ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. - Water Security 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

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

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

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

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

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

Strategy

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

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

Çimsa assesses risks according to the different types of capital defined and each risk is categorised according to the relevant type of capital. Natural capital consists of climate and energy, environment and emissions, water, waste, biodiversity and ecosystem development as well as recycling and circular economy. If the financial impact of a natural capital risk exceeds the company's predetermined threshold, the Sustainability Management Committee discusses the issue and decides on the necessary action plan and steps to be taken. The Committee also oversees the risk assessment regarding climate change.

The Company's Water Strategy embraces a life cycle approach, and accordingly, the strategy is based on the efficient use of water in the production phase of products and reducing water consumption.

Since 2016, Çimsa has been implementing the "ISO 14046 Water Footprint" standard, which ensures transparency, consistency and reliability in the assessment and reporting of water footprint. ISO 14046 is an international standard that defines principles, requirements and guidelines for conducting water footprint assessment and reporting water footprint. Çimsa has successfully completed third-party verification studies and was awarded the ISO 14046 Water Footprint Certificate.

ÇİMSA has a standardized system to monitor water consumption, screen the wastewater discharged and ensure the quality of the discharged wastewater. Çimsa has broken new ground in the Turkish cement industry with its activities within the scope of ISO 14046 Certification. As one of the leading actors of the Turkish industry, Çimsa operates a corporate consciousness and awareness in the context of water management. Çimsa carries out important projects in the field of water in its factories and aims for the effective management of water. In parallel, Çimsa carries out efforts to reduce water consumption by 40%.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2022	December 31 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Turkey

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Ready mixed concrete business line is excluded.	Cement and ready-mixed concrete are 2 different business lines in Çimsa. As per revenues, cement is relevant than ready-mixed concrete. The ready-mixed concrete business line is excluded however it is planned to be reported in the next years and in the ready-mixed concrete business line the water data is strictly followed.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

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

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Not very important	Neutral	The quality of water used during the process is not crucial as not incorporated into products. Water is mainly necessary for cooling mechanical equipment and kiln exhaust gas conditioning for cooling in the process and for domestic usage and WASH. While white cement production requires more water, thus the quantity of water is important. Water is important both for the customers using Çimsa products as the products require water and for production, as cement requires water to chemically react and function or to be used in cement-based other products. The need for water for the upstream value chain is limited. In the near future, as we believe water will be a more valuable asset and water focus will increase, we started to direct our focus on water to increase water efficiency and dependency. Similarly, the importance of indirect use will increase. In the WHR (Waste Heat Recovery) unit at the Mersin plant, water quality is important. Water is treated through the membrane filter to prevent corrosion in pipes of the Boiler system before usage. Thus, we are aware of the importance of having sufficient amounts of water in expected quality water for our operations.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Neutral	The main water consumption during the processes is in the cooling process. The treated domestic wastewater is re-used in our process for cooling exhaust gases in Eskişehir Plant since 2015, in Kayseri Plant since 2016 May and Afyon Plant since 2018. Using more recycled water will result in reducing water consumption and dependency on water. As we are committed to the reduction of water both for direct and indirect usage purposes and increasing usage of recycled water, we are planning to apply this methodology for all of our plants to decrease of usage freshwater from groundwater. On the other hand; the artificial lake in Eskişehir plant, founded on the migration route of birds, during immigration, birds use drinking water from this lake.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	Water withdrawals from wells are monitored continuously by the flow meters and recorded on the “Well Meter Index Reading Form” monthly at each plant. The data is monitored monthly and consolidated by the Environment and Sustainability department. We have usage permits for all of our groundwater wells from local governance. Water withdrawals from municipal water are invoiced based on flow meter readings monthly.	We apply the "ISO 14046 Water footprint - Principles, requirements, and guidelines" standard, thus, the water footprint monitoring system is improved as a result of ISO 14046 implementation. 100% of water withdrawal is measured.
Water withdrawals – volumes by source	100%	Monthly	Groundwater wells which are monitored by flow meters, the rest of it is provided from municipal water that is invoiced based on flow meter readings.	In Mersin and Ankara Plants, well and municipal waters are used as water sources. In Eskişehir, Kayseri, Niğde, and Afyon Plants water is supplied from only wells. 100% of water withdrawal is measured. 99% of total withdrawal water is supplied from groundwater wells.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	76-99	Other, please specify (Bimonthly)	In Mersin, bimonthly, treated wastewater is analyzed periodically by an accredited laboratory to comply with the Water Pollution Control Regulation. Total suspended solids (TSS), biochemical oxygen demand (BOD), chemical oxygen demand (COD), and pH parameters are determined as pollutant parameters by the Water Pollution Control Regulation. All related quality parameters are monitored since only Mersin Plant's wastewater is discharged to the receiving body.	There is no discharge in Eskişehir, Kayseri, and Afyon Plants since all wastewater is reused at the gas conditioning towers. Mersin plant's treated wastewater is discharged into the dry river in line with the Discharge Permission Certificate. Niğde plant's domestic wastewater is connected to the sewage (municipal) treatment plant. Ankara plant's domestic wastewater is transported to the municipal wastewater treatment plant with a sewage truck.
Water discharges – total volumes	76-99	Monthly	The specific discharge volume is accepted as 60 liters/day per person based on İller Bank Technical Specification. All assumptions are verified and found acceptable by the third-party verification institution. For Niğde Plant, wastewater is discharged to the municipal wastewater treatment plant and monitored through flow meters and invoices. The data is consolidated by the Environment and Sustainability department. 78% of discharged water is monitored through meters and invoices.	The discharged water in the cement sector consists of only domestic water usage as the process water (cooling purposes) is evaporated. Therefore, discharge volume is estimated according to the number of employees for the Mersin and Ankara facilities. The specific discharge volume is accepted as 60 liters/day per person based on İller Bank Technical Specification. All assumptions are verified and found acceptable by the third-party verification institution. For Niğde Plant, wastewater is discharged to the municipal wastewater treatment plant and monitored through flow meters and invoices. The data is consolidated by the Environment and Sustainability department. 78% of discharged water is monitored through meters and invoices.
Water discharges – volumes by destination	100%	Monthly	The specific discharge volume is accepted as 60 liters/day per person based on İller Bank Technical Specification. All assumptions are verified and found acceptable by the third-party verification institution. For Niğde Plant, wastewater is discharged to the municipal wastewater treatment plant and monitored through flow meters and invoices. The data is consolidated by the Environment and Sustainability department. 78% of discharged water is monitored through meters and invoices.	There is no discharge in Eskişehir, Kayseri, and Afyon Plants since all wastewater is reused at the gas conditioning towers. Mersin plant's treated wastewater is discharged into the dry river in line with the Discharge Permission Certificate. Niğde and Ankara plant's domestic wastewater are transported to the municipal wastewater treatment plant with a sewage truck.
Water discharges – volumes by treatment method	76-99	Monthly	The specific discharge volume is accepted as 60 liters/day per person based on İller Bank Technical Specification. All assumptions are verified and found acceptable by the third-party verification institution. For Niğde Plant, wastewater is discharged to the municipal wastewater treatment plant and monitored through flow meters and invoices. The data is consolidated by the Environment and Sustainability department. 78% of discharged water is monitored through meters and invoices.	There is no discharge in Eskişehir, Kayseri, and Afyon Plants. In Mersin Plant, wastewater is treated by the biological wastewater treatment method which corresponds to 80% of total discharged water. 20% of total wastewater is connected to the municipal wastewater treatment facility through the sewerage system.
Water discharge quality – by standard effluent parameters	100%	Other, please specify (Bimonthly)	Bimonthly, 80% of the total treated wastewater is analyzed periodically by an accredited laboratory to comply with the Turkish Water Pollution Control Regulation. BOD, COD, TSS, and pH parameters were also analyzed.	Bimonthly, 80% of the total treated wastewater is analyzed periodically by an accredited laboratory to comply with the Turkish Water Pollution Control Regulation. BOD, COD, TSS, and pH parameters were also analyzed. The remaining wastewater which is 20% of total discharged water is directly connected to the municipal wastewater treatment facility.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant	<Not Applicable>	<Not Applicable>	The data is monitored monthly and consolidated by the Environment and Sustainability department. We measure discharge quality data as per local regulations. If it is required by the regulation, the emissions to the water of discharge are monitored.
Water discharge quality – temperature	Not relevant	<Not Applicable>	<Not Applicable>	The data is monitored monthly and consolidated by the Environment and Sustainability department. We measure discharge quality data as per the local regulations. If it is required by the regulation, the temperature of discharge is monitored.

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water consumption – total volume	76-99	Monthly	The water consumption is equal to the difference between the withdrawal and the discharge. In our company, water consumption includes total water evaporated for cooling purposes. The water consumption is based on wells and municipal water which are already measured by the flow meters	The water consumption is equal to the difference between the withdrawal and the discharge. In our company, water consumption includes total water evaporated for cooling purposes. The water consumption is based on wells and municipal water which are already measured by the flow meters. In Afyon Plant, we have several sub-meters measuring water consumption of every process such as cooling, raw mill, and boiler. As a short-term target, we are planning to install flow meters in the Mersin plant to measure continuously product-based water consumption. We aim to measure product-based water consumption in Mersin, Eskişehir, and Niğde plants as a long-term target.
Water recycled/reused	100%	Monthly	The amount of reused wastewater is monitored monthly.	In our process, the main water consumption is in the cooling process. The treated domestic wastewater is reused in our process for cooling exhaust gases in Eskişehir, Kayseri, and Afyon Plants. The amount of reused wastewater is monitored monthly.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Monthly	The workers are able to have clean drinking water at 100% of all sites.	The health and safety of all workers is the most important issue for our company and all precautions are taken for workers' health and safety. Therefore, hygienic water is provided to all workers for domestic water usage.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	2959.6	Higher	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	The total withdrawal is increased by 6% compared to the previous year. Due to the increase in process of kiln operations in 2022, water use is also increased as expected. In addition to that, as a result of the hygiene measures taken due to the Covid-19 pandemic conditions, water consumption for the employees increased as individuals. In this report, our threshold for "higher" and "lower" is between 4% and 19%.
Total discharges	19.48	Much lower	Increase/decrease in business activity	Much lower	Increase/decrease in efficiency	The total discharged water amount is decreased by 23% compared to the previous year. The total discharged water amount is increased depending on the withdrawn water. In this report, our threshold for "much higher" and "much lower" is 20%.
Total consumption	2940.12	Higher	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	The total consumption of water amount is increased 6% ,compared to the previous year. Due to the increase in kiln operations, the water use increased. Also, as a result of the hygiene measures taken due to the Covid-19 pandemic conditions, water consumption for the employees increased as well. In this report, our threshold for "higher" and "lower" is between 4% and 19%.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	76-99	About the same	Increase/decrease in efficiency	About the same	Increase/decrease in efficiency	WRI Aqueduct	We define water stress by applying the WRI Aqueduct tool. The coordinates of each production site are entered into the tool and water stress is analyzed through the WRI Aqueduct Water Risk Atlas. The risk is defined as Extremely High (>80%) for all basins which shows that our operations are located in water-stressed areas which are the same as the previous year.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Fresh surface water is not withdrawn.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Brackish surface water or seawater is not withdrawn.
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	The renewable groundwater is not withdrawn.
Groundwater – non-renewable	Relevant	2952.21	Higher	Increase/decrease in business activity	Total withdrawn water from wells is increased by 7% compared to the previous year. Due to the increase in kiln operating times in 2022, the determined water use increased in parallel with the clinker production amount. In this report, our threshold for "higher" and "lower" is between 4% and 19%.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	The wastewater is treated and reused for cooling in our plants. However, in line with the CDP explanation, this water is not counted as produced water.
Third party sources	Relevant	7.39	Much lower	Increase/decrease in business activity	Total withdrawn municipal water is decreased compared to the previous year. In this report, our threshold for "much higher" and "much lower" is 20%.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	15.6	Much higher	Increase/decrease in business activity	Mersin plant's treated wastewater is discharged into the dry river. The discharged water to dry river is increased by 44% compared to the previous year. In this report, our threshold for "much higher" and "much lower" is 20%.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Our wastewater is not discharged to any brackish surface water or seawater.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Our wastewater is not discharged to any groundwater.
Third-party destinations	Relevant	3.88	Much lower	Increase/decrease in business activity	The total discharged water to third-party destinations is decreased by 73% compared to the previous year, yet, the amount of withdrawn water has increased and water consumption is also increased with respect to that. In this report, our threshold for "much higher" and "much lower" is 20%.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	We don't have any tertiary treatment facility.
Secondary treatment	Relevant	15.6	Much higher	Increase/decrease in business activity	11-20	In Mersin Plant, wastewater is treated by the biological wastewater treatment method. The figure is increased by 44% compared to the previous year. In this report, our threshold for "much higher" and "much lower" is 20%.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	We don't have any primary treatment facility.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	The water is not discharged to the natural environment without treatment.
Discharge to a third party without treatment	Relevant	3.88	Much lower	Increase/decrease in business activity	41-50	The total discharged water to third party destinations is decreased by 73% compared to the previous year ,yet, the amount of withdrawal water has increased and water consumptions is also increased with respect to that. In this report, our threshold for "much higher" and "much lower" is 20%.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	We don't have any other treatment facility.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	8582005230	2959.6	2899717.94499257	It is expected to improve water withdrawal efficiency based on our target.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	Our products contain no hazardous substances.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	Yes	<Not Applicable>	<Not Applicable>

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Basin status (e.g., water stress or access to WASH services)
Supplier dependence on water
Supplier impacts on water availability

Number of suppliers identified as having a substantive impact

1

% of total suppliers identified as having a substantive impact

Less than 1%

Please explain

The life cycle approach starts with supplier engagement for Cimsa. Third-party and internal audits covers our stakeholder engagement especially the supply chain. Through surveys, online and offline meetings information's are sharing to grow a strong and focused supply chain.
The engagement with our suppliers provides to work with a similar vision of companies and create a strong and sustainable supply chain. At the know-how sharing level, the first objective was creating the same understanding of water management and sustainability with our supply chain. Our critical suppliers in terms of water and sustainability are working in ready-mix concrete and aggregates. They are started to collect the data for water and in the next years, they will be obliged to present their water consumptions to be Cimsa suppliers. This engagement caused to monitor the suppliers more closely on their costs.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, suppliers have to meet water-related requirements, but they are not included in our supplier contracts	<Not Applicable>

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement
Complying with going beyond water-related regulatory requirements

% of suppliers with a substantive impact required to comply with this water-related requirement
100%

% of suppliers with a substantive impact in compliance with this water-related requirement
100%

Mechanisms for monitoring compliance with this water-related requirement
Supplier self-assessment
Supplier scorecard or rating

Response to supplier non-compliance with this water-related requirement
Retain and engage

Comment
By evaluating vendors in accordance with the Responsible Purchasing Policy and analyzing environmental data, CIMSA implements a strategy of retaining and engaging suppliers. CIMSA also places importance on enhancing the capabilities of its supplier network to foster enduring partnerships. Furthermore, we conduct internal surveys to evaluate the ESG including water consumption of our suppliers. In our procurement processes, we give priority to companies that have made notable advancements in these domains.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement
Information collection

Details of engagement
Collect water management information at least annually from suppliers

% of suppliers by number
26-50

% of suppliers with a substantive impact
Less than 1%

Rationale for your engagement
We are continuing our development journey together with our suppliers by spreading the value we create and our principles throughout our supply chain. We apply inspection and control systematics to ensure that all our suppliers are improving their environmental, OHS, quality, and sustainability skill and meeting the demands of internal practices.
The life cycle approach starts with supplier engagement for Cimsa. ISO 14001 Environmental Management System applied in Cimsa since 2008 which creates maturity from an environmental point of view. Third-party and internal audits cover our stakeholder engagement, especially the supply chain. Supplier contract items are reviewed in terms of environmental requirements and all feedbacks are evaluated for improvement of the system. Where available, water data are requested from suppliers, and if the water management system is not applied, our teams lead them about the application of ISO 14046.
All supplier contracts cover GCCA supply chain 10 principles which are related to human rights, labour, environment, and anti-corruption. Besides getting data within the supply chain, Cimsa focuses on sharing its water management and sustainability know-how. Through surveys, online and offline meetings information is shared to grow a strong and focused supply chain.

Impact of the engagement and measures of success
The engagement with our suppliers allows us to work with a similar vision of companies and create a strong and sustainable supply chain. At the know-how sharing level, the first objective was to create the same understanding of water management and sustainability with our supply chain. Our critical suppliers in terms of water and sustainability are working in ready-mix concrete and aggregates. They have started to collect the data for water and in the next years, they will be obliged to present their water consumptions to be Cimsa suppliers. This engagement caused to monitor the suppliers more closely on their costs.

Comment

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder
Customers

Type of engagement
Education / information sharing

Details of engagement
Share information about your products and relevant certification schemes

Rationale for your engagement
The rationale of engagement with customers about water consumption is based on creating a financial advantage and using less natural sources at the use phase of the product. This strategy is dependent on our life cycle approach to our products.

White Cement:
Cimsa also has direct contact with its clients about water consumption volume and shares information about the management model of white cement. As it is shared with the clients Cimsa applies ISO 14046 Water Management System and calculates its water consumption based on the production lines. HyperCog is a digitalization project with the outcome of Human-Machine Interface (HMI) module decreasing energy , water and fuel consumption in white cement production line.

Ready Concrete:
We at Cimsa produce ready-mix concrete and also we have clients who produce ready-mix concrete. For this product, we organize stakeholder meetings with our customers and suppliers and share information about sustainability including water management.

Impact of the engagement and measures of success
The sales increase of our sustainable and EPD certified products. Our objective in client engagement is to raise demand for our sustainable product portfolio, increase revenues from sustainable products, and simultaneously decrease water impact. Currently have 4 sustainable products in line with EU requirements that generated 138,519,352 TL revenue in 2022.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	We monitor the pollutant load in the wastewater that we discharge. An accredited laboratory analyzes treated wastewater periodically to comply with the Turkish Water Pollution Control Regulation. BOD, COD, TSS, and pH parameters are also analyzed. We have EPD (Environmental Product Declaration) certified products that analyzed life cycle impact on the air, water, and soil. The EPD includes water pollution parameters such as acidification terrestrial and freshwater, eutrophication, water scarcity, ecotoxicity, etc.	<Not Applicable>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category
Other nutrients and oxygen demanding pollutants

Description of water pollutant and potential impacts
The pollutant are BOD, COD, TSS, acidification terrestrial and freshwater, eutrophication, water scarcity, ecotoxicity parameters.
EPDs also typically include information about the methods used to control water pollution in the cement sector. This information can be used to identify opportunities for further reducing the environmental impacts of cement production.
The acidification potential measures emissions with acidifying impacts on the environment. Acidification can have a number of negative environmental impacts, including the death of aquatic life and the leaching of metals from soil.
Eutrophication refers to natural and artificial increases in the inorganic nutrients entering aquatic environments, the deterioration of water quality stemming from excessively increased microscopic plants and algae at the source, the decreased natural life of the water source and the decreased potential of water for use.
Suspended solids are solid particles that are suspended in water. Suspended solids can block sunlight and oxygen from reaching aquatic life, and they can also make water more turbid and unpleasant to look at.

Value chain stage
Direct operations

Actions and procedures to minimize adverse impacts
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Procedure(s) under development/ R&D

Please explain
We monitor the pollutant load in the wastewater that we discharge. An accredited laboratory analyzes treated wastewater periodically to comply with the Turkish Water Pollution Control Regulation. BOD, COD, TSS, and pH parameters are also analyzed.
The use of more efficient water treatment systems can help to reduce the amount of pollutants that are discharged into water bodies. We focus on R&D projects that reduce water consumption and pollution parameters.
HyperCog is a digitalization project with the outcome of Human-Machine Interface (HMI) module which was developed to decrease energy consumption, water consumption and fuel consumption in white cement production lines. Image processing/machine learning technologies are used within the scope of the HyperCOG project on digitalization, which is one of Çimsa's priority areas. The project aims to ensure efficiency in the white cement production line, increase product quality by optimizing the use of natural resources, and reduce environmental impact.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage
Direct operations
Supply chain
Other stages of the value chain

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment
More than once a year

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market
Enterprise risk management
International methodologies and standards
Databases

Tools and methods used
WRI Aqueduct
ISO 31000 Risk Management Standard
Environmental Impact Assessment
Life Cycle Assessment
ISO 14001 Environmental Management Standard
ISO 14046 Environmental Management - Water Footprint

Contextual issues considered
Water availability at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks

Stakeholders considered
Customers
Employees
Investors
Local communities
Regulators
Water utilities at a local level

Comment

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	We apply ISO 14001 Environmental management system which requires to define environmental risks. We have environmental impact assessment tool cover all environmental issues including water related risks.	Risks arising from the use of municipal water Risks arising from the use of ground water Risks of our pollution load	Our neighbors who use water on a basin basis Municipalities	Çimsa's sustainability risks are defined by the Sustainability Directorate and approved by the Enterprise Risk Management Department (ERMD), the Sustainability Management Committee (SMC) and the Executive Committee (EC). Each department is also responsible for defining its risks and reporting them to the Department Manager (DM). The DM reviews the risk and informs the ERMD. The ERMD ensures the effective implementation of corporate risk management and reports to the SMC on the actions taken and their results. Risk management activities and their effectiveness are evaluated by the SMC and reported to the EC for transmission to the BoD. The SMC monitors compliance with the necessary regulations to mitigate major financial impacts on the business and assesses the level of achievement of business objectives. There are six Focus Working Groups under the SMC. Çimsa has adopted integrated risk management and categorises all its risks based on the company's capital management model in order to better monitor and diversify risks. There are six capitals defined by Çimsa on which the company performs risk assessment, among which natural capital covers environmental concerns. Cimsa applies the ISO 14046 Water Management System and tracks water consumption and develops improvement projects and uses the ISO 9001&14001 Systems. In 2023, the 2nd phase of water reporting was initiated within the scope of water management and a technical consultancy service is received for water management.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

i) Substantive financial definition: Significant financial impacts for 2022 are defined as financial losses over 25 million TL and production loss of 56,000 tons. At Çimsa, we define significant financial impact as all situations where the magnitude of the impact is greater than 0,3% of the net income.

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

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

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

· Financial capital

· Produced capital

· Intellectual capital

· Human capital

· Social and relational capital

· Natural capital

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

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

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

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

• A situation that affects 50% of Çimsa employees

• Creating a bad reputation internationally on digital platforms

• Commercial activities closed by official authorities

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

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

For the effective management of water-related risks, annual comprehensive insurances are implemented, R&D investments are made, projects are developed to increase energy efficiency, and budgets are allocated for the financing of these projects. With a focus on sustainability, we conduct water risk assessments, make R&D investments, develop water efficiency projects and implement practices to reduce water consumption. We believe that we can access green financing thanks to our performance in water management and ESG ratings. In 2023, the 2nd phase of water reporting was initiated within the scope of water management and a technical consultancy service is received for water management.

In line with our water strategy and lifecycle approach, we have prioritised reduced water consumption in the use of cement in 2022. In this context, with the "Super Gray Cement Family", we aim to offer products that are more sustainable and uses around 20% less water.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	2	76-99	This percentage is calculated by dividing the water withdrawal rate at the Mersin and Eskişehir Facility by the total water withdrawal rate at all of our facilities. Mersin Facility uses 45% and Eskişehir Facility uses 44% of all our company's drawing water.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Turkey	Other, please specify (East Mediterranean)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
26-50

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Less than 1%

Comment
Mersin Facility is using 45% of the water from all our 6 facilities. However, its effect on our total revenue is lower than 1%. We follow the efficiency in the plant to decrease our water withdrawal in line with our sustainability strategy.

Country/Area & River basin

Turkey	Sakarya

Number of facilities exposed to water risk
1

% company-wide facilities this represents
26-50

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Less than 1%

Comment
Eskişehir Facility is using 44% of the water from all our 6 facilities. However, its effect on our total revenue is lower than 1%. We follow the efficiency in the plant to decrease our water withdrawal in line with our sustainability strategy.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Turkey	Other, please specify (East Mediterranean)

Type of risk & Primary risk driver

Acute physical	Drought

Primary potential impact
Increased production costs

Company-specific description
Extreme precipitation, floods and droughts are expected in our geography with moderate confidence, according to the IPCC Assessment Reports. Furthermore, water scarcity is a high risk for the Mediterranean, as stated in IPCC's 1.5 Degree Special Report. In view of the vital role of water in cement/concrete production, we consider water scarcity as a chronic physical risk in our risk assessments. At each of our plants, we use scenarios to monitor our vulnerability to water scarcity. Based on our scenario results, we define action plans. Some of the work we are doing in this regard is:
• To reduce the water footprint of our processes through R&D projects.
• To adhere to ISO 14046 Water Footprint Environmental Management Standards in all our factories and aim to reduce water consumption by monitoring consumption rates.
The responsibility for managing and controlling water consumption is assigned to the Sustainability Management Department as well as to the production plants.
The possible price of groundwater consumption is defined as the risk.

Timeframe
More than 6 years

Magnitude of potential impact
Medium-low

Likelihood
Likely

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

Potential financial impact figure (currency)
56102513

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

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

Explanation of financial impact
The financial impact of water risk is calculated on the basis of the selling price of water for the industrial sector in Mersin and the volume of water consumed at our plant. The selling price of water in this region is TL 44.88 per cubic meter. Normally, we do not pay for the use of groundwater, but the emergence of this risk could increase our production costs by about TL 56 million .
The water consumption volume: 1,250,056 cubic meter
The selling price of water: TL 44.88 per cubic meter
Potential financial impact: 1,250,056*44.88= TL 56,102,513

Primary response to risk
Establish site-specific targets

Description of response
We realized a “sub-metering project” in order to monitor our water consumption in our factories more accurately, to develop improvement projects at high consumption points and to minimize our water consumption. In addition, a CAPEX budget was planned for fresh water and wastewater management until 2030. We plan to invest a total of TL 34,893,464.

Cost of response
36393464

Explanation of cost of response
The cost of response is calculated by the cost of “sub-metering project” and also the total planned investment for fresh water and waste water management.
Sub metering project cost: TL 1,500,000
Planned cost of fresh water and waste water management projects until 2030: TL 34,893,464
Cost of response = TL 1,500,000 + TL 34,893,4644 = 36,393,464

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Turkey	Other, please specify (Mediterranean)

Stage of value chain
Use phase

Type of risk & Primary risk driver

Chronic physical	Water scarcity

Primary potential impact
Reduced demand for products and services

Company-specific description
According to the IPCC 6th Assessment Report extreme precipitation patterns and droughts are expected to occur with moderate confidence in our geography. As stated in the IPCC Special Report on Climate Change and the 1.5 Degree Special Report, water scarcity poses a high risk to the Mediterranean basin. Given the vital role of water availability in cement and concrete manufacturing, Çimsa considers water shortage as a chronic physical risk in its risk evaluation. In this sense, we evaluate the impact of drought on our assets and throughout our value chain. At the same time, we aim to reduce the water footprint of our processes by conducting R&D activities and implementing investment plans to develop products that use less water. Water scarcity can lead to a decline in sales of traditional cement and concrete in some regions, such as the Mediterranean. The consumers may prefer products require less water consumption. In this context, the use of large volumes of water and potential decline in consumer preferences regarding our products are defined as the risk.

Timeframe
More than 6 years

Magnitude of potential impact
Low

Likelihood
About as likely as not

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

Potential financial impact figure (currency)
8580000

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

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

Explanation of financial impact
0.01% of the revenue was considered to be the risk potential. The potential financial impact of water scarcity during the use of the product was calculated as TL 85.8 Million by multiplying the income generated in 2022 by the risk potential.
The income of Çimsa in 2022: 8.58 Billion TL
Potential financial impact: 8,580,000,000 TL * 0.1% = TL 8,500,000 TL

Primary response to risk

Direct operations	Develop new products and/or markets

Description of response
With the Re-CON Project, studies were carried out for the reuse of recycled and secondary aggregates. Laboratory studies were carried out on the reuse of excavations as alternative raw materials. As a result of the studies, 50% of the natural coarse aggregate used in the concrete was replaced with the aggregate obtained from the construction demolition wastes.
With the Iceberg Project, studies are carried out to develop cement and concrete-based building products with reduced environmental impacts. We collaborate in the development of new Eco-Hybrid Cement, ultra-light non-structural wall elements and green wood sawdust concrete panels with secondary materials from building debris. In 2022, we completed the laboratory studies of Eco-Hybrid cement containing CSA, Portland cement and building demolition waste.
Thanks to these two projects, we aim to reduce the water consumption from our product in the product usage phase. Their cost is as follows:
Re-Con: TL 2,595,387.04
Iceberg: TL 1,930,061.44
Planned cost of fresh water and waste water management projects until 2030: TL 34,893,464
Total Cost: TL 39,418,912

Cost of response
39418912

Explanation of cost of response
The R&D budget for the development of products with the aim of reducing the use of water and planned cost of fresh water and waste water management projects until 2030 has been defined as the cost of response.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity
Efficiency

Primary water-related opportunity
Improved water efficiency in operations

Company-specific description & strategy to realize opportunity
With our water management system, we have the following objectives
• Improvement of water quality
• Reduction of water consumption
• Enhancement of our market value, brand value and company image
• Creation of competitive advantage
• Reaching a reduction in operating costs by improving efficiency
• Growing revenue by increasing demand for existing products and by developing new products.
Improved water quality and reduction of water consumption will support our relationships with our stakeholders. Meeting the expectations of our stakeholders through environmental stewardship creates opportunities that enhance our reputation and financial strength. We communicate with our stakeholders on a regular basis to implement our water strategy, monitor their expectations, needs and requirements, and in addition, we receive consultancy on water management to improve our efficiency. In 2022, we also implemented sub-metering system to track our water consumption.

Estimated timeframe for realization
More than 6 years

Magnitude of potential financial impact
Low

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

Potential financial impact figure (currency)
4935004

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

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

Explanation of financial impact
The main water consumption in our process is in the cooling process. Through the treatment of domestic waste water and the reuse of this treated water for the cooling of exhaust gases, we have achieved a decline in water consumption in our production process and have also reduced our dependency on water. In 2022 109,960,000 (109,960 m3) liter water consumption reduced in Mersin Facility. This prevent us possible water cost in the long term. The cost of the water per liter accepted as 44.88 TL/m3.
109,960*44.88 = 4,935,004 TL

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)
Mersin Cement Plant

Country/Area & River basin

Turkey	Other, please specify (East Mediterranean Basin)

Latitude
36.8

Longitude
34.633333

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
1140.1

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
1137.45

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
2.65

Total water discharges at this facility (megaliters/year)
15.6

Comparison of total discharges with previous reporting year
Much higher

Discharges to fresh surface water
15.6

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
1124.5

Comparison of total consumption with previous reporting year
Lower

Please explain
In Mersin Plant, both grey and white cement is produced. White cement production that needs more water is increased this year compared to the previous year. Water consumption has decreased by 9% compared to the previous year. In this report, our threshold for "higher" and "lower" is between 4% and 19%. Our water consumption figure is a calculation using withdrawals minus discharges.

Facility reference number
Facility 2

Facility name (optional)
Eskişehir Cement Plant

Country/Area & River basin

Turkey	Sakarya

Latitude
39.78

Longitude
30.520556

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
1577.81

Comparison of total withdrawals with previous reporting year
Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
1577.81

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
1577.81

Comparison of total consumption with previous reporting year
Much higher

Please explain
White cement production that needs more water is increased water consumption this year compared to the previous year. As a result of white cement production, water consumption increased by 29% compared to the previous year. Domestic wastewater produced at the Eskişehir Plant is reused as gas cooling water after purification, therefore there is no discharge. With this method, not only the discharge of purified water is prevented, but natural water sources are also saved. In this report, our threshold for "much higher" and "much lower" is 20%. Our water consumption figure is a calculation using withdrawals minus discharges.

Facility reference number
Facility 3

Facility name (optional)
Kayseri Cement Plant

Country/Area & River basin

Turkey	Other, please specify (Seyhan Basin)

Latitude
38.75

Longitude
35.549791

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
61.46

Comparison of total withdrawals with previous reporting year
Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
61.46

Withdrawals from produced/entrained water

0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
61.46

Comparison of total consumption with previous reporting year
Much lower

Please explain
The water consumption decreased by 53% compared to the previous year. Domestic wastewater produced at the Kayseri Plant is reused as gas cooling water after purification, therefore there is no discharge. With this method, not only the discharge of purified water is prevented, but natural water sources are also saved. In this report, our threshold for "much higher" and "much lower" is 20%. Our water consumption figure is a calculation using withdrawals minus discharges.

Facility reference number
Facility 4

Facility name (optional)
Niğde Cement Plant

Country/Area & River basin

Turkey	Other, please specify (Seyhan Basin)

Latitude
37.95

Longitude
34.686367

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
52.73

Comparison of total withdrawals with previous reporting year
Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
52.73

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
52.73

Comparison of total consumption with previous reporting year
Much lower

Please explain
Water consumption decreased by 30% compared to the previous year. In this report, our threshold for "much higher" and "much lower" is 20%. Our water consumption figure is a calculation using withdrawals minus discharges

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Facility reference number
Facility 5

Facility name (optional)
Ankara Clinker Grinding Plant

Country/Area & River basin

Turkey	Sakarya

Latitude
39.97

Longitude
33.11712

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
0.88

Comparison of total withdrawals with previous reporting year
Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0.88

Total water discharges at this facility (megaliters/year)
0.79

Comparison of total discharges with previous reporting year
Much lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0.79

Total water consumption at this facility (megaliters/year)
0.09

Comparison of total consumption with previous reporting year
Much lower

Please explain
Water consumption has decreased by 36% compared to the previous year. In this report, our threshold for "much higher" and "much lower" is 20%. Our water consumption figure is a calculation using withdrawals minus discharges.

Facility reference number
Facility 6

Facility name (optional)
Afyon Cement Plant

Country/Area & River basin

Turkey	Other, please specify (Akarcay Basin)

Latitude
38.66

Longitude
30.615968

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
122.76

Comparison of total withdrawals with previous reporting year
Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
122.76

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
122.76

Comparison of total consumption with previous reporting year
Much higher

Please explain
Domestic wastewater produced at the Afyon Plant is reused as gas cooling water after purification, therefore there is no discharge. Water consumption increased by 29% compared to the previous year. In this report, our threshold for "about the same" is 3%. Our water consumption figure is a calculation using withdrawals minus discharges."

Facility reference number

Facility 7

Facility name (optional)
Istanbul Headquarters Office

Country/Area & River basin

Turkey	Other, please specify (Marmara Basin)

Latitude
40.98109

Longitude
29.100788

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
3.87

Comparison of total withdrawals with previous reporting year
Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
3.87

Total water discharges at this facility (megaliters/year)
3.09

Comparison of total discharges with previous reporting year
Much lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
3.09

Total water consumption at this facility (megaliters/year)
0.77

Comparison of total consumption with previous reporting year
Much lower

Please explain
The water consumption is decreased by 77% compared to the previous year.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified
76-100

Verification standard used
It has been verified according to the "ISO 14046:2014 Environmental management - Water footprint Standard" by an accredited third-party verification body. All data has been verified with reasonable assurance level.

Please explain
<Not Applicable>

Water withdrawals – volume by source

% verified
76-100

Verification standard used
It has been verified according to the "ISO 14046:2014 Environmental management - Water footprint Standard" by an accredited third-party verification body. All data has been verified with reasonable assurance level.

Please explain
<Not Applicable>

Water withdrawals – quality by standard water quality parameters

% verified
76-100

Verification standard used
It has been verified according to the "ISO 14046:2014 Environmental management - Water footprint Standard" by an accredited third-party verification body. All data has been verified with reasonable assurance level.

Please explain
<Not Applicable>

Water discharges – total volumes

% verified
76-100

Verification standard used
It has been verified according to the "ISO 14046:2014 Environmental management - Water footprint Standard" by an accredited third-party verification body. All data has been verified with reasonable assurance level.

Please explain
<Not Applicable>

Water discharges – volume by destination

% verified
76-100

Verification standard used
It has been verified according to the "ISO 14046:2014 Environmental management - Water footprint Standard" by an accredited third-party verification body. All data has been verified with reasonable assurance level.

Please explain
<Not Applicable>

Water discharges – volume by final treatment level

% verified
76-100

Verification standard used
It has been verified according to the "ISO 14046:2014 Environmental management - Water footprint Standard" by an accredited third-party verification body. All data has been verified with reasonable assurance level.

Please explain
<Not Applicable>

Water discharges – quality by standard water quality parameters

% verified
76-100

Verification standard used
It has been verified according to the "ISO 14046:2014 Environmental management - Water footprint Standard" by an accredited third-party verification body. All data has been verified with reasonable assurance level.

Please explain
<Not Applicable>

Water consumption – total volume

% verified
76-100

Verification standard used
It has been verified according to the "ISO 14046:2014 Environmental management - Water footprint Standard" by an accredited third-party verification body. All data has been verified with reasonable assurance level.

Please explain
<Not Applicable>

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Commitment to align with international frameworks, standards, and widely-recognized water initiatives Commitment to prevent, minimize, and control pollution Commitment to reduce or phase-out hazardous substances Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to reduce water withdrawal and/or consumption volumes in supply chain Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities Commitment to water stewardship and/or collective action Commitment to the conservation of freshwater ecosystems Commitments beyond regulatory compliance Reference to company water-related targets Recognition of environmental linkages, for example, due to climate change	ÇİMSA applies "ISO 14046 Water footprint - Principles, requirements, and guidelines" standard which provides transparency, consistency, reproducibility, and credibility for assessing and reporting the water footprint. ISO 14046 is an international standard defining principles, requirements and guidelines for conducting and reporting a water footprint assessment. 2022 data verified by the third party and successfully ÇİMSA has been awarded ISO 14046 Water Footprint Certificate. The major target of ÇİMSA is to have a standardized system for monitoring the water consumption and discharged wastewater as well as to ensure the quality of wastewater discharged. Çimsa also focuses on SDG Targets and projects to create value. The approach is applied company-wide and ensures the definition of water targets and performance monitoring. Beyond its own operations, Çimsa started to study its value chain through its customers. With the development of low carbon cement which will consume 20% less water- for the same amount of durability. It directly causes less water consumption in the use phase of the product.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?
Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Board-level committee	i) Position in the corporate structure and the level of responsibility: Water-related issues are managed at the highest level of governance, namely the Board of Directors (BoD). The BoD has 1 member responsible for sustainability and is informed through reports submitted by the Executive Committee (EC). The BoD, led by the Board Chair, is responsible for Çimsa's vision, strategy, evaluation of high and very high risks and finalization of financial decisions. Our sustainability strategy is defined as creating sustainable stakeholder value with our products that support the low carbon economy for the development of sustainable living spaces. As we shape today for tomorrow, we place a central emphasis on the management of water-related issues. The BoD requests a presentation on sustainability from the Sustainability Group Manager at each meeting in order to evaluate compliance with the strategy and net zero roadmap. ii) Responsibilities related to climate issues: We believe that sustainable living spaces are one of the fundamental issues of sustainability. These spaces can be created with sustainable product ranges by giving priority to the development of low environmental impact products including water impact. We also adopt a business strategy that includes a strong environmental dimension. Our environmental strategy enables us to position our company in line with the requirements of climate change. iii) Example of a climate-related decision made: We determined our sustainability and climate change strategy. In line with our water strategy and lifecycle approach, we have prioritised reduced water consumption in the use of cement in 2022. In this context, with the "Super Gray Cement Family", we aim to offer products that are more sustainable and uses around 20% less water. In 2023, the 2nd phase of water reporting will be initiated within the scope of water management and a technical consultancy service is received for water management.
Chief Operating Officer (COO)	As a member of the Executive Committee (EC), the COO is responsible for assessing water-related risks and opportunities that may affect operations. The COO identifies water-related vulnerabilities and advantages and shapes the climate transition plan according to these data. The transition plan includes measurable company-specific goals, objective timelines, and transparent performance indicators to track progress from a perspective of capitalizing on sustainability opportunities. In this process, innovative technologies and best practices are integrated into the process and all processes are managed with the motivation of "continuous improvement". With this perspective, the transition plan is reviewed quarterly in order to ensure smooth adaptation to climate change. The COO reports the findings of their work to the EC and the CEO, and this information is consolidated with reports submitted by other C-suite officers. After the consolidation in the EC, a joint report is prepared and submitted to the Board of Directors. Example action: Natural resource consumption was reduced by using wastes from other sectors as raw materials. COO also follows the progress in water consumption reduction targets.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions, mergers, and divestitures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation/R&D priorities Setting performance objectives	Board of Directors: As the highest-level unit, the Board of Directors (BoD) is concerned with combining Çimsa's business and sustainability strategy, including the financial effects of sustainability components such as social and environmental issues. Our BoD and CEO follow the long-term implementations of Çimsa's vision, strategy and projects as we move towards being carbon neutral on the 2050 route. Both non-financial financial targets are closely followed by the BoD and the CEO. In line with our water strategy and lifecycle approach, we have prioritised reduced water consumption in the use of cement in 2022. In this context, with the "Super Gray Cement Family", we aim to offer products that are more sustainable and uses around 20% less water. In 2023, the 2nd phase of water reporting will be initiated within the scope of water management and a technical consultancy service is received for water management.The BoD pioneered the development of new products with Environmental Product Declarations and the diversification of the sustainable product portfolio in line with the EU Taxonomy. The BoD is also responsible for reviewing investments and budgets. Executive Committee: Climate Change policies & strategies, performance & targets are managed by the Executive Committee (EC) led by the CEO and informed by the Sustainability Management Committee. The Vice President of Human Resources and Sustainability is also a member of the EC. At the quarterly meetings, projects that will support climate action are reviewed according to strategic areas that will guide growth and integration. As part of the integrated risk assessment adopted by Çimsa, the Sustainability Management Committee (SMC) deals with climate-related issues with a holistic approach, taking into account risk and opportunities (R&O) and risk management-oriented procedures. In this approach, the SCM implements the risk management process, defines alternative solutions and budgets for climate-related risks, and approves the required budget for identified high risks. The SCM works directly with the Sustainability Directorate to fulfill these duties. The Directorate meets every month and determines the highest climate change risks and possible legislative changes related to these risks. It then shares these risks with the Corporate Risk Department (CRD) and the SMC. At this point, the SCM acts with an integrated risk assessment management approach and implements appropriate transition plan that will minimize or even eliminate risks and effects.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	The members of the Board have the following criteria in the context of environment: • Critical and complex thinking ability • The power to adapt and initiate change • Open and flexible to new business applications • Have research skills	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Sustainability committee

Water-related responsibilities of this position
Managing water-related risks and opportunities
Conducting water-related scenario analysis
Setting water-related corporate targets
Monitoring progress against water-related corporate targets
Integrating water-related issues into business strategy

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
Sustainability Management Committee (SMC) is chaired by the CEO and within this structure.The Committee identifies water-related risks and opportunities.Acting as the final decision maker for these risks and opportunities, the CEO reports to the Executive Committee (EC) and Board of Directors (BoD).The BoD finalizes the action plans for high and very high risks and the budgets of the investments required for the management of these risks. The SMC consists of the following members:
• Vice General Managers (Mng)
• Group Mng.
• Strategic Planning Mng.
• Talent Management and Organizational Development Mng.
• R&D and Process Tech. Mng.
• Corporate Risk Mng.
• Corporate Communications Mng.
• Marketing and Sales Operations Mng.
• Environmental Executive
• Sustainability Executive
The SMC presents the outputs of their studies to the EC with the reports and this information is consolidated along with the reports prepared by other C-suite officers in the EC and presented to the BoD by the CEO.

Name of the position(s) and/or committee(s)
Other, please specify (Board of Directors)

Water-related responsibilities of this position
Managing annual budgets relating to water security
Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
While acting as the final decision maker for risks and opportunities, the CEO who led the Excom reports to Board of Directors and BoD finalizes the budgets of action plans, and investments targeting the management high and very high risks.

Name of the position(s) and/or committee(s)
Chief Sustainability Officer (CSO)

Water-related responsibilities of this position
Conducting water-related scenario analysis
Setting water-related corporate targets
Monitoring progress against water-related corporate targets

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
The CSO conducted water related scenario analysis in 2022. and the result has been inserted to water related risk assessment. Water related corporate targets are ongoing but in 2023 we plan to monitor our water consumption in detail by the investments of sub-meters. The monitoring result provided by the sub-meters will be used to define new water related corporate targets.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

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

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Chief Executive Officer (CEO) Chief Sustainability Officer (CSO) Chief Technology Officer (CTO)	Reduction in water consumption volumes – direct operations Improvements in water efficiency – direct operations Implementation of employee awareness campaign or training program on water-related issues Supply chain engagement		The CEO is the main responsible actor for the performance displayed by Çimsa in relation to defined KPIs. There has been a direct financial incentive system based on the achieved sustainability targets including water related issues for the CEO. In line with the defined roadmap of Çimsa, the incentive is assessed according to four pillars namely, emission reductions, use of substitutes, use of alternative fuels and ensuring energy efficiency. To elaborate on this point, incentivized KPIs basically focus on reducing the energy per ton of clinker, decreasing the use of fossil fuels, reducing the clinker/cement ratio, increasing the use of alternative raw materials that can serve as substitutes and reducing plastic and waste in all over the company. COO is a member of Sustainability Management Committee. The assessment and management of the risks and opportunities related to operations fall under the responsibility of the COO including water related ones. In this regard, the defined main KPIs state three core reductions: reducing the energy per ton of clinker, the use of fossil fuels and clinker/cement ratio. By referring to these three points, yearly evaluations are conducted for the assessment of sustainability performance displayed by the COO. In this framework, sustainability objectives are categorized as short term and long term and the achieved progress that is in line with the foreseen timeline is objectively rewarded through financial incentives.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	<Not Applicable>	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Our company strategy is to track the environment-related engagement activities across different business divisions continuously and attend platforms such as Climate Change Committees of Ministry of Environment and Urbanization, TCMA (Turkish Cement Manufacturers Association), and Association of Turkish Construction Material Producers (IMSAD).

We take an active role especially in associations on sustainability, water security, climate change, and environmental pillars. We develop common solutions about water security, climate change, and environmental issues, share studies, learnings, and enhancements in production processes; share targets about climate change inline with all companies related to the Sabancı Holding.

Turkish Cement Manufacturers Association, in the cement industry, efforts are driven to decrease GHG emissions.

Also, Çimsa became the first and only Turkish company joining the *Global Cement and Concrete Association*.. As sustainability committee members, we take part in task forces of GCCA related water issues since 2013. GCCA creates a unique platform where members can share information at national, regional, and international levels, discuss their best practices, and make decisions by taking advantage of their experiences. Through the annual forum meetings, GCCA members are able to discuss the current situation and development areas in various sustainability issues.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	16-20	CIMSA places a strong emphasis on gradually and consistently reducing specific water consumption. Our primary goal is to achieve a specific water consumption level of 0.30 m3/ton-cement by 2030, which represents a significant decrease from the 0.44 m3/ton-cement level recorded in 2022. Considering the potential for operational enhancements and the progress we have already made, we will set even more ambitious targets in the future. In upstream operations as well as during manufacturing processes and other activities under our CIMSA's operational control. Furthermore, we have a business objective of reducing water consumption downstream by promoting the use of our sustainable product portfolio. In this regard, we actively concentrate on expanding our range of products to include options that require less water.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	16-20	CIMSA primarily depends on wells and municipal water as the main sources of fresh water. Our primary goal is to decrease fresh water consumption, exploit technologies and operational enhancements leading to water saving, enhance the rate of water reuse, in a close loop, and minimize water discharge. These objectives form the foundation of our long-term strategy. To meet operational needs such as gravel and sand washing or machinery cooling, we are actively striving to increase the utilization of recycled water while concurrently reducing our overall water usage. Also, we deploy water saving technologies for washing and cleaning purposes. For instance, in 2022, investing in an automatic washing system for transmixers in ready-mixed concrete plants has proven to be advantageous. The primary objectives of this investment include saving time compared to manual washing, reducing fuel consumption, minimizing the carbon emissions released into the environment, and decreasing water usage - 72,258,201 liters of water, 64,229 liters of diesel fuel, and 642,295 minutes of time. Moreover, we place significant emphasis on research and development as well as product development endeavors, aiming to broaden our portfolio of products that have a minimal impact on water resources.
Financial planning	Yes, water-related issues are integrated	16-20	In recent years, we have witnessed a clear upward trend in municipal water prices, and this pattern is expected to persist due to ongoing investments in infrastructure, such as dams and channel constructions. Consequently, it is anticipated that these efforts and associated investments will be reflected in water prices in the coming years due to growing demand and adaptation measures. Despite this ongoing trend, water prices have remained relatively low. When evaluating the potential risk of water prices to our revenue in 2021, it was determined to be less than 1% and lacked significant strategic importance according to our established risk management procedure. While initially the impact of these increasing prices on our overall cost structure was considered insignificant, we conducted a thorough analysis in 2022 to assess the potential consequences. Depending on water stress and unavailability, the potential revenue loss was integrated into our financial planning. Given that water is crucial for our operations, particularly for need, we anticipate that any potential scarcity could hinder Çimsa's production. We envision a future where increased water stress leads to a decline in production capacity and a potential loss in revenue. We assume that the unavailability of water, resulting in reduced production volume, directly translates into revenue loss. We will calculate this value on an annual basis, considering assumptions about production volume for each year.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

60040.95

Anticipated forward trend for CAPEX (+/- % change)

10

Water-related OPEX (+/- % change)

38.5

Anticipated forward trend for OPEX (+/- % change)

10

Please explain

The exponential increase in CAPEX arised due to installmests and renewals of water meters in 2022. Even tough 60 fold increase in annual base cannot be sustained, at least 10% of increase of CAPEX in yearly basis in a linear projection is targeted in 16-20 years scope.

OPEX increase is due to the maintenance costs and operational expenses. An increase of 10% in annual basis is also targeted for OPEX expenses in 16-20 years scope.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	As part of evaluation of climate change driven chronicle risks, we follow up the findings and assessments of climate science authorities- particularly AR6 pointed out increasing frequency and impact of hydrological drought for Southern Europe with increasing stress. Considering the global commitments which are already posing 2.7 C global warming of surface temperature, we based our analyses on RCP 4.5 scenario in our company-wide risk assessment processes in 2021. Considering the special sensitivity of Mediterranean region where our plants and facilities are concentrated, we updated our scenario analysis with RCP 6.0 scenario in 2022 after revising the risk level in accordance with the impact and frequency of actual extreme events. Our board-level executives and strategy developers are informed about these climate science and hydrological facts regularly and ISO14046 processes, in return water management actions are updated accordingly.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related Socioeconomic Other, please specify	CIMSA uses a mixed model having both qualitative and quantitative parameters which are influential on its assessments. Demograpghic dynamics, growth in construction sector , demand for construction materials are taken from IEA NZE 2050, SSP1-1.9 scenarios and also mingled with CIMSA's expansion strategies in invested markets. Other parameters that are influencing our scenario analysis are , as previously followed, precipitation amount (daily, seasonal, annual), change in precipitation pattern - rain density and rain season shift-, number of consecutive unrainy days, dam reservoir fill rates in dams neighbouring our facilities. Furthermore, growth rate of population of cities - where we have plants- and industrial water demand are taken as given factors causing water stress with increasing weight. We take into account recent findings and conclusion of IPCC for our geography, statistical sources available in official meteorology and hydrology institutes. Shift in precipitation pattern - i.e. rainy season at late spring is shifted towards early summer- points to the increased probability of pluvial flooding as an acute risk- stated with medium confidence for Mediterranean region in AR6. After an unrainy spring precipitation season, we assume heavy rain load in early summer which may lead to pluvial flooding. We monitor the capacity and sufficiency of our water channeling and drainage system and evaluate if there is need for further infrastructure investments. Concerning the chronic risk of sustained high temperatures, we follow monthly dam reservoir fill rate, number of unrainy days and also yearly precipitation. Particularly, dam fill rates - monitored via staying under critical levels during summer and autumn seasons bring the risk of water scarcity in late autumn and early winter. In 2022, in collaboration with financial institutes and consultancy companies we detailed our scenario analyses, pointing out plant and product specific outcomes of water scarcity , particularly in production continuity and capacity . The scenarios are currently analyzed under 1.5C and 3.5 C scenarios, defining Eskişehir and Mersin facilities as under high water stress and white cement as critical product group- consuming 20 times more water in comparison to gray cement-. After determination of high risk plants and products, potential outcomes are portrayed in more detail depending on production capacity and expected cement prices.	Especially in summer season, we experience climate change driven acute risks like pluvial flooding and chronicle risks like hydrological drought simultaneously. Heavy summer rains posing serious pluvial floods can be followed by consecutive unrainy weeks causing water scarcity problem particularly in late autumn. Considering the longer lasting dry seasons combined population pressure, water scarcity might bring water use restrictions or water usage limits on different sectors. In this regard, we are monitoring our maximum daily water need on dry season, and try to figure out our reliance on municipality water and conduct a what-if analysis if the water allocation might be enough for our needs under water restrictions. Furthermore, we conducted a financial impact analysis based on volatility on water price and effect of disruption in business continuity. As outcome of analysis, that water price is not expected to change significantly and will not have high impact on operations. However, we assume that water unavailability, thus reduction in production volume would determine direct loss of revenue. We compute this value on yearly basis on forecasted production volume and cement prices. Another outcome is projected increasing capex and opex cost, as we are planning to build resilience towards that heavy rain load with increasing impact and frequency and water scarcity lasting along unrainy weeks.	Our main business strategy is to reduce water use in our value chain, primarily starting from our production processes, continuing along upstream and downstream activities. Deploying water saving measures and operational enhancements, switching to water saving technologies are prioritized in activities under our operational control. Considering long lasting dry seasons and depleting water reservoirs, we base our water management strategy on increasing re-use cycles of used water, increase re-used water rate and decrease amount of withdrawn water. By these means we aim to maintain close-loop water use and decrease our impact on water reservoirs we rely on. All of our R&D projects and circular economy centered practices are related to lowering water need in our value chain. Through R&D and engagement activities, expanding our sustainable product portfolio is also prioritized for downsizing the use of water in downstream activities -mainly conducted by our clients. Fluvial and pluvial floods also pose serious risks to facilities, quarry sites and access to raw material and production inputs. Considering these risks, we evaluate the risk level we are exposed and develop resilience by increasing water channeling and drainage systems inside and around our facilities. In this regard, investment in water drainage, channeling -for extreme precipitation- and also water harvesting - for hydrological drought- are evaluated under short to medium term investment planning.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

Water-related risks are very low in our revenue however we still have systems to manage the water. But we don't use any internal pricing while we manage our water consumption.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Other, please specify (We primarily target decreasing water consumption per ton clinker around 20% till 2030 in comparison to 2020. Productwise special targets are under crystallization and R&D processes are going.)	Specific water consumption reduction is prioritized. Product wise R&D is continuing for development of products with low water impact properties. HyperCog is a digitalization project with the outcome of Human-Machine Interface (HMI) module which was developed to decrease energy consumption, water consumption and fuel consumption in white cement production lines. Image processing/machine learning technologies are used within the scope of the HyperCOG project on digitalization, which is one of Çimsa's priority areas. The project aims to ensure efficiency in the white cement production line, increase product quality by optimizing the use of natural resources, and reduce environmental impact.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	No, but we plan to within the next two years	Since the discharged water quality is almost the same as the domestic wastewater quality; we do not have a target. However, we are planning to define a target in two years.
Water withdrawals	Yes	<Not Applicable>
Water, Sanitation, and Hygiene (WASH) services	No, but we plan to within the next two years	We are planing to define a target for water, sanitation and WASH services.
Other	No, and we do not plan to within the next two years	

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number
Target 2

Category of target
Water withdrawals

Target coverage
Company-wide (direct operations only)

Quantitative metric
Reduction in total water withdrawals

Year target was set
2019

Base year
2019

Base year figure
1671757

Target year
2030

Target year figure
997415

Reporting year figure
2955737

% of target achieved relative to base year

-190.404868746126

Target status in reporting year
Underway

Please explain
Our total withdrawal water amount is 1,671,757 megaliters in 2019 which is defined as the base year. We aim to reduce our total water withdrawal by 25% by 2030 company-wide. In the reporting year, the total amount of withdrawn water is 2,955,737 megaliters.
In 2022, water consumption increased due to business activities. It is aimed to reduce water amount by taking relevant actions.
We will continue to work on the most efficient use of water resources in the upcoming period. We will implement new projects aimed at developing measuring equipment, increasing the efficiency of treatment plants, and reducing specific water consumption.
We focused on analyzing the current status for tracking the use of water based on facilities in 2022, creating water use maps and completing the infrastructure requirements. We are going to implement many projects in 2023 to reduce specific water consumption by installing smart water meters in all our plants and actively monitoring water use data. In 2022, we identified water efficiency projects focused on white cement, aiming to eliminate the increase in water consumption. We are planning to reach our 2025 and 2030 targets in this regard.

Target reference number
Target 3

Category of target
Water withdrawals

Target coverage
Company-wide (direct operations only)

Quantitative metric
Reduction in total water withdrawals

Year target was set
2020

Base year
2020

Base year figure
0.38

Target year
2030

Target year figure
0.3

Reporting year figure
0.41

% of target achieved relative to base year
-37.5

Target status in reporting year
Underway

Please explain
In the reporting year, 0.41 m3 of water was consumed, per tonne of cement produced. It means that the water consumption per cement produced has increased by 7.9% compared to the base year,2020. It is aimed to decrease it to 0.30 m3 by 2030 which also means that 62% reduction by 2030, compared to the base year. We will continue to work on the most efficient use of water resources in the upcoming period. We will implement new projects aimed at developing measuring equipment, increasing the efficiency of treatment plants, and reducing specific water consumption.
We implemented “Ready-Mixed Concrete Facilities Transmixer Automatic Washing System Project” and provide to save time, save diesel fuel consumed during manual washing, reduce the amount of carbon released into the environment and reduce the amount of water used for washing.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
Yes
Çimsa_Limited Assurance EFR ENG Opinion.pdf
ENV-WFP-OPI_VER_it-en_(08-2022)_Cimsa_12072023.pdf

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	The following parameters have been verified by an accredited third party: - Water withdrawals – total volumes - Water withdrawals – volumes by source - Water discharges – total volumes - Water discharges – volumes by destination - Water discharges – volumes by treatment method - Water consumption – total volume - Water recycled/reused	Other, please specify (ISO 14046 Water Management Standard)	2021 water data of Çimsa is verified by a third party as per ISO 14046 Water Management Standard.
W1 Current state	The following parameters have been verified by an accredited third party: - Water consumption (m3) - Water recycled and reused (m3) - Total amount of discharged water (m3)	ISAE 3000	2021 water data of Çimsa is verified by a third party as per ISAE 3000.

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Not mapped – but we plan to within the next two years	<Not Applicable>	

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Not assessed – but we plan to within the next two years	<Not Applicable>	

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Not assessed – but we plan to within the next two years	<Not Applicable>	<Not Applicable>	

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	No – but we plan to within the next two years	<Not Applicable>	<Not Applicable>	

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	No	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.
Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below
I have read and accept the applicable Terms