



**BATI ANADOLU GROUP OF COMPANIES
STAKEHOLDER ENGAGEMENT PLAN**

January, 2025

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1. PURPOSE AND SCOPE

The purpose and scope of this Stakeholder Engagement Plan (“**Stakeholder Engagement Plan**”); Batı Anadolu Çimento Sanayii A.Ş. to ensure effective, transparent and sustainable communication and cooperation between (“**Batı Anadolu Group of Companies**”) and its subsidiaries over which it has direct and indirect control (“**Batı Anadolu Group of Companies**”) and all “**Stakeholder(s)**” defined in Article 4 with which they interact; To act in accordance with corporate sustainability goals, taking into account stakeholders' expectations and contributions.

This Stakeholder Engagement Plan will be prepared on a project basis when needed and will be presented to our stakeholders with the approval of the Sustainability Committee. When any updates or revisions are required, they will be prepared by the project team, presented to the Sustainability Committee for approval and will enter into force.

2. STAKEHOLDER ENGAGEMENT

The Batı Anadolu Group of Companies analyzes the impacts of its activities on internal and external stakeholders in terms of environmental, social and governance dimensions and conducts stakeholder analysis studies in order to obtain stakeholder opinions.

The Batı Anadolu Group of Companies ensures the participation of the external stakeholders defined below, primarily local communities, in terms of sector and field of activity, and the internal stakeholders who are of key importance in the effective, efficient and high-quality results of the business processes of the external stakeholders.

In this context, the stakeholder participation study prepared by the Batı Anadolu Group of Companies by observing legal requirements, standards and good practices is carried out as an uninterrupted process. This study is reviewed regularly every two years in each region of operation.

The stakeholder participation study provides significant contributions to the management and decision-making processes of the Batı Anadolu Group of Companies, and also serves as a guide that the Batı Anadolu Group of Companies takes into consideration in its plans and activities during the growth process.

The primary objectives of stakeholder participation are;

- To ensure that our Stakeholders are informed fully and in a timely manner about the activities and processes of the Batı Anadolu Group of Companies,
- To establish regular and planned communication with our important Stakeholders that we have defined in our stakeholder matrix,
- To receive the opinions and suggestions of our Stakeholders in order to take timely actions that will ensure that the Batı Anadolu Group of Companies brand perception is always positive in the eyes of our Stakeholders,
- To ensure that processes and mechanisms are established that will ensure that stakeholder complaints and demands are met or answered fully and in a timely manner,
- To take stakeholder participation into account in strategic planning and decision-making processes.

Our stakeholder engagement process is illustrated below:



3. STAKEHOLDER IDENTIFICATION AND ANALYSIS

Determining stakeholders is an important step in managing the stakeholder engagement process. Regular interaction with stakeholders within the scope of the plan reduces risks based on stakeholder interaction. In determining stakeholders, the interest levels of stakeholders and their interactions with the activities of the Batı AnadoluGroup of Companies were taken as basis.

As a result of group work carried out with the management teams in the process of determining stakeholders; i) Internal and external stakeholders who affect and direct the activities of the Batı AnadoluGroup of Companies or ii) are affected by the activities of the Batı AnadoluGroup of Companies were listed and the reasons why these stakeholders are important were defined.

In this direction, the priority issues determined were ranked according to priority and importance with a participatory approach with the participation of domestic and foreign customers, suppliers, managers and employees. The identified issues were evaluated with the senior management teams, an impact analysis was performed and risks and opportunities were determined. A matrix was prepared for high priority and priority issues for the Batı AnadoluGroup of Companies and our stakeholders.

4. STAKEHOLDERS

The stakeholders determined through group work were evaluated in terms of the following, taking into account the impact of the stakeholders on the activities of the Batı Anadolu Group of Companies and the impact of these activities on the stakeholders; i) the importance of the stakeholder, ii) issues important to the stakeholder and iii) the method of ensuring participation:

STAKEHOLDER	IMPORTANCE OF STAKEHOLDER	IMPORTANT ISSUES FOR STAKEHOLDER	PROCEDURE OF PROVIDING PARTICIPATION
Shareholders	A critical stakeholder group that provides capital for the financial sustainability and growth of Batı Anadolu Group of Companies.	Return on investment, risk management, transparent reporting, environmental projects and social responsibility projects.	Annual ordinary and extraordinary general assembly meetings, sustainability reports, activity reports, investor presentations and regular financial reports.
Senior Management	A stakeholder group that has critical importance in determining the strategic goals of the Batı Anadolu Group of Companies and directing sustainability policies.	Strategic management, financial performance, preservation of corporate culture, integration of sustainability goals.	Strategy meetings, performance reports, management of sustainability projects..
Board of Directors	A stakeholder group that is critical to the long-term strategies, governance standards and financial sustainability decisions of the Batı Anadolu Group of Companies.	Governance standards, sustainability investments, risk management.	Board meetings, audit reports, evaluation of investment projects
Employees	A stakeholder group that is critical to the efficient and effective management of Batı Anadolu Group of Companies and to ensure that business processes, risk and performance indicators work in line with targets.	Employee satisfaction, employee loyalty, occupational health and safety, diversity, equality, training and career development.	Employee loyalty surveys, training and development programs, suggestion systems, internal communication platforms, social events and performance evaluation processes.
Customers	The main stakeholder group that ensures the continuity of the business. Increasing customer satisfaction with environmentally friendly products and innovative solutions is the primary goal of Batı Anadolu Group of Companies.	Product quality, reducing carbon footprint, sustainable cement and concrete products.	Customer feedback surveys, framework-friendly product information, technical support, customer surveys and customer meetings.
Local Community	A stakeholder group that is critical to ensuring social acceptance and contributing to society in our areas of activity.	Environmental impacts, local employment, social projects.	Information meetings, social responsibility projects, feedback mechanisms and local employment opportunities.

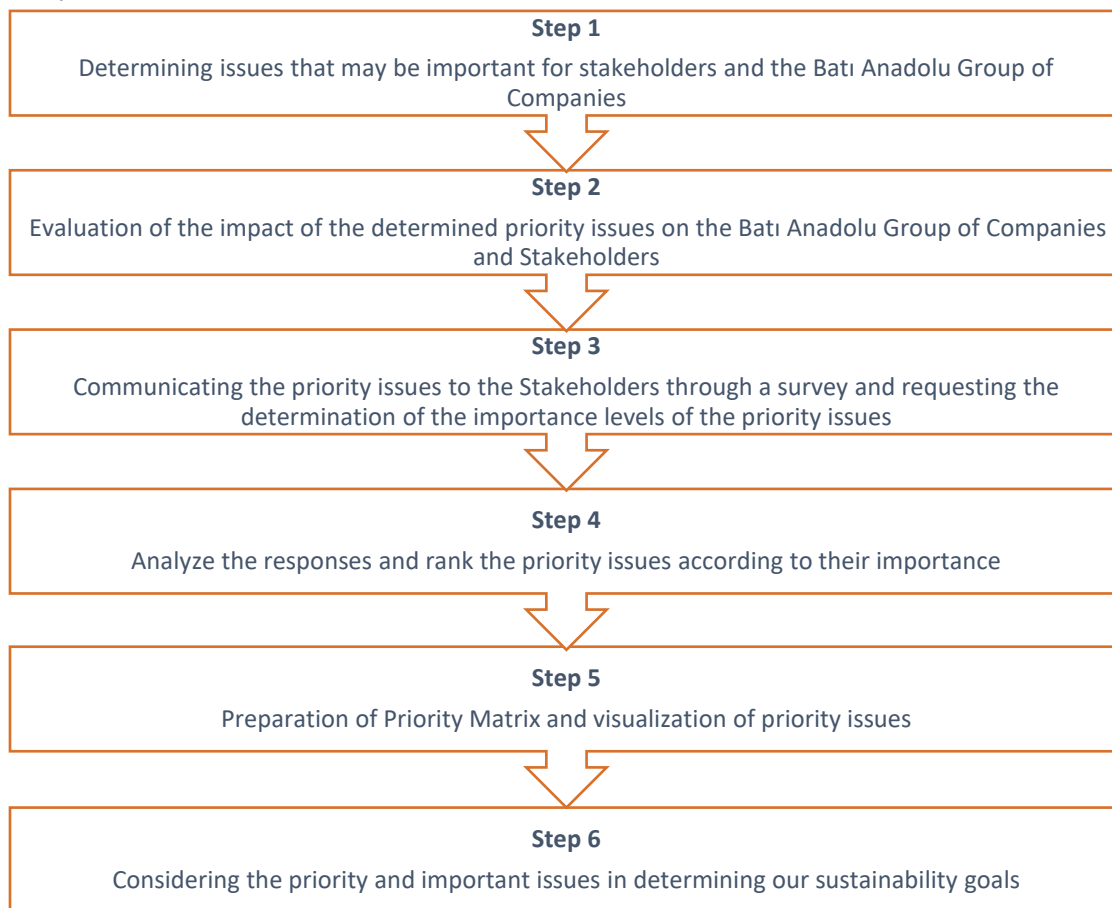
Civil Society Organizations	A critically important stakeholder group that provides support for achieving sustainability goals by cooperating in environmental, social and social responsibility projects.	Environmental protection, local development, social projects.	Joint projects, aid and donations, regular communication and cooperation meetings.
Legal Authorities	A stakeholder group that is critical to ensuring compliance with legal regulations and sustainability of activities and meeting legal requirements such as permits, licenses, etc.	Legal compliance, environmental management, occupational health and safety.	Regular audits, reporting, information sharing and ensuring compliance with legal requirements.
Universities	A critically important stakeholder group that offers collaboration opportunities in scientific research, innovative solutions and human resource development processes.	R&D studies, sustainable production solutions, education collaborations.	Joint projects, student internship programs, conferences and seminars.
Audit Institutions	A stakeholder group that is critical to ensuring that activities are carried out transparently and that compliance with legal and international standards is ensured.	Transparency, sustainability reporting, legal compliance.	Regular audits, independent audit reports and audit results open to stakeholders.
Media	A stakeholder group that is critical in communicating the brand perception, sustainability efforts and social projects of Batı Anadolu Group of Companies to a wide audience.	Transparent communication, promotion of social projects, crisis management.	Press releases, media relations, active content sharing on social media platforms and media briefings.

5. IMPORTANCE ANALYSIS

The issues that have a significant impact on the stakeholders and the Batı Anadolu Group of Companies have been determined by the Batı Anadolu Group of Companies, and questions have been directed to the stakeholders in order to determine the priorities of these issues. On this occasion, the issues that are important and prioritized for both our stakeholders and the Batı Anadolu Group of Companies have been determined.

The impacts of the priority issues have been evaluated, and these issues have been taken into consideration when defining the Batı Anadolu Group of Companies goals and activities and determining the key performance indicators (KPI).

The following methodology has been applied in determining the priority issues and in the prioritization analysis;



Priority issues that will guide the sustainable growth of Batı Anadolu Group of Companies have been determined by taking into consideration sector standards, sectoral risks, sector trends, good practices, risk estimates determined by the World Economic Forum for the next 10 (ten) years as of 2024 and the important criteria defined by SASB (Sustainability Accounting Standards Board) for construction materials (greenhouse gas emissions, air quality, energy management, water management, waste management, biodiversity effects, occupational health and safety, product innovation, pricing honesty and transparency) and corporate governance principles. The environmental, social and governance impacts of the important topics have been evaluated as follows.

SIZE	IMPORTANT ISSUES	IMPACT ON BATI ANADOLU COMPANIES GROUP AND STAKEHOLDERS	RISKS IN CASE OF FAILURE TO COMPLY	OPPORTUNITIES
Environment	Combating Climate Change and Reducing Greenhouse Gases	Environmental sustainability is critical for stakeholder trust and regulatory compliance. Reducing carbon footprint supports the transition to a low-carbon economy.	Increased carbon taxes, increased costs due to CBAM non-compliance, loss of competitiveness in international trade.	Cost advantage with low-carbon production, market leadership with innovative products, access to national/international funding and incentives.
	Air Quality	The management of dust and gas emissions generated in cement production is critical to employee health, compliance with local communities and legal obligations. The use of advanced filtration and emission reduction technologies improves environmental performance, strengthens stakeholder confidence and provides competitive advantage.	Failure to control emissions of particulate matter (PM) and gases such as NOx and SOx may result in legal sanctions, production shutdowns and high penalty costs, complaints from local communities due to air pollution, and the risk of reputational damage.	Achieving operational efficiency with low emission technologies and alternative fuel use, generating additional income by accessing carbon markets, gaining competitive advantage in the international market with environmental certificates, and increasing brand value with sustainable cement products.
	Energy Management	Reducing energy costs and energy efficiency play a key role in reducing environmental impacts. Using alternative raw materials and waste instead of fossil fuels and natural resources reduces carbon emissions and costs.	Increased operational costs due to resource inefficiency, non-compliance with carbon regulations, high energy costs, regulatory sanctions and loss of competition.	Reducing carbon footprint with renewable energy use, cost savings with energy efficiency, cost savings with alternative fuels and raw materials, standing out with “green cement” and concrete products.
	Waste Management	Cement production, recycling of waste concrete as an alternative raw material and sustainable management of port waste in cement factories increase environmental awareness and reduce costs.	Non-compliance with environmental regulations, conflict with local people, loss of reputation.	Energy production from waste, increasing environmental and economic benefits with recycling projects, leadership in waste management.

	Water Management	Efficient and sustainable management of water used in cement production is critical for operational continuity, cost optimization and environmental responsibility. Water recovery and the use of closed-circuit water systems strengthen stakeholder trust by reducing the environmental footprint and support uninterrupted production processes.	Production disruptions due to water scarcity, rising water costs, regulatory sanctions and environmental reputational damage, risk of conflict with communities due to regional water stress.	Cost advantage with efficient water use, innovation with water recycling technologies, increasing brand value with sustainability certificates, access to national/international water management funds.
	Biodiversity	The protection of natural habitats around quarries that provide raw materials for cement production is critical for ecosystem balance and harmony with local communities. Rehabilitation of natural habitats and post-mining ecosystem restoration enhance environmental sustainability, strengthen stakeholder confidence and support the continuity of long-term operational permits.	Risk of loss of social licence and reputational damage as a result of regulatory sanctions and shutdowns due to habitat loss and species damage, and backlash from local communities and environmental organisations.	Providing environmental leadership through rehabilitation in quarries and the restoration of natural areas, increasing competitiveness in the international market by obtaining sustainability certificates through biodiversity projects, ensuring operational efficiency through the continuity of ecosystem services, and strengthening brand value through environmental awareness projects.
Social	Occupational Health and Safety (“OHS”)	Employee safety and well-being are of critical importance in our operations.	Financial losses due to work accidents and legal sanctions, physical damages to employees and/or to the working assets of Batı Anadolu Companies Group, decrease in employee loyalty and loss of motivation.	Increasing employee satisfaction with high OHS standards, minimizing occupational accident risks with strong OHS practices, increasing employee loyalty, a reliable employer image in the sector, compliance with international standards.
	Diversity, Equality and Inclusion	Increasing the proportion of female employees and creating an inclusive work environment increases social perception and creativity in the workplace.	Weakening social perception, low scores in international Environmental and Social Governance Criteria (“ESG”) assessments.	Encouraging innovative ideas with diversity projects, increasing employee satisfaction, improving ESG performance.
	Relations with Local People	Ensuring social acceptance in the fields of activity and supporting local development are important for the sustainability of Batı Anadolu Group of Companies.	Social conflicts with local people, operational restrictions and loss of reputation.	Improving brand perception with social responsibility projects, providing operational convenience with local support.

	Employee Training and Development	Increasing employee competencies is important, especially for adapting to digital transformation and sustainability practices.	Loss of operational efficiency due to lack of competence, high turnover rates.	Increased productivity with employee development, acceleration of adaptation to sustainability projects.
Economic	Digital Transformation	Digitalization and integration of robotic systems in production and logistics processes increase efficiency and reduce costs.	Loss of competition due to falling behind in digitalization, increased operational errors, high operational costs.	Market leadership with digitalization, rapid response to customer demands, operational excellence.
	Sustainable Product Development	Environmentally friendly cement and concrete products are important to meet the increasing expectations of both national and international customers and regulators.	Loss of market share, penalties due to non-compliance with environmental regulations.	Opportunities to make a difference in the market with innovative products, high scores in ESG performance, and benefit from national/international incentives and funds.
Governance	Compliance with National and International Legislation	Compliance with environmental, social and governance standards strengthens relations with regulatory authorities and provides investor confidence.	Legal sanctions, suspension of activities, loss of reputation.	Attracting investors through transparent management and compliance, access to international markets, leadership in sustainability reporting, high performance in ESG assessments.
	Ethics and Compliance Management	Compliance with ethical standards in the activities of Batı Anadolu Group of Companies provides confidence for employees and business partners.	Legal sanctions due to corruption and unethical practices, loss of reputation.	Increased confidence in business partners and employees through ethical practices, high performance in ESG assessments.

6. PRIORITY AND IMPORTANT ISSUES

The surveys prepared to cover the determined priority issues were sent to the management teams and employees, who are internal stakeholders, and to the domestic and international customers and suppliers, who are external stakeholders. In these headings, the mentioned stakeholders were asked about the important and priority issues for themselves and the Batı Anadolu Group of Companies. In line with the responses from the stakeholders, the headings with a high percentage weight were determined as the priority issues for 2024. The priority issues were leveled as follows with the opinions of the stakeholders;

Very High Priority Topics	High Priority Topics	Priority Topics
<ul style="list-style-type: none">•Occupational Health and Safety•Energy Management•Waste Management•Climate Change and Greenhouse Gas Reduction•Sustainable Products•Digitalization•Compliance with National and International Legislation	<ul style="list-style-type: none">•Business Ethics•Enterprise Risk Management•Employee Development and Satisfaction•Biodiversity•Air Emissions•Water Management	<ul style="list-style-type: none">•Sustainable Growth and Income Generation•Information Security•Corporate Governance•Societal Social Responsibility Projects•Human Rights and Fair Working Conditions•Equality, Inclusion and Diversity

In line with the responses given to the meetings and surveys held with stakeholders, it is thought that stakeholder participation will be provided more effectively and the brand perception of the Batı Anadolu Group of Companies will be positively affected. With effective stakeholder management, it is aimed to create a positive brand perception in the eyes of stakeholders and to minimize the negative effects of the activities of the Batı Anadolu Group of Companies.

7. OUR COMPLAINT MANAGEMENT PROCESS

In 2024, a new Solution Center process was launched in line with the sustainability principle, where feedback can be effectively collected. A platform was created through the communication section of the Batı Anadolu Group of Companies website, where all employees, customers, business partners and visitors can submit their complaints, opinions, suggestions, satisfaction and solution requests. All notifications are integrated into the Softexpert (corporate management software program) system and the process is managed through the system. This process ensures that incoming notifications are automatically forwarded to the relevant unit managers through the system. The relevant managers are required to take action within 24 (twenty-four) hours after receiving the notification. The process also allows users to make anonymous notifications. Thus, it ensures that feedback is shared confidentially. This feature allows both employees and other Stakeholders to make notifications freely and securely.

8. MONITORING AND REPORTING

This Stakeholder Engagement Plan will be revised and updated when necessary.

The overall performance and sustainability performance of the activities of the Batı Anadolu Group of Companies will be shared transparently with the Stakeholders annually through the Batı Anadolu Group of Companies sustainability report under the sustainability heading of the Batı Anadolu Group of Companies website.