANNER THAT DATA CAN BE MONITORED INSTANTLY.



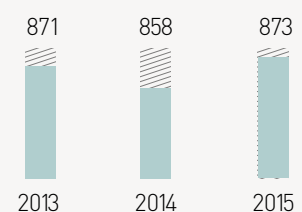
Gross Carbon Dioxide Emissions (ton)



CO₂ Emission from Cement Production (kg CO₂e/ton cement)



CO₂ Emission from Clinker Production (kg CO₂e/ton clinker)



aggregate and ready-mixed concrete production processes also generate emissions in relation to electricity consumption. Yet, the amount of these emissions is not at a significant level in comparison to cement production.

Carbon Dioxide Emission

During the cement production process, CO₂ emissions mainly emerge either by calcination of limestone which is used as the main raw material or combustion of coal fuelling rotary kilns. Share of the sector in total emissions is high due to both energy intensity and CO₂ occurring naturally during production process. The best practices prescribed for reducing emission-intensity in the cement sector are the use of alternative fuels instead of fossil fuels and the use of alternative raw materials to replace the clinker in the composition of cement, in addition to energy efficiency. Akçansa also adopts these methods to achieve its objective of reducing CO₂ emissions.

The Use of Microalgae as Carbon Capture in Cement Production

Microalgae are microorganisms containing carbohydrate, protein, fat and vitamin; they can incorporate fat at rates varying between 15% and 77%. In order to grow and accumulate fat within their system, they need the CO₂ as source of inorganic carbon. This pilot scale system installed at Çanak-kale Factory to benefit from this characteristic of microalgae is scoring a first in the cement sector.

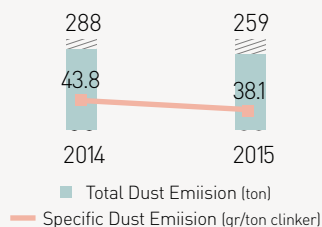
Thanks to the system, microalgae repositories were fed with the flue gas from the clinker production line, thereby both eliminating the emission from the flue gas and ensuring the economic production of microalgae which are used in many areas. It is aimed to eliminate 25,360 kg of CO₂ emissions annually in result of the daily production of 5 kg of microalgae at the pilot plant.

Dust Emission

Reducing the dust emission generated during the processes of downscaling, preparation and storage of raw materials and fuels is among our 2020 sustainability objectives. In this regard, bag filtering reduces dust emissions at all our cement, ready-mixed concrete, and aggregate facilities. During the reporting period, all our kiln stacks in Büyükçekmece and Ladik

Factories have been equipped with bag filtering system. We increased the rate of bag filtering application in raw meal, kiln and cement mills, which was 76% in 2013, to the level of 92% as of 2015. Moreover, the rate of covered clinker conveyors and stokeholes, which was at 85% in 2013, reached 100%.

Dust Emissions



Energy Consumption Values

	2013	2014	2015
Cement Plants			
Direct Energy Consumption (GJ)	23,201,433	23,355,074	23,997,446
Indirect Energy Consumption (GJ)	2,802,805	2,754,554	2,793,382
Waste Heat Energy Recovery (GJ)	354,713	361,349	345,838
Clinker Specific Heat Consumption (GJ/ton of clinker)	3.51	3.56	3.54
Ready-Mixed Concrete			
Indirect Energy Consumption (GJ)	32,120	31,702	30,908
Aggregate			
Indirect Energy Consumption (GJ)	18,658	49,783	41,871

NO_x, SO₂ and Other Pollutants

During the cement production process, nitro oxides (NO_x) arise from the chemical reaction during clinker production, and sulphur dioxide during the kiln combustion process. On the other hand, depending on the fossil fuels, alternative fuels and raw material types being used, pollutants such as volatile organic compounds, metals, hydrogen fluoride (HF), hydrogen chloride (HCl), dioxin, and furan are generated. All these emissions are calculated through continuous monitoring devices and reported to authorities as required by the relevant regulations.

Although our emission values are below the limit values determined in legal regulations, various projects are carried out aiming at reducing all pollutant air emissions. For instance, during the reporting period, SNCR Systems have been installed to all 3 furnaces in Büyükçekmece Factory in order to reduce NO_x emissions.

ALTERNATIVE FUEL USE

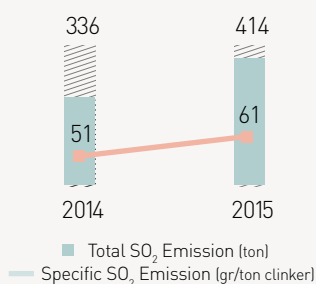
With the emergence of climate change risks, the use of alternative resources to substitute traditionally used fossil fuels that have a high calorific value and emission level also became prominent in the cement sector. This method, which is among current best practice examples in the works for combating climate change in the cement sector, mostly involves the use of wastes as fuel. In this way, wastes

are also being recycled, making this a method with high economic value for combating climate change.

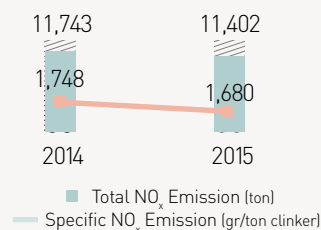
By using wastes as alternative fuel, on the one part the energy needed for cement production is procured from a resource with lower environmental impact, while on the other hand the elimination of wastes, which generate emissions of methane that is many times more dangerous than carbon dioxide, is ensured. From this



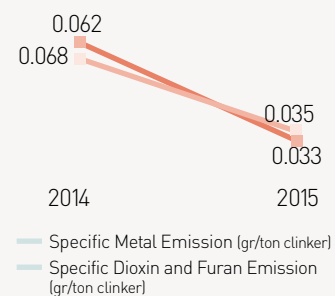
SO₂ Emission



NO_x Emission



Other Emissions

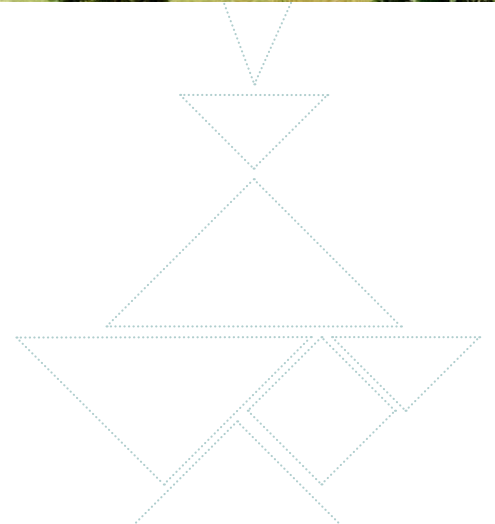
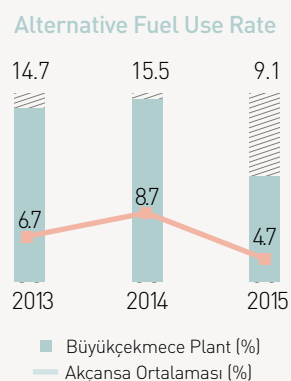
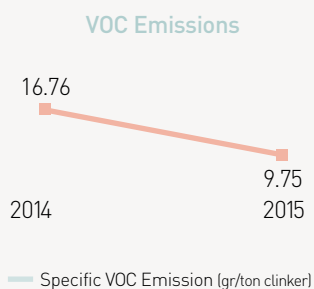


aspect, cement plants offer a more advantageous and effective solution for the elimination of wastes with an environmentalist method, which is among the greatest problems of urban administrations, compared to incineration facilities.

The greatest complication with using wastes as alternative fuel is the difficulty of access to prepared wastes. Akçansa made the necessary investments and obtained operating permissions in order to use

tyres which have completed their lifespan, refuse-derived fuels (RDF), waste water treatment sludge and other waste types as energy input for its own production processes. Subsequently, it has also cooperated with local administrations and companies producing usable wastes in order to access sources of waste. The specially designed waste preparation and feeding system launched in Büyükçekmece Plant in the previous reporting period became a first on Turkey.

THANKS TO ALL THESE INVESTMENTS, BÜYÜKÇEKMECE PLANT ACHIEVED THE HIGHEST ENERGY SUBSTITUTION RATES, PIONEERING IN ITS SECTOR REGARDING THE USE OF WASTE AND BIOMASS AS ALTERNATIVE ENERGY RESOURCE.



Thanks to all these investments, Büyükçekmece Plant achieved the highest energy substitution rates, pioneering in its sector regarding the use of waste and biomass as alternative energy resource. In this scope, Büyükçekmece Plant achieved an energy substitution rate of 15.5% in 2014, and 9.06% in 2015. These values were realized as 8.68% in 2014, and 4.75% in 2015 across Akçansa. This difference is due to the variation in opportunities of access to usable waste among facilities. As it is located at the center of a region in Turkey where population and industry are densest, Büyükçekmece Plant's opportunity for access to alternative fuel resources is much greater than other facilities.

ALTERNATIVE RAW MATERIAL USE

Clinker, intermediate material of cement, also has the greatest share in the environmental impact of cement because it is subject to a carbon-intensive production process. It is possible to use alternative raw materials with mineral content such as blast furnace slag, fly ash, marble wastes, foundry sand, iron filings, grid, pyrite ash. Among these, blast furnace slag, by directly substituting clinker, can significantly reduce environmental impacts of the cement while it also increases the quality of the finished-product with high durability it provides. Other alternative raw materials reduce environmental impacts as well by decreasing natural resource use.



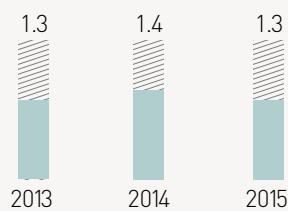
For all these reasons, the use of alternative raw materials is among the best practices in relation to combating climate change in the cement sector. Accordingly, Akçansa includes increasing the rate of mineral additives in cement within the scope of Sustainability Ambitions 2020.

Despite the fact that consumer habits in the Turkish market favour the CEM I type cement which has a rich clinker content, Akçansa sets targets regarding the increase of alternative raw material use, it strives to attract consumers' attention through value added products developed in result of R&D studies. In this context, information and awareness works are conducted devoted to dealers and customers.

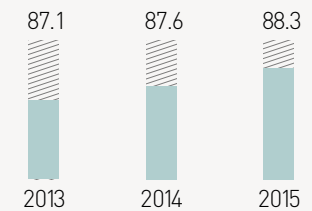
Akçansa used 204 thousand tons of alternative raw material in 2014, and 190 thousand tons in 2015; thereby achieving 1.4% of alternative raw material usage in cement in 2014, and 1.3% in 2015.

Besides cement production, alternative raw materials were also started to be used in ready-mix concrete production. In accordance, by using several materials such as cinder, fly ash, limestone and trass in the composition of concrete, the prepared mixture acquires various characteristics while the environmental impact of the product is reduced. In the previous reporting period, mineral additive usage in ready-mixed concrete production was boosted to the level of 20%, while this rate has a little bit regressed in the reporting period.

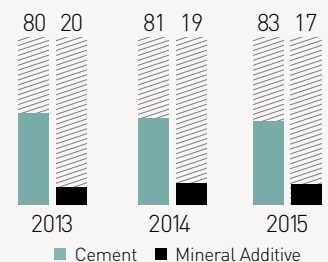
Alternative Raw Material Usage Rate (%)



Clinker / Cement Ratio (%)



Cement and Mineral Additive Ratio on 1 m³ of Binder (%)



■ Cement ■ Mineral Additive



Biodiversity



We Take Fragile Balance of Nature in
Consideration While Operating.



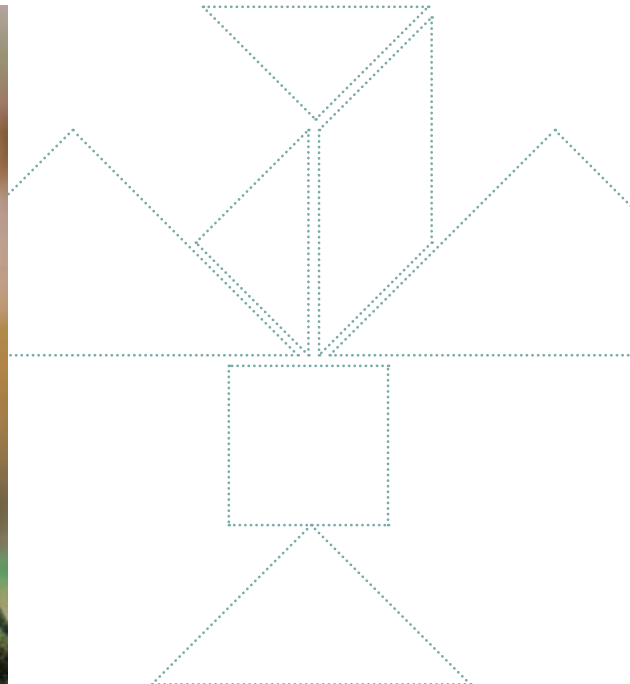
Cement production has the potential to create an impact on biodiversity for reasons such as land use, operation of quarry areas, water consumption, waste, and noise. The fundamental principle that Akçansa adopts in its operations is to avoid any permanent negative impacts on biodiversity, which is of great significance for natural life and the society, and in fact to make positive contributions. This principle was emphasized through the inclusion of the issue of biodiversity within the scope of Sustainability Ambitions 2020.

The management of mine sites is subject to very extensive and strictly complied with legal regulations, primarily the Mining Law and Implementation Regulation. The operations of Akçansa at mine sites are carried out in line with the strategic objectives determined by the senior management, in compliance with legal regulations and

the norms specified in license and permits. All licenses and permits are renewed within the periods specified by laws.

The Executive Board and Sustainability Committee monitor developments in biodiversity, which is also included among Sustainability Ambitions 2020, through performance indicators and periodic targets. The performance achieved in the issue of biodiversity, which also makes part of the corporate performance system, is also used for the evaluation of the individual performance of employees.

THESE PLANS, WHICH TAKE EFFECT WITH THE APPROVAL OF PUBLIC AUTHORITIES, INVOLVE THE USAGE OF THE FIELD WITH MINIMAL ENVIRONMENTAL IMPACT DURING OPERATIONS, SUBSEQUENT REHABILITATION AND RECLAMATION CRITERIA, AND A TIME PLAN.



Biodiversity Project Competition – Quarry Life Award

Biodiversity management is one of the issues prioritized in the context of Akçansa Sustainability Ambitions 2020. In this regard, the “Quarry Life Award Biodiversity Project Competition”, organized by HeidelbergCement, of which we are a subsidiary, in countries where it operates and aimed at enhancing the biological values of quarry fields, was held in Turkey for the first time in 2014. Within the context of the competition, creative, distinctive and innovative projects produced by university students and research assistants for the reintroduction of fields and the natural wildlife to the nature subsequent to mining activities, contributing to the enhancement and development of biological diversity in these fields were collected.

Ladik Rehabilitation Project

Rehabilitation activity has been conducted in a 4 ha of terrain in limestone field of our cement factory in Samsun Ladik in collaboration with Turkish Cement Manufacturers Association, General Directorate of Mining Affairs and Forestry Administration. Following the application of soil laying on the site, 4,500 cedar saplings suitable for the natural conditions and the flora of the region were planted. Natural habitat area enabling wild animals to shelter was established by using large stone blocks in the project field.

Quarry Life Award Biodiversity Project Competition aims for the production of projects aspiring to increase the biological value of quarry fields by university students and for raising awareness among students in this regard. 14 projects participated in the first competition organized in 2014. Promotion and organization activities were launched in 2015 for the second competition to be held in 2016.

(www.quarrylifeaward.com)



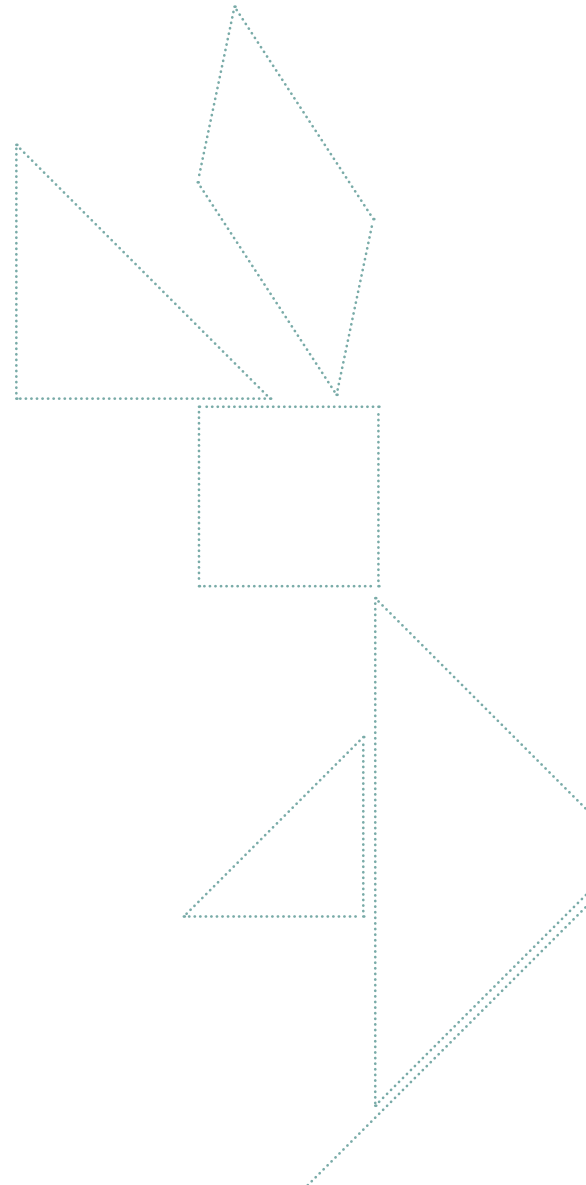


Environmental Impact Management at Raw Material Sites

The environmental impacts studies start during the process of locating the raw material sites. Raw Materials and Environment Directorate carries out raw material researches in coordination with Plant Production Directorates. Whenever a suitable site both in terms of quantity and quality is identified, licencing and permission procedures are launched. As per the regulations in force, an Environmental Impact Evaluation study, through which all environmental and social risks are evaluated, is conducted prior to the launch of operations on mine sites. As part of this study, biodiversity impacts are also addressed. These plans, which take effect with the approval of public authorities, involve the usage of the field with minimal environmental impact during operations, subsequent rehabilitation and reclamation criteria, and a time plan.

Operational processes such as drilling, blasting, loading and transportation carried out during raw material production at the mines sites result in impacts such as dust emission and vibration. The dust emission occurring at quarries is minimized by using latest technology product equipment and irrigation practices. Both vibration and dust generation is reduced through explosive optimization and delayed detonator use.

The raw materials extracted at the mines sites for aggregate production are subjected to crushing and screening processes at the aggregate facility located in the mine site. Dust emission, the primary environmental impact arising in this process, is prevented by inclosing the units and water spraying. Units such as crushers, conveyor belts, and belt pouring points have been covered and equipped with water spraying systems at all Akçansa aggregate production facilities. The recycling of water is ensured at facilities where washing takes place.



Environmental e-Training

E-training movie brings a breath of fresh air to environmental trainings. Through e-training movie, in all locations of Akçansa, importance that we give to the environmental is presented to employees in a visually rich format. In the training movie, subjects are narrated by 7 main subjects.

- Air Pollution • Climate Change • Water Resource • Natural Resource Use
- Waste Issues • Hazardous Material • Noise • Environmental Accident

On-the-Job Speeches – “Environmental Toolboxes”

These are the discussions where environmental risks of the operations as well as all possible negativities brainstormed, participants share their thoughts and solutions against negativities are developed, shared and thought. Main objectives of these discussions are sharing a predetermined topic in detail with participants, thus raising awareness and contributing environmental development of our workplace.

Environmental Suggestion and Grievance System

Improving participation is included among primary targets as required by Akçansa management principles. For this reason, we aim to shape our practices by listening to the suggestions and grievances of all our stakeholders, primarily our employees.

All complaints and grievances conveyed to our part about Akçansa operation fields, regarding environment, energy and occupational health and safety are conveyed to Environment, Energy and OHS Management Representatives. All conveyed issues are carefully approached and resolved by relevant managers through works implemented as per the Procedure for Nonconformity and Corrective Preventive Operations. In this scope, 12 problems conveyed by our stakeholders were resolved in 2014, and 10 out of 11 problems conveyed were resolved in 2015. Works for the resolution of the one remaining case are continuing.

Rehabilitation

The rehabilitation of quarry fields that have completed their service life in accordance with the natural fabric is not only a legal necessity but also included among the environmental sustainability priorities and strategic targets of Akçansa. The rehabilitation work, which essentially aims to prepare the field for its next use, is realized in compliance with the plans made prior to the operating period. Trees and plants suitability to the region and the field of which was determined with the technical support of Forestry Operation Directorates are planted on the steps shaped by sloping the bevels formed at the operation.

As of the reporting period, we have a total of 196.76 ha of active mine sites and they all have approved plans for reintroduction to nature. Rehabilitation works were also continued in sites where production was completed. In this regard, the rehabilitation works were performed at 17.6 ha of terrain by 2015 year-end.

In 2014, upon request of Bozalan Village community, 2 ha terrain in Çanakkale Bozalan clay site in which land arrangements made during

IN THIS REGARD, THE REHABILITATION WORKS WERE PERFORMED AT
AT **17.6 ha** OF TERRAIN BY 2015 YEAR-END.

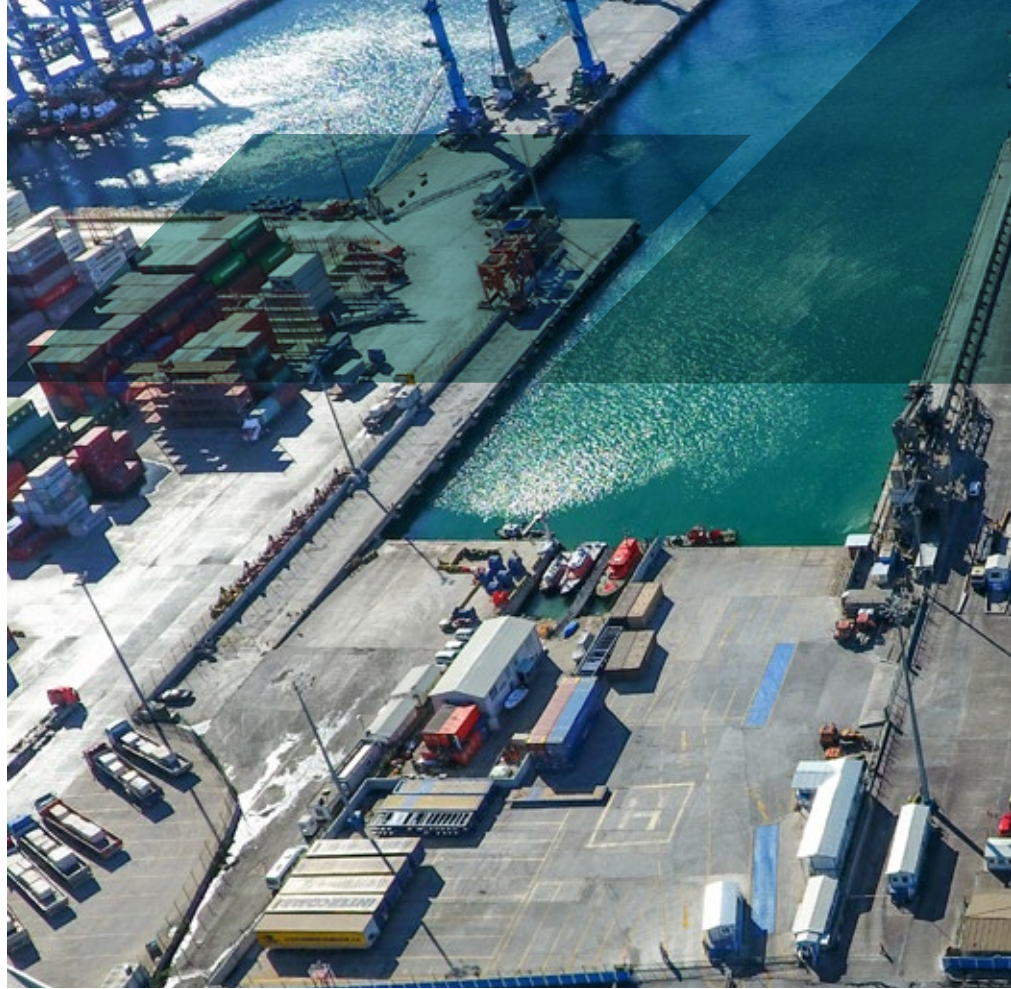
the previous reporting period, has been rehabilitated as pasture by planting sainfoin seeds.

In 2014 – 2015, by planting 700 acacias, cedars, ivy and woodwaxens rehabilitation works continued in İstanbul Kovukdere schist site.

Environmental Impact Management at Production Facilities

Akçansa manages environmental impact issues, framed under the aspects of water use, wastewater control, waste management and noise, with a risk based approach at its cement, aggregate and ready-mixed concrete production facilities. While no Akçansa production facilities are located in areas put under protection in terms of their biodiversity characteristics, soil, air, water and noise pollution and the depletion of resources are prevented through business processes prepared in line with the environmental policy, ISO14001 environmental management standard principles and legal regulations.

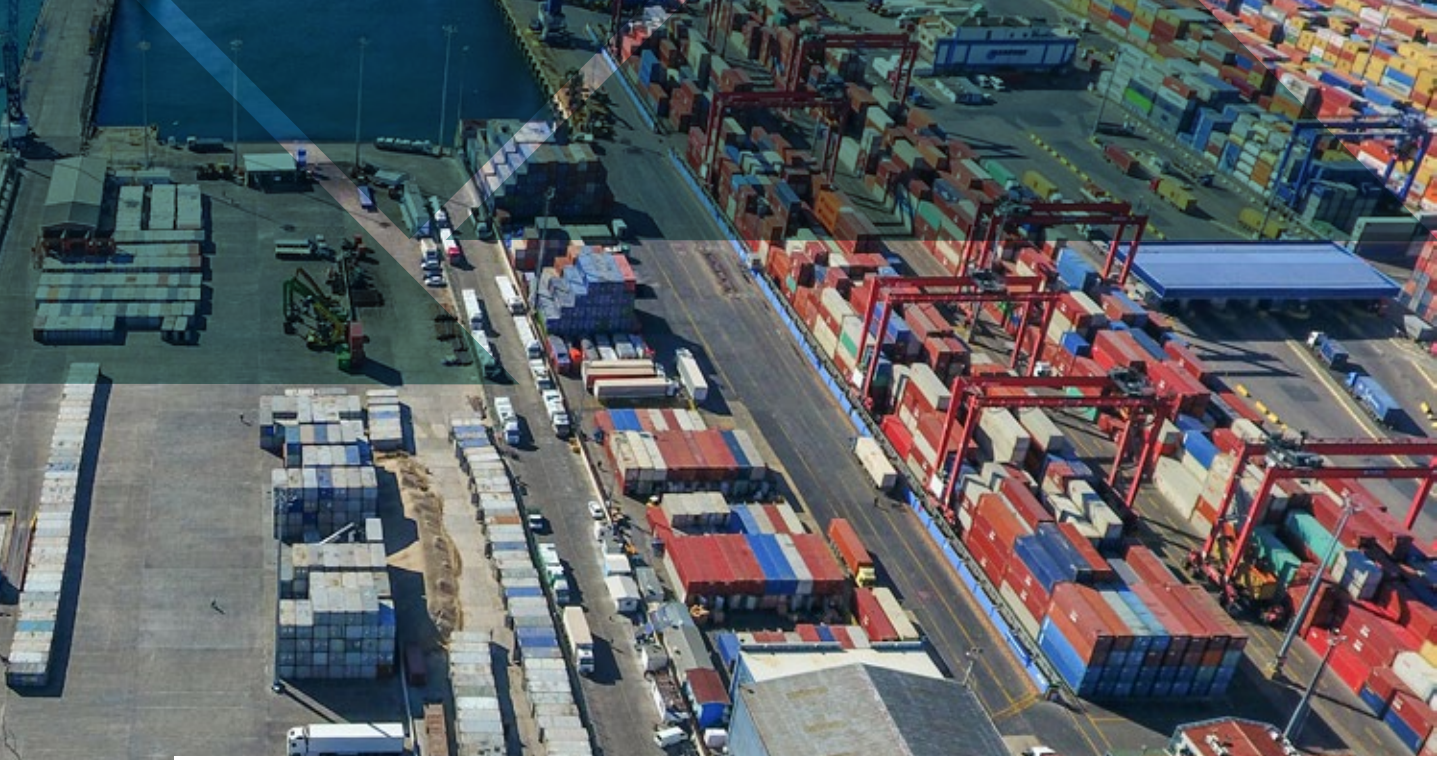
There is an Environmental Management Unit which is responsible for all environmental legal procedures, site audits and environmental management system practices regarding factories, ready-mixed concrete and aggregate facilities, harbours and terminals. Environmental management issues are periodically discussed through Environmental Committees in factories. All measurements and controls required by the Environmental Law and relevant regulations are performed continuously and periodically at all facilities to achieve effective monitoring and control. The development achieved in indicators related to environmental issues that are considered critical is monthly reported to the senior



management. Environmental system and site performance audits are carried out with a sense of continuous development and improvement, with the participation of employees. Our employees are encouraged to report nonconformities seen at the plants to the management through the web-based environmental management system. Corrective and preventive measures are taken according to these results.

Akçansa Environmental Engineers provide employees with environmental training in the subjects of environmental awareness, susta-

inability perspective, regulations, waste management, and exemplary field practices throughout the year in order to continuously improve the environmental awareness of employees. Within the scope of these and similar works, 379 person*hour of employee training was realized in 2014, and 909 person*hour in 2015. These training works were attended by 254 people in 2014, while attendance was increased to 521 in 2015. Our objective regarding the environmental trainings we provide is to ensure the participation of subcontractor employees alongside company employees. In this regard,



Water Withdrawal by Source (m³)	Büyükcemece Cement Plant		Çanakkale Cement Plant		Ladik Cement Plant		Cement Plants Total	
	2014	2015	2014	2015	2014	2015	2014	2015
Underground Water	100,896	61,713	1,463,362	1,270,081	110,045	116,661	1,674,303	1,448,455
Municipal Water	218,617	201,066	0	0	22,347	0	240,964	201,066

82 person*hour of environmental training devoted to subcontractor employees was organized in 2014, and 60 person*hour of environmental training in 2015.

Akçansa allocates significant amount of financial resources every year and continuously maintains its investments aimed at improving environmental performance. In this scope, Akçansa transferred resources worth 22.6 million TL to environmental performance enhancing investments such as dedusting and water recovery, 16 million TL in 2015.

Water Resources and Wastewater Management

In the reporting period, water management was noticeably improved, especially by preparation of water flow diagrams, increasing measurement points, surface water was collected in pools and recycled as well as monitoring and control systems for underground water use were strengthened. In this way, both savings were increased and the amount of recovered water significantly rose in comparison with previous periods, reaching the level of 727,728 m³ in 2014, and 842,839 m³ in 2015.

IN THIS WAY, BOTH SAVINGS WERE INCREASED AND THE AMOUNT OF RECOVERED WATER SIGNIFICANTLY ROSE IN COMPARISON WITH PREVIOUS PERIODS, REACHING THE LEVEL OF

727,728 m³ IN 2014, AND **842,839** m³ IN 2015.

The wastewater that cannot be reclaimed after consumption is processed at wastewater treatment facilities and discharged to natural receiving environments in accordance with the quality parameters and limit values specified in discharge licenses. The discharged wastewater does not have a pollution load that might negatively impact the biodiversity qualities of the receiving environments.

Within the context of the Water Management Project conducted by HeidelbergCement on a global scale, the water performance of Akçansa is also evaluated according to the Water Reporting Protocol published by WBCSD Cement Sustainability Initiative (CSI), it is also being reported to CSI as of 2014.

Waste Management

Hazardous and non-hazardous wastes (contaminated wastes, waste lubricants, scraps, etc.) generated in our operations are managed in relation to the waste management hierarchy, according to the provisions specified in relevant regulations and licenses. These wastes, according to their type, are employed in energy or material

recovery. When not possible, these wastes are disposed by licensed firms.

Akçansa cement factories have permits for using various types of wastes in energy recovery. That is a major advantage in waste management and significantly reduces volume of waste sent to disposal sites or storage.

During the reporting period, industrial waste management plans for our factories, ready-mixed cement and aggregate facilities were prepared and conveyed to Ministry of Environment and Urbanization.

4,172 tons of the 4,236 tons of waste generated in 2014, were recovered as either energy or material, while 4,346 tons out of the 4,389 tons of waste generated in 2015 were recovered. Thus, the average recovery rate of wastes in the reporting period is at the level of 99%.

Visual and Acoustic Impacts

The minimization of the visual and acoustic impacts generated by production facilities is also among works conducted within the scope of environmental management.

Wastes by Type and Disposal Method (ton)

	Hazardous Wastes		Non-hazardous Wastes	
	2014	2015	2014	2015
Energy Recovery	873	355	0.00	0.00
Material Recovery	331.39	229.35	3,322.26	3,851.36
Landfill	43.00	43.22	0.00	0.00
Other	5.06	0.10	0.00	0.00



In this regard, architectural and landscaping works were conducted at Büyükçekmece Cement Factory in the reporting period; open raw material and coal stokeholes were covered, flame tube blowers were taken inside closed areas, plant road lighting, landscapes and sidings were renewed, insulated doors were installed at high decibel areas. Packaging silo filter fan speed was optimized at Çanakka-
le Cement Factory, reducing the acoustic impact.

Green Plant Project

As part of the Green Plant Project implemented at Büyükçekmece Factory, it was aimed for reducing the visual and acoustic impacts of the facility, improving its dedusting performance and, enhancing its integration with the social environment. In this regard, the facings of structures were renovated, landscaping and afforestation works were conducted. The 40,000 m² raw material stockyard was removed, planting and germination practices were started, also an artificial pond is to be built on the field. Irrigation and filtration systems were renewed for dedusting, insulation works were implemented for noise prevention. My Neighbourhood Project practice was carried out in order to enhance the integration of the facility with its social surroundings.



Occupational Health and Safety



We Adopt Occupational Health and Safety
as a Life Culture.

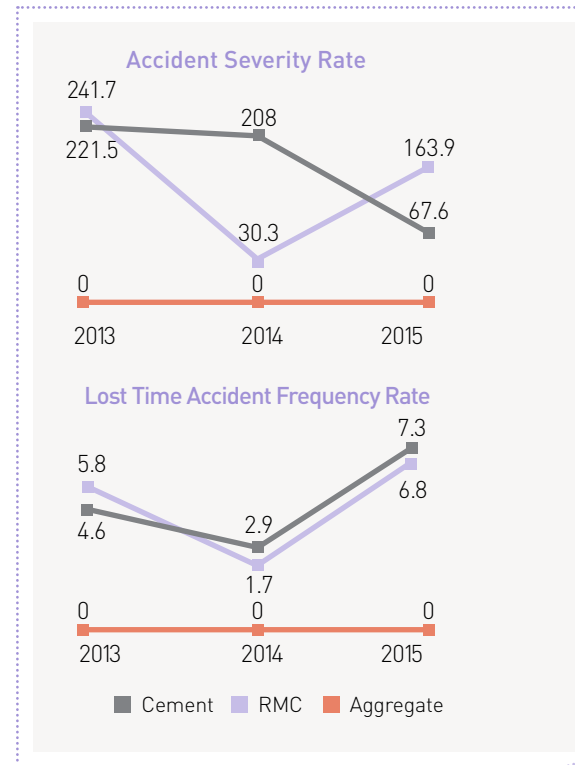
Occupational health and safety is a common priority area for all the links in the value chain of Akçansa. Akçansa manages the health and safety risks originating from the business processes of its employees and stakeholders with a preventive approach. In this direction, works are conducted aiming at the generalization of the occupational health and safety culture among its employees and stakeholders.

Trainings and practices, behaviour oriented audits and field audits are realized in order to enhance the awareness of employees regarding occupational health and safety, ensure the minimization of risks and constitute a productive working environment. Awareness raising programs and simulation based trainings are also organized for suppliers and customers, alongside employees. Within the context of trainings, Akçansa and subcontractor employees were provided with 30,920 person*hour of training in 2014, while this figure increased

to 32,990 person*hour in 2015. In addition, 233 behaviour oriented audits and 1,539 field audits were conducted in 2014, and 1,460 behaviour oriented audits and 1,600 field audits in 2015.

At Akçansa, high standards are implemented regarding occupational safety. OHS processes are managed in accordance with Quality, Environment and Energy Policies within the framework of Integrated Management System. The OHS Policy complies with the requirements of the OHS Law No. 6331, OHSAS 180001 Standard, and ILO Conventions.

While OHS is the common responsibility of all Akçansa employees, OHS Directorate manages related processes and reports obtained results to the senior management. Besides managers taking office at Headquarters, experts working at production facilities also take part in the management of OHS policies and practices. The performance re-



THE NUMBER OF FATAL ACCIDENTS IN AKÇANSA OPERATIONS FOR THE YEARS 2014 AND 2015 IS 0. AKÇANSA CONTINUES ITS PREVENTIVE WORKS IN ORDER TO PRESERVE THIS STATISTIC, IT CONDUCTS WORKS TOGETHER WITH ALL ITS CONCERNED STAKEHOLDERS TO ENSURE THAT NOT EVEN ONE ACCIDENT OCCURS.

garding the issue is being evaluated within the scope of Akçansa Performance Evaluation System and it has a weight of 25% in individual performance targets of employees.

Occupational Safety

As it incorporates processes involving accident risks within its value chain, the issue of occupational safety becomes a priority issue for cement production. As a company operating in the cement sector, Akçansa also places special emphasis on the subject of occupational safety. Akçansa fulfils its responsibility of ensuring that its employees work in a safe environment and continues to create difference in the sector with the firsts it actualizes in this area. The company maintains its works aimed at the implementation of a human centred management understanding in all its business processes from production to sales and marketing in line with universal standards, and providing a working environment where employees feel

safe and valued.

Amongst the employees participating in Akçansa operations, 36% work in processes with high accident or occupational disease risks. The most frequently encountered types of accident at the plants are equipment accidents and falls from high. Collective labour agreements include the subjects of protective measures regarding occupational safety, disease and accident notices, occupational accidents and occupational diseases, as well as occupational safety rules.

The number of fatal accidents in Akçansa operations for the years 2014 and 2015 is 0. Akçansa continues its preventive works in order to preserve this statistic, it conducts works together with all its concerned stakeholders to ensure that not even one accident occurs. One of the procedures developed within the scope of these works is the authorization of stakeholders to stop any work they deem to be unsafe. This procedure that aims to enhance the

OHS Awards for Akçansa

Safe Work Healthy Life Awards, which covers all operational fields of the 20 countries in Heidelberg Cement's T.E.A.M. area, has been completed. At the first phase of the competition, 44 locations in which Akçansa operates were subjected to 353 audits with regards to predetermined questions. At the end of each audit, fields were evaluated with performance points.

Garipçe Ready-Mixed Concrete Facility, a project facility of Yavuz Sultan Selim Bridge, came first among Heidelberg Cement Group's 625 facilities in 22 countries, receiving Grand OHS Award. In the competition, Büyükçekmece and Saray facilities, winners of Cement and Aggregate branches in Turkey, have won Mention Awards.

In addition, Akçansa was deemed worthy of the "Cement Sector 2014 Occupational Health and Safety Performance Award" by the Cement Industry Employers' Union (CEIS) who awards the best performing companies from amongst its members in the area of Occupational Health and Safety.

OHS culture and participation in the practices is monitored through Site Responsibility System.

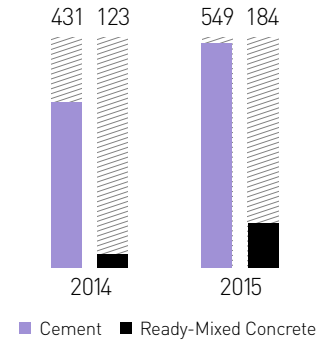
The incorrect usage of electric, mechanical, chemical, hydraulic and pneumatic energy can result in emergencies. The "Log-Out, Tag-out, Try-Out (LOTOTO)" System, a safety procedure developed against such emergencies, is implemented. Besides, periodical drills are conducted to facilitate the implementation of procedures that must be followed in emergencies. By means of these drills and safety warnings, it is ensured that OHS practices are actualized as part of the daily workflow.

Akçansa gives importance to behaviour oriented trainings and practices in order to establish a good OHS

culture. In this regard, every senior executive conducts six behaviour oriented audit practice every year, encouraging the visibility of the management and raising awareness among employees regarding safe behaviours and safety culture. Directors manage the behaviours of employees through behaviour oriented audit trainings, ensuring the constitution of a safe working environment in their areas of responsibility.

Within the context of the "Work Permission System", yet another practice, the safe works of Akçansa and subcontractor employees in site activities are monitored under the control of Site Supervisors.

Absentee Rate



Akçansa OHS Academy

Akçansa pioneers in the country not only with the economic value it creates, but also with its appreciation of its employees through Occupational Health and Safety practices it conducts at all locations. OHS Academies established in Çanakkale and Büyükçekmece Plants in 2014, and in Ladik Plant in 2015 are some of the best examples for this. Akçansa, which regards the occupational health and safety of its employees, customers, suppliers as its foremost priority, aims for the academies, where it will maintain its practical trainings and awareness raising projects in this issue, to be centers ensuring the achievement of the highest standards in terms of occupational health and safety.

Akçansa OHS Academy is a training center where Akçansa Golden Rules, which encompass best practices in the area of Occupational Health and Safety around the world, national and international standards, as well as the requirements of the new Occupational Safety Law, are theoretically and practically explained to employees. Akçansa OHS Academy aims to create a community which is aware of risks and exhibits both safe and environmentally sensitive behaviours not only at workplaces but in every sphere of life. It is aimed to provide 80,000 person*hour of training annually for 5,000 employees across Akçansa by OHS experts, technical staff and medical personnel, through OHS Academies.



CORPORATE
MANAGEMENT AND UNION
REPRESENTATIVES ARE
REPRESENTED IN OHS
COMMITTEES.

42 MEMBERS, OF
WHICH **12** EMPLOYEE
REPRESENTATIVES,
TAKE OFFICE IN THE **6**
OHS COMMITTEES AT
AKÇANSA.

In addition to health and safety measures, the awareness of employees and their active individual participation are also indispensable for the working environment. The ability of the employee to make a situation assessment in the face of a health or safety risk and the decisions they make effect the OHS performance of the company. In this regard, besides OHS principles and practices, subjects such as driving vehicles, personal protective equipment, emergency rules of conduct, and first aid are also included within the scope of trainings provided to employees.

R5 practice is carried out aimed at calculation the risks of employees in their daily work processes for each step. As part of the practice, employees are encouraged to perform their work with high awareness according to the principle of think, plan, take safety precautions, check and work. Through this practice, it is aimed for employees to determine hazards related to the work before each operation and to take the necessary measures in order to minimize risks.

Employees are also encouraged to report near misses, dangerous situations and behaviours. In this way, it is aimed for them not to remain indifferent to any inappropriate situation or behaviour, to take responsibility, and adopt the approach of becoming a role model.

OHS Committees

At Akçansa, there are Occupational Health and Safety Committees established in line with legal regulations. Akçansa believes that the representation of employee views at OHS committees will contribute to the development of the OHS culture and accordingly promotes the participation of its employees in these committees. Corporate management and union representatives are represented in OHS committees. 42 members, of which 12 employee representatives, take office in the 6 OHS committees at Akçansa.

Employee Health

Akçansa aims for the protection of its employees from occupational diseases and illnesses in general. In this regard, analyses are performed at all operation sites of Akçansa, where raw material production, raw material transportation, production and similar operations are conducted, to determine health risks. Follow-up health checks are performed periodically, once or twice a year depending on the operation type, in relation to these risks.

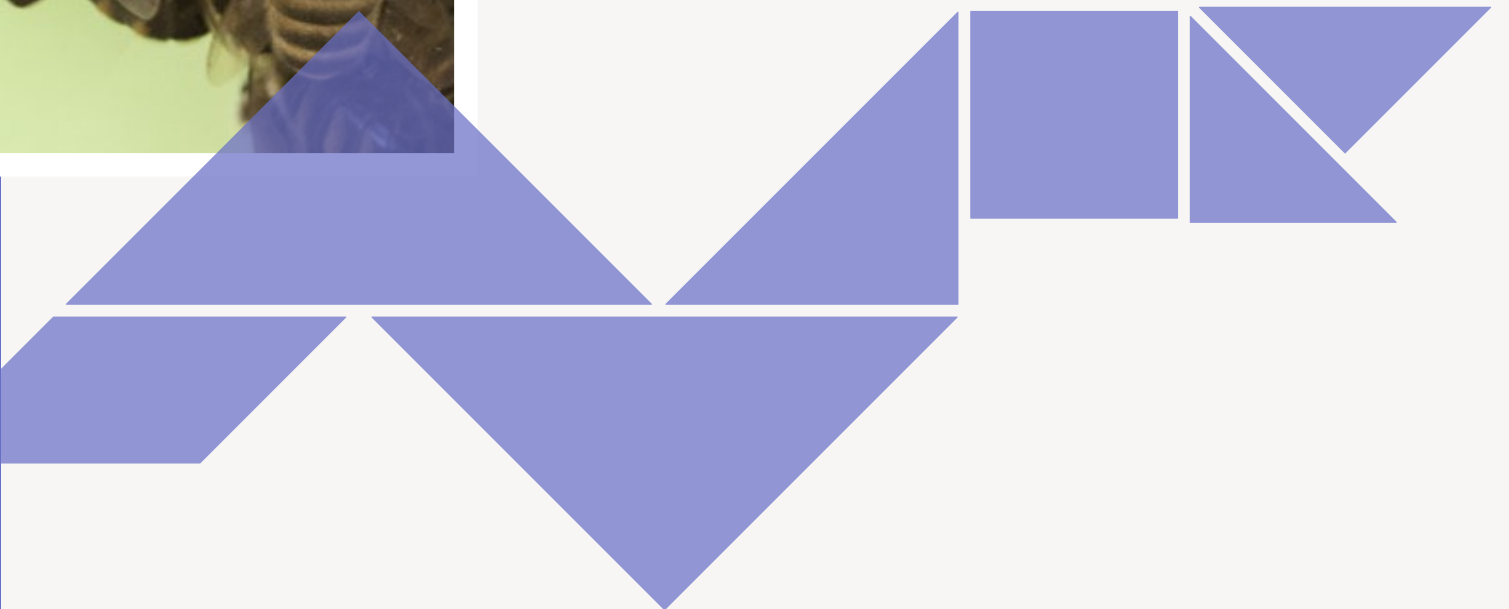
Akçansa employees are offered trainings by the workplace doctor throughout their working lives about health problems such as ergonomics, musculoskeletal disorders, hearing losses, lung diseases, fighting ticks, in consideration of production processes in the cement sector.





Work Life

Teamwork is At the Heart of Our Success.



As the leading and most admired company of its sector, Akçansa acts with the priority of creating a positive organizational climate that will ensure the self-realization of employees. Human resource processes are carried out under the guidance of agreements and decisions such as ILO Conventions, UN Universal Human Rights Declaration, besides the provisions of the Labour Law. Akçansa also adopts the principles determined by the UN Global Compact, of which it became a signatory in 2014, in relation to working life.

At Akçansa, objectives for work life are disseminated to all employees starting with the senior management and the performance process is monitored through objective indicators. Human Resources Deputy General Directorate Management is responsible for objective dissemination and monitoring performance indicators, reporting to the Executive Board. Human Resources also assumes an active role in the Sustainability Committee, ensuring the integration of sustainability in human resources processes.

Employee Demographics

	Gender	2014	2015
Covered by Collective Bargaining Agreement	Female	4	3
	Male	596	572
Not Covered by Collective Bargaining Agreement	Female	70	81
	Male	492	473
Total		1,162	1,129

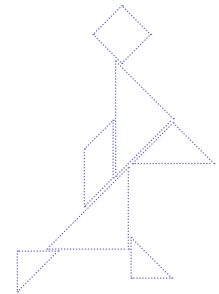
Employee Breakdown by Age

Age Groups	2014	2015
<30	237	254
30-50	887	825
>50	37	50

AS OF 2015 YEAREND,

1,129

EMPLOYEES WORK AT AKÇANSA OPERATIONS.



Our Human Resources Strategic Focus is

- To support the reinforcement of a positive organizational climate,
 - To expedite leadership development,
 - To enhance the learning and development experience of employees,
 - To promote the engagement of employees in management and its improvement,
 - To guide the acquisition and engagement of talents by the company,
 - To ensure the engagement and satisfaction of stakeholders,
- by designing efficient, lean, extendable processes and practices, and leading change.



Golden Standard for Human Management

Akçansa participated in the “Investors in People” process, the first and only international human resources standard that adopts the improvement of organizational performance through human resources as its method, aiming for the Golden category, with a view to continuous development. By this means, it has once again proved that it invests in the people for a superior performance and emphasizes excellence standards. Within the scope of the process, Akçansa identified its areas of development and diversified and generalized the projects and practices it started in line with its HR strategy.



The vision of Akçansa Human Resources is to constitute a climate where a visionary leadership understanding is in place, corporate and personal development oriented, distinguished from its competitors through efficient management systems and managers, offering a “meaningful work” and “happy working environment” to all its employees.

As the cement sector consists of technology and machine intensive processes where production is based on automation, a large amount of production can be realized with less employees in comparison with other industry branches. As of 2015 yearend, 1,129 employees work at Akçansa operations.

Fair Work Environment

Providing a fair and participatory work environment for its employees, being recognized for its respectability and reliability by its employees and business partners are among the most important values of Akçansa. Akçansa adopts SA-ETIK principles recognized by Sabanci Holding, one of its principal shareholders, in order to preserve these values and defines the basic rights and responsibilities of its employees in this framework. All employees are informed regarding ethical principles through ethics trainings that also involve human rights issues. Besides, there are also channels through which Akçansa employees can directly access the Akçansa Ethics Board Consultant.

Offering the work environment and conditions that its employees deserve, promoting gender equality in work life, enhancing communication and synergy among employees by recognizing the value of diversity are among the fundamental priorities of Akçansa. The multinational partnership structure of Akçansa brings diversity to the organization along with foreign national employees. Akçansa employees are introduced to the egalitarian working environment in the recruitment process. The characteristics of candidates such as their religion, language, race, sect, gender, physical attributes and life choices are not questioned under any conditions and any practice that might be perceived as discrimination is prohibited in the recruitment process. Forced, compulsory labour and child labour are not tolerated in Akçansa operations. The same principle also applies to subcontractor employees.

In order to ensure that sustainability impacts, primarily the principle of respect for human rights, are kept under control across the supply chain, the working principles that product



46% OF NEW HIRES IN AKÇANSA WERE FEMALES. IN 2015 YEAR-END, WHITE-COLLAR FEMALE EMPLOYEE RATE INCREASED TO **20%**, WHICH IS THE THE HIGHEST LEVEL IN TURKISH CEMENT SECTOR.

and service suppliers are required to follow have been determined and attention paid to work with suppliers adopting these principles. In this way, the social, environmental and economic impacts of products are managed in an identical manner with Akçansa throughout their lifecycle starting with the procurement stage. Compliance with the norms determined in Akçansa Supplier Business Ethics Principles is the responsibility of all suppliers and also a part of subcontractor service contracts. Child labour, forced and compulsory labour are prevented in supply operations by means of business ethics principles, issues such as respecting the union rights of employees, complying with occupational health and safety principles, acting in compliance with norms, ILO Conventions and legal regulations regarding operations, preventing discrimination, bribery and corruption are ensured.

Purchasing agreements include regulatory provisions about environmental standards, workforce and human rights standards and it is observed whether they provide product and services in compliance with these criteria. Purchasing agreements made in the years 2014 and 2015 have provisions regarding the compliance of suppliers

Training and Development Activities at Akçansa



Employee Trainings (personxhour)	2013	2014	2015
Blue Collar	19,072	20,608	27,391
White Collar	10,370	13,492	14,100
Female	1,700	2,546	2,367
Male	27,743	31,553	39,123

AKÇANSA PARTICIPATES IN THE “EQUALITY AT WORK” PLATFORM, ESTABLISHED UNDER THE AEGIS OF THE WORLD ECONOMIC FORUM AND MINISTRY OF FAMILY AND SOCIAL POLICIES, AND IT IS AMONG THE SIGNATORIES OF THE EQUALITY AT WORK DECLARATION, SINCE 2013.

with human rights. The conformity of suppliers to the criteria is monitored through periodically conducted controls every year. In addition to these controls, documents for all subcontractor employees to work in subcontractor operations are controlled prior to work start. In case of any nonconformity or missing documents, the employee is not allowed to start work until the situation is resolved. Subcontractor companies are responsible for submitting these documents to Akçansa when requested during the work process.

Akçansa participates in the “Equality at Work” platform, established under the aegis of the World Economic Forum and Ministry of Family and Social Policies, and it is among the signatories of the Equality at Work Declaration, since 2013. Akçansa, which acts with the purpose of offering a fair and egalitarian work environment to its employees, has also committed to voluntarily abide by the principles aiming for the elimination of gender discrimination in business life, to establish reliable systems for the dissemination of these principles and to report transparently, through this declaration.

Furthermore, Akçansa became a signatory party to Women’s Empowerment Principles – (WEPs), one of the major global private sector initiatives aiming women empowerment for enabling them to participate in economic life, in all sectors and every level. With this vision, Equality at Work Policy promotes employment of women at all positions. 46% of new hires in Akçansa were females. In 2015 year-end, white-collar female employee rate increased to %20, which is the the highest level in Turkish cement sector.

Akçansa regards its employees right to organization as a basic right. Akçansa employees are free to take place in union organizations and exercise their rights. In accordance with this understanding, all employees covered by the Collective Labour Agreement working at Akçansa cement plants are union members. The Group Collective Labour Agreements signed between the Cement, Ceramic, Soil and Glass Industry Workers’ Union of Turkey (Çimse-İş) and the Cement Industry Employers’ Association (ÇEİS) for the period from 01.01.2013 to 31.12.2015 continues to be in force as of the reporting period.

Akçansa Continuous Improvement Program (CIP) was actualized in 2015 for the purpose of generalizing entrepreneurship among employees, improving their potentials and ensuring continuous development and change through enhanced employee quality. Within the context of the program, ideas received in the process, which begins with employees sharing an idea regarding the solution of a problem they have identified with the CIP representative, are prioritized through a systematic process. The idea is then implemented with the approval of plant managers. In 2015, 83 ideas were submitted to the system while 62 ideas were actualized within the scope of Akçansa Continuous Improvement Program.

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EMPLOYEE DEVELOPMENT

Akçansa regards “human focus” as the most significant value in line with its vision of “sustainable growth beyond limits” and considers the constitution of a work environment that will ensure the development of its employees to be a priority. It supports its employees through training and development programs shaped in line with organizational, strategic, individual needs and expectations and thereby creates a sustainable human resource.

Akçansa offers the required opportunities for the corporate culture it aims at, the realization of business targets, corporate strategy and bringing out the potentials of employees. The training and development needs of employees are followed through individual development plans formed in accordance with their current or future responsibilities. Besides professional development, training practices also create new areas of in-

teraction among Akçansa employees and contribute positively to employee motivation.

Continuous development of managers in their journey to leadership is aimed by annual organization of Leadership Meetings, Leadership Style Surveys, Organizational Climate Survey, Leadership Development Programmes. These are supported with continuous development programmes (coaching, internal mentorship “Career Oak”, “Positive Leadership=Positive Climate” leadership development programmes, and evaluation practices such as development and evaluation centre, 360-degree etc.) differentiated according to the requirements.

Akçansa employees can also benefit from trainings held by HeidelbergCement, Sabancı Holding, and Sabancı University, besides trainings organized within the company. Akçansa encourages and financially supports the academic trainings and foreign

THESE ARE SUPPORTED WITH CONTINUOUS DEVELOPMENT PROGRAMMES (COACHING, INTERNAL MENTORSHIP “CAREER OAK”, “POSITIVE LEADERSHIP=POZITIVE CLIMATE” LEADERSHIP DEVELOPMENT PROGRAMMES, AND EVALUATION PRACTICES SUCH AS DEVELOPMENT AND EVALUATION CENTRE, 360-DEGREE ETC.) DIFFERENTIATED ACCORDING TO THE REQUIREMENTS.

language studies of its employees in order for them to acquire the skills required by their current positions or to further improve within the scope of their future career development requirements.

Akçansa managers manage their work and teams with the mission of “inspiring leadership”. All managers aim to focus on the development of Akçansa Family through a common vision, mission and values, to ensure a positive work environment in constant communication, creating trust. Annually organized Leadership Trainings, Leadership Style Survey, Organizational Climate Survey, Leadership Development Programs aim for the continuous development of managers in their journey of leadership.

Performance Management

At Akçansa, performance management system encompasses a process whereby corporate targets are integrated in individual and team targets and effectively managed throughout the year, also covering individual competences. The process, which begins with the identification of individual and corporate targets with the participation of employees and managers at the start of each year, continues until yearend with target follow-up works. Thanks to total performance management, the training and development, communication, engagement in management and career expectations of employees are proactively managed. Subsequent to the performance evaluation process, employees are provided with feedback. White and blue collar employees not covered by the Collective Labour Agreement, who are included in the performance based remuneration system, are provided with feedback.



Work-Life Balance

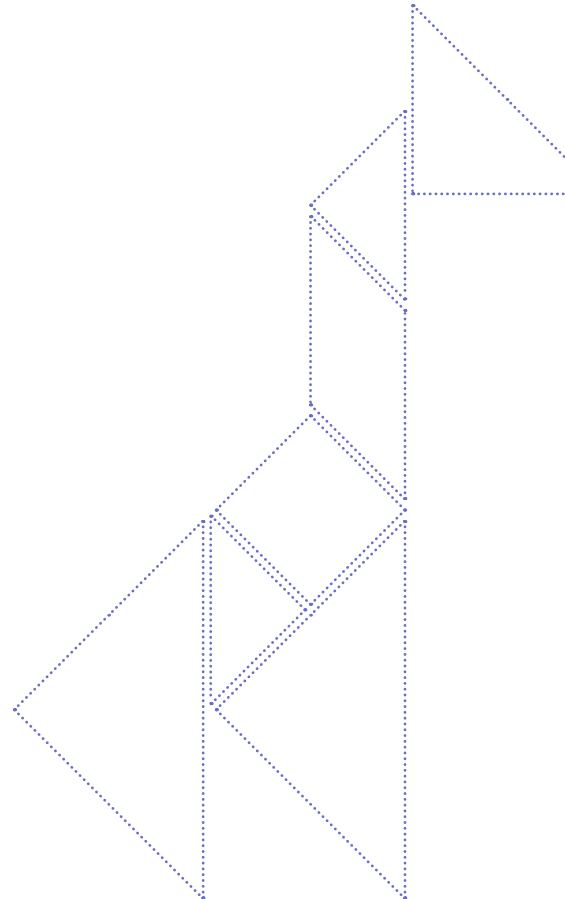
Akçansa places emphasis on the work-life balance of its employees, it carried out social, cultural and sports activities in line with the demands and expectations of employees.

Akçansa Clubs World motivates employees through a variety of off-work activities such as Sabancı Olympics, Dragon Boat, Work Safe+Live Healthy/Eurasian.

In addition to the ongoing activities of the Underwater Club, Photography Club, Cycling Club, Travel Club, in the reporting period “A Sparkle Club” was established by employees for the purpose of social solidarity, within the context of Akçansa Clubs World.

“Mom, Bring Me Milk” project actualized for supporting the work-life balance of working mothers with infant and “Ladik Glass Workshop” practices where the spouses of Ladik plant employees and housewives in Ladik are trained in glass production, transforming their labour into value, were also continued in the reporting period.

Akçansa also provides its employees with social spaces where they can spend time with their families,



such as beach facilities, clubhouses. "Family Workshops", created in this regard, aim for activities that employees can attend together with their children.

Talent Management

The organizational structure of Akçansa is regularly reviewed in line with the mid and long termed strategic targets and needs of the company, while talent management constitutes the primary input of these works. In this scope, the needs and expectations of employees and the company are continuously evaluated. Talent management practices are supported with key corporate Human Resources performance indicators, while the training and development of talent groups is greatly emphasized. Several programs are carried out to contribute to the leaders of today and tomorrow, and support the adaptation of employees recently appointed to management positions to their new roles.

Through talent management, the behavioural as well as technical

AKÇANSA CONTRIBUTES TO THE RETIREMENT ACCOUNT, TO WHICH EMPLOYEES CONTRIBUTE BY **3%** OF THEIR GROSS BASE WAGES, AT THE SAME RATE. **63.3%** OF EMPLOYEES NOT COVERED BY THE COLLECTIVE LABOUR AGREEMENT ARE BENEFITING FROM THE PERSONAL RETIREMENT FUND.



development of employees are supported, development programs designed annually according to needs are implemented. Employees are offered opportunities for development through mentorship practices, rotations and the chance to participate in different projects.

Remuneration, Rewarding, Appreciation and Recognition Practices

Akçansa employees are paid a competitive and fair base wage in consideration of their levels of responsibility, knowledge, competence and experience, scope of task, within the context of the remuneration policy. While the total income packages of

employees can vary in accordance with premiums achieved in relation to individual performance or incentive premiums based on seniority, as per the remuneration policy, any practice discriminating in relation to religion, language, race, gender or other personal qualities is not allowed under any circumstances.

Akçansa remuneration policy was constituted to be fair, competitive, rewarding of high performance in line with the national general wage levels. The remuneration policy also applies to senior executives, senior executive wages are determined in line with two components, fixed and performance based.

Akçansa remuneration policy is based on an objective system built on the "Job Family Model". Roles, basic responsibilities, knowledge, skills and competences in the company are defined within the context of this model. The flexible wage model aims for achieving budget targets, exceeding targets, incentivizing employees through rewarding, and reinforcing target oriented performance culture.

The vested benefits of employees were elasticized to ensure maximum benefit in accordance with their needs. Akçansa offers its employees with various vested benefits such as personal retirement insurance, private health insurance, and life insurance, and provides personal accident insurance for all its employees. Besides, Akçansa also offers the opportunity of personal retirement insurance for its employees not covered by the Collective Labour Agreement in accordance with their levels of responsibility. Akçansa contributes to the retirement account, to which employees contribute by 3% of their gross base wages, at the same rate. 63.3% of employees not covered by the Collective Labour

Agreement are benefiting from the personal retirement fund.

Akçansa encourages employees to play an active role in corporate processes and practices with their ideas and suggestions. Various appreciation and recognition practices such as "A Night from Akçansa", "Performance Special Awards", "Executive Committee Special Appreciation Awards", "OHS Pioneers of the Year Award", "Team Awards", "Suggestion Stars of the Year Award", and "Seniority Plaques" are carried out to reward employees and teams deemed successful in this regard.

Employee Engagement

Akçansa promotes mutual sharing and employee engagement by organizing motivation and conversation meetings ("Communication Meetings", "We Listen to You") where employees get together with the senior management, and information, ideas and suggestions are shared.

The satisfaction and engagement levels of employees are measured and areas of development are identified through the periodically conducted

Working Life Evaluation Survey.

The innovative ideas of employees are transformed into values for the organization through the "Suggestion System", leading the way in the implementation of improvements.

"Employee Ambassadors Council", where employees from different functions and locations participate on the basis of volunteerism, constitutes a bridge for the dissemination of plans and practices regarding employees within the organization. Employee Ambassadors Council works to facilitate reciprocal communication and to create strong, reliable and open channel in this regard.

Through the cloud technology application "MozalK", used to enhance the effectivity, efficiency, and integration with other HR practices of performance, development and learning processes participated by employees not covered by the CLA, the different expectations of employees are met with a user friendly structure, access is provided to modules everywhere independently from offices.



AKÇAN SA



Benim Mahallem

Mutlu Aileler, Mutlu Mahalleler

#benimmahallem

DELBERGCEMENT BRANCI





Corporate Citizenship

We Strengthen Our Bonds With the Society
That We Live In, And Contribute the
Sustainable Development.



Akçansa conducts all its operations with a corporate culture faithful to social, environmental, legal, and ethical principles and works to contribute to the creation of a more secure and prosperous future by enhancing the quality of life of the society in which it exists. As a responsible corporate citizen, Akçansa undertakes works aimed at creating value in areas such as health, culture, arts, education, sports and environment. In this regard, 3.7 million TL worth of resources were allocated to social projects voluntarily participated by employees in 2014, and 5.5 million TL in 2015.

Akçansa My Neighborhood Project

Akçansa implemented the social responsibility project "My Neighborhood" for children, the future of Turkey, and their parents in 2015. As part of the project started with the support of Büyükçekmece Dist-

rikt National Education Directorate and together with Tüvana Foundation for the Education of Children Eager to Read (TOCEV), trainings take place inside the specially designed "Akçansa Education Truck".

Within the scope of "My Neighborhood" project, trainings are provided by the expert psychologists of TOCEV in three different areas, namely childhood, adolescence, and parent trainings. In addition to TOCEV trainings carried out three days a week, children are also offered trainings in the subjects of first aid and healthy living. By means of trainings conducted for parents, parents learn about the details of child rearing and ensure that children look into the future more consciously.

This project aims to teach adolescent how to communicate better at school and at home and to support parents through training programs that will provide them with answers

AKÇANSA ORGANIZES THE CONCRETE IDEAS PROJECT COMPETITION IN ORDER TO CREATE CONSCIOUSNESS AND AWARENESS AMONG THE YOUTH, TO INTRODUCE COLLEGE STUDENTS TO THE INDUSTRY, AND TO ENSURE THAT STUDENTS EXHIBIT THEIR CREATIVITY AND ADD VALUE TO THE FIELD IN WHICH THEY WERE EDUCATED.

regarding issues in raising their children which they have difficulties with and need expert opinions about. Within the scope of the project, more than 2,000 students and parents were reached as of 2015 year end.

Concrete Ideas Project Competition

Akçansa organizes the Concrete Ideas Project Competition in order to create consciousness and awareness among the youth, to introduce college students to the industry, and to ensure that students exhibit their creativity and add value to the field in which they were educated. The competition, which was organized for the sixth time in 2015, emphasizes the importance of cement and concrete for a sustainable future while also contributing to the education of the youth, who are the architects of the future.

Within the context of the project, Akçansa collects projects involving

the feasible, creative, marketing oriented and multidisciplinary ideas from the youth, in order to actualize them. The Concrete Ideas Project Competition met with over two thousand youngsters to this day.

Children Transforming the Future

Akçansa volunteers carry out works for children to comprehend their place in society and to teach them the necessity of taking individual responsibility for a sustainable future. In this regard, "Children Transforming the Future" project, organized for fourth grade primary school students in cooperation with ÇEV-KO foundation and Büyükçekmece Municipality, aims to put the future of children under protection. Within the scope of the project, children are provided with information regarding conscious methods of resource use such as sortation of wastes at the source, recycling and energy recovery from waste in order to contribute to a sustainable world.



Subsequent to the training of trainers provided by ÇEVKO on the subject of waste and recycling, Akçansa volunteers inform students regarding the subjects of waste and recycling accompanied by the introductory presentation, kit, and film prepared for them. Nearly 3,000 students in 15 schools were reached through trainings provided by 24 Akçansa volunteers, in the year 2015. Our project continues in Akçansa Mobile Education Centre.

Vocational High School Coaching Program

Akçansa participated in the "Vocational High School Coaching Programme" in 2015, conducted by Private Sector Volunteers Association, to expand the vision of vocational high school students and to ensure their success in the future. Within the scope of the program, Akçansa volunteers will contribute to the personal and professional developments of Samsun Atakum Vocational High School students, coaching them during two years in order to prepare them for the business world.

The volunteers have completed their trainings and qualified to coach vocational high school students in order to improve their confidence and competences and help them shape their future to their liking. It is aimed for the Vocational High School Coaching Program, which was started in Samsun as pilot practice in 2015, to also be implemented at other locations in forthcoming periods.

Congresses and Publications

Akçansa continues its national and international scientific publication activities in cooperation with universities. In this context, material support is provided for Master's and Doctoral thesis studies pursued at ITU Department of Building Material. Betonsa Technology Center has published 19 international and 27 national conference papers produced in collaboration with ITU. The publications, which involve the issues of mechanical characteristics, durability, cost-effective designs, and innovative special concrete, attract great attention from the industry.

38 international and 23 local scientific papers were presented and two papers were published in the name of Akçansa at the ERMCO Congress organized in Istanbul in 2015. In addition, one congress paper about the pumping operations of the 3rd Bridge Project was published at the 6th Argos Cement Congress held in Colombia, also in 2015.

Corporate Memberships

Turkish Industry and Business Association (TÜSİAD)	Construction Materials Industrialists Association (IMSAD)
Turkish Cement Manufacturers Association (TÇMB)	Environmental Protection Foundation (ÇEVKO)
Turkish Ready-Mixed Concrete Association (THBB)	Private Sector Volunteers Association (ÖSGD)
Environment Friendly Green Buildings Association (ÇEDBİK)	Tuvana Foundation for the Education of Children Eager to Read (TOÇEV)
TURMEPA	Sustainable Development Association (SKD)
Corporate Governance Association of Turkey (TKYD)	Cement Industry Employers' Association
Union of Aggregate Producers	Turkish Confederation of Employer Associations
Miners Association of Turkey	Investors in People (IIP)
Women's Empowerment Principals (WEP)	

PERFORMANCE CHARTS

Operational Performance	2013	2014	2015
Number of Plants			
<i>Cement Factories</i>	3	3	3
<i>Aggregate Facilities</i>	4	4	4
<i>RMC Facilities</i>	41	38	36
Production Capacity (million ton)			
<i>Cement</i>	9	9	9
<i>Clinker</i>	6,5	7	7
Capacity Utilization Rate (%)			
<i>Cement</i>	76	76	76
<i>Clinker</i>	95	95	97
Sales (million ton)			
Cement	6.8	6.8	6.9
<i>Domestic</i>	5.9	6.2	6.2
<i>International</i>	0.9	0.6	0.7
Clinker	0.9	0.7	0.7
<i>Domestic</i>	0.0	0.1	0.0
<i>International</i>	0.9	0.6	0.6
Ready Mixed Concrete (million m³)	4.8	4.7	4.4
Aggregate	3.0	2.5	2.5

Financial Performance	2013	2014	2015
Net Sales (TL million)	1,202.20	1,410.90	1,468.50
EBITDA (TL million)	270.2	389.8	429.8
EBITDA (%)	22.5	27.6	29.3
Net Profit (TL million)	157.9	248.8	281.1
Earnings per Share	0.82	1.3	1.5
Dividend per Share	75.43	118.2	134.6
Net Financial Debt (TL million)	163.5	85	91.1
Equity Capital (TL million)	987.6	1,143.00	1,187.20
Total Assets (TL million)	1,477.20	1,602.50	1,705.10
Total Economic Value Created (TL million)	1,202.20	1,410.90	1,468.50
Total Economic Value Distributed (TL million)	1,144.10	1,293.30	1,404.10
<i>Operating Costs</i>	914.6	991.6	1,010
<i>Employee Wages and Benefits</i>	80.9	94.8	99.6
<i>Dividend Paid to Shareholders</i>	110	144.4	226.3
<i>Taxes Paid to Government</i>	35.4	58.8	62.7
<i>Community Investments</i>	3.2	3.7	5.5
Total Economic Value Retained (TL million)	58.1	117.6	64.4
Procurement Operations (TL million)	1,000	1,010	1,100
Local Procurement Rate (%)	88	84	86

Environmental Performance	2013	2014	2015
Total Raw Material Consumption (ton)	15,457,073.44	14,499,131.37	15,144,034.77
Raw Material Produced in Quarries	14,082,000.89	13,093,569.77	13,638,543.68
Raw Material Purchased from Suppliers	1,171,658.74	1,201,631.60	1,315,494.09
Alternative Raw Materials	203,413.81	203,930.00	189,997.00
Alternative Raw Materials Utilization Rate (%)	1.32	1.41	1.25
Clinker Rate (%)	87.1	87.6	88.3
Mineral Additive Ratio in 1 m ³ Binder (%)	20	19	17
Conventional Fuel Amount (ton)	671,123.41	663,672.24	699,589.90
Alternative Fuel Amount (ton)	101,322.15	130,474.86	91,062.20
Total Energy Consumption (GJ)	26,081,763.89	26,222,802.79	26,891,557.77
Direct Energy Consumption (GJ)	23,201,432.89	23,355,074.28	23,997,446.16
Petrocoke	15,918,896.11	16,393,538.51	17,975,157.89
Local Lignite	2,809,790.22	1,726,743.42	1,155,250.63
Import Coal	2,454,763.57	2,821,358.22	3,218,684.11
Local Hard Coal	389,298.95	325,803.57	461,780.89
LPG	55,870.12	41,277.87	33,356.37
Natural Gas	26,542.43	19,955.61	14,336.67
Alternative Fuels	1,546,271.49	2,026,397.08	1,138,879.60
Indirect Energy Consumption - Electricity (GJ)	2,880,331.00	2,867,728.51	2,894,111.62
Specific Energy Consumption in Clinker Production (GJ/ton clinker)	3.51	3.56	3.54
Specific Energy Consumption in RMC Production (GJ/m ³ RMC)	6.91	7.13	7.38
Thermal Energy Substitution Rate by Using Alternative Fuels (%)	6.66	8.68	4.75
Total water withdrawal (million m ³)	1.77	1.93	1.66
Underground Water	1.60	1.67	1.45
Municipal Water	0.18	0.25	0.21
Volume of water recycled and reused (m ³)	358,975.44	727,727.98	842,838.81
Direct and Indirect CO ₂ Emission in Cement Production (million ton)	6.16	6.04	6.24
Direct (Scope1) CO ₂ Emissions (million ton)	5.84	5.73	5.97
Indirect (Scope2) CO ₂ Emissions (million ton)	0.32	0.31	0.27
Specific Gross CO ₂ Emission in Clinker Production (kg CO ₂ /ton clinker)	883	873	880
Specific Net CO ₂ Emission in Clinker Production (kg CO ₂ /ton clinker)	871	858	873
Specific Gross CO ₂ Emission in Cement Production (kg CO ₂ /ton cement)	769	766	781
Specific Net CO ₂ Emission in Cement Production (kg CO ₂ /ton cement)	759	752	775
Energy Saving by Waste Heat Recovery Practices in Cement Production (GJ)	354,713	361,349	345,838
Emission Saving by Waste Heat Recovery Practices in Cement Production (Ton CO ₂)	52,714	53,701	51,395
NO _x Emissions (ton)	7,341	11,473.10	11,401.60
Specific NO _x Emissions (g/ton clinker)	1,184	1,747.76	1,679.68
SO ₂ Emissions (ton)	324	335.84	413.92
Specific SO ₂ Emissions (g/ton clinker)	49	51.16	60.98
Specific Metal Emissions (g/ton clinker)	0.01	0.06	0.04
Specific VOC Emissions (g/ton clinker)	26	16.76	9.75
Specific Dioxin and Furan Emissions (µg ton clinker)	0.02	0.07	0.03
Dust Emission (ton)	140	287.78	258.49
Specific Dust Emissions (g/ton clinker)	36	43.84	38.08
Total Hazardous Wastes by Disposal Method (ton)	914.27	1,252.45	627.67
Energy Recovery	197.86	873	355
Recycling	683.10	331.39	229.35

Environmental Performance	2013	2014	2015
<i>Landfill</i>	33.30	43.00	43.22
<i>Other</i>	-	5.06	0.10
Total Non-Hazardous Wastes by Disposal Method (ton)	2,113.9	3,322.26	3,851.36
<i>Energy Recovery</i>	15	0	0
<i>Recycling</i>	2,098.9	3,322.26	3,851.36
Wastewater Discharge by Destination (m³)	-	257,868.0	278,641.9
<i>Natural Receiving Environment</i>	-	257,451.2	278,289.9
<i>Wastewater Sewage</i>	-	416.8	352.0
Total Packaging Material Used (ton)	2,450	1,915	2,434
Packaging Materials Recycled (ton)	1,078	843	1,168
Packaging Material Recycling Rate (%)	44	44	48
Number of Environmental Compliance Fines	2	0	2
Amount of Environmental Compliance Fines (TL)	58,636	0	42,024
Environmental Investment Expenditure (TL)	23,150,101	22,590,623	16,019,386
Environmental Management Expenditure (TL)	-	989,486	916,171

Social Performance	2013	2014	2015
Employee Trainings (person x hours)			
<i>Female</i>	1,700	2,546	2,367
<i>Male</i>	27,743	31,553	39,123
<i>Employees Covered by Collective Agreements</i>	19,072	20,608	27,391
<i>Employees Not Covered by Collective Agreements</i>	10,371	13,492	14,100
Employee Trainings Participants			
<i>Female</i>	58	69	76
<i>Male</i>	931	1,006	987
Lost Time Accident Frequency Rate			
<i>Cement Factories</i>	4.6	2.9	7.3
<i>Aggregate Production Facilities</i>	0	0	0
<i>RMC Production Facilities</i>	5.8	1.7	6.8
Accident Severity Rate			
<i>Cement Factories</i>	241.7	208	67.6
<i>Aggregate Production Facilities</i>	0	0	0
<i>RMC Production Facilities</i>	221.5	30.3	163.9
Occupational Disease Rate			
<i>Cement Factories</i>	0	0	0
<i>Aggregate Production Facilities</i>	0	0	0
<i>RMC Production Facilities</i>	0	0	0
Fatalities			
<i>Cement Factories</i>	0	0	0
<i>Aggregate Production Facilities</i>	0	0	0
<i>RMC Production Facilities</i>	0	0	0
Total Attendance to OHS Trainings (persons)			
<i>Employees Covered by Collective Agreements</i>	10,709	12,467	17,663
<i>Employees Not Covered by Collective Agreements</i>	2,665	4,112	5,096
Total Hours of OHS Trainings (person x hours)			
<i>Employees Covered by Collective Agreements</i>	19,855	20,050	21,901

Social Performance	2013	2014	2015
<i>Employees Not Covered by Collective Agreements</i>	11,017	10,870	11,089
Number of OHS Committees	6	6	6
Total Number of OHS Committee Members	42	42	42
Total Number of Employee Representatives in OHS Committee Members	12	12	12
Total Attendance to Environmental Trainings (persons)			
<i>Direct Employees</i>	181	254	521
<i>Contractor Employees</i>	19	83	60
Total Hours of Environmental Trainings (person x hours)			
<i>Direct Employees</i>	273	379	908.5
<i>Contractor Employees</i>	19	81.5	60
Rate of New Suppliers Evaluated by Labour Criteria (%)	-	15%	20%
Number of New Suppliers Evaluated by Labour Criteria	-	45	47
Number of Suppliers With Negative Impacts by Labour Criteria	-	0	0
Investment Contracts and Agreements with Human Rights Clauses (number)	-	45	47
Investment Contracts and Agreements with Human Rights Clauses (%)	-	40%	40%
Training and Communication Studies on Corruption Risks			
<i>Senior Executives Briefed</i>	-	7	7
<i>Employees Briefed</i>	-	580	580
Number of Corruption Cases	-	-	1
Legal Cases of Corruption Against Company or Employees	-	0	1
Financial Fines Due to Non-Compliance (TL)		679,940	597,013
Financial Fines Due to Non-Compliance to the Regulations Regarding Provision of Products and Services (TL)	-	25,549	44,055

EMPLOYEE DEMOGRAPHICS	Headquarters			Cement Factories and Quarries			RMC and Aggregate Facilities			Total		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Direct Employment	69	177	167	837	750	754	181	234	208	1,087	1,161	1,129
<i>Female</i>	26	47	50	38	24	25	2	4	8	66	75	83
<i>Male</i>	43	130	117	799	726	729	179	230	200	1,021	1,086	1,046
<i>Contractor Employees</i>	-	-	-	-	-	-	-	-	-	524	1,812	1,538
Employees by Contract Type												
<i>Indefinite Term Contract</i>	-	-	-	-	-	-	-	-	-	1,084	1,156	1,124
<i>Female</i>	-	-	-	-	-	-	-	-	-	66	74	81
<i>Male</i>	-	-	-	-	-	-	-	-	-	1,018	1,081	1,043
<i>Temporary Contract</i>	-	-	-	-	-	-	-	-	-	3	5	5
<i>Female</i>	-	-	-	-	-	-	-	-	-	0	2	2
<i>Male</i>	-	-	-	-	-	-	-	-	-	3	3	3
Employees by Category												
<i>Employees Covered by Collective Agreements</i>	1	47	39	616	577	573	77	124	107	597	749	719
<i>Female</i>	0	2	0	4	3	3	0	0	0	4	5	3
<i>Male</i>	1	45	39	612	574	570	77	124	107	593	744	716
<i>Employees Not Covered by Collective Agreements</i>	68	130	128	221	173	181	104	110	101	490	412	410
<i>Female</i>	26	45	50	34	21	22	2	4	8	62	70	80
<i>Male</i>	42	85	78	187	152	159	102	106	93	428	342	330
Employees by Education Level												
<i>Unschool</i>	0	0	0	1	0	0	0	0	0	1	0	0
<i>Primary School</i>	2	11	11	144	124	112	18	33	29	164	168	152

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