

PROJECT ÇİMSA
STAKEHOLDER ENGAGEMENT PLAN



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

Contents

1	INTRODUCTION	1
1.1	Background	1
1.2	Objectives of the SEP	1
2	Project Information	2
2.1	ÇİMSA	2
2.2	Eskişehir Cement Plant	2
2.3	The Project	2
3	Project's Expected Benefits, Potential Impacts and Mitigation Measures	5
4	Policies of ÇİMSA and National and International Requirements	7
4.1	Relevant Policies of ÇİMSA	7
4.2	National Regulatory Requirements	7
4.3	EBRD's Performance Requirements	8
5	Stakeholder Identification	9
5.1	External Stakeholders	9
5.2	Internal Stakeholders	12
5.2.1	Stakeholder Identification Summary	13
6	Existing Stakeholder Engagement	15
7	Stakeholder Engagement Programme	16
8	Disclosure and Consultation	19
9	Grievance Redress Mechanism	20
9.1	Existing External Grievance Mechanism	20
9.2	Further Actions	20
10	Resource and Responsibilities	22
11	Monitoring and Reporting	22

ABBREVIATIONS

Acronym	Description
Company	Çimsa Çimento Sanayi ve Ticaret A.Ş. (ÇİMSA)
CSR	Corporate Social Responsibility
E&S	Environmental and Social
EBRD	European Bank for Reconstruction and Development
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
GBVH	Gender Based Violence and Harassment
GHG	Greenhouse Gas
PR	Performance Requirement (of the EBRD)
RDF	Refuse-Derived Fuel
SEP	Stakeholder Engagement Plan
SPP	Solar Power Plant
WHR	Waste Heat Recovery

1 INTRODUCTION

1.1 Background

The European Bank for Reconstruction and Development (the “EBRD” or the “Bank”) has provided a loan to Çimsa Çimento Sanayi ve Ticaret A.Ş. (“ÇİMSA” or “the Company”) to finance the Company’s decarbonisation investments at its Eskişehir cement Plant which involves technological improvements and renewable energy investments (i.e., solar power plant and waste heat recovery).

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

1.2 Objectives of the SEP

This SEP aims to:

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

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

2 Project Information

2.1 ÇİMSA

ÇİMSA, a subsidiary of Sabancı Holding, was founded in Mersin in 1972. The Company carries out its manufacturing operations via its three integrated factories in Mersin, Eskişehir and Afyonkarahisar, Türkiye and globally with one integrated cement plant in Buñol, Spain, one cement grinding plant in the USA, terminals in Germany, Spain, Italy and TRNC. The Company provides the necessary materials for long-lasting living spaces and infrastructures and pioneers the Turkish cement and building materials industry in terms of innovation via its special products including white cement and calcium aluminate cement, in addition to the grey cement. Focusing on profitable growth and creating value for all its stakeholders, the Company aims to sustain and expand these achievements in the future.

2.2 Eskişehir Cement Plant

Eskişehir cement Plant (“the Site”) is located in Tepebaşı district of Eskişehir province located in western Türkiye (Figure 1). The Site is engaged in the production of clinker and cement where cement manufacturing process is mainly comprised of raw material mining, raw material preparation, clinker and cement production, milling and packaging. The operations started in Eskişehir cement Plant in 1957 and ÇİMSA acquired the Site in 2005.

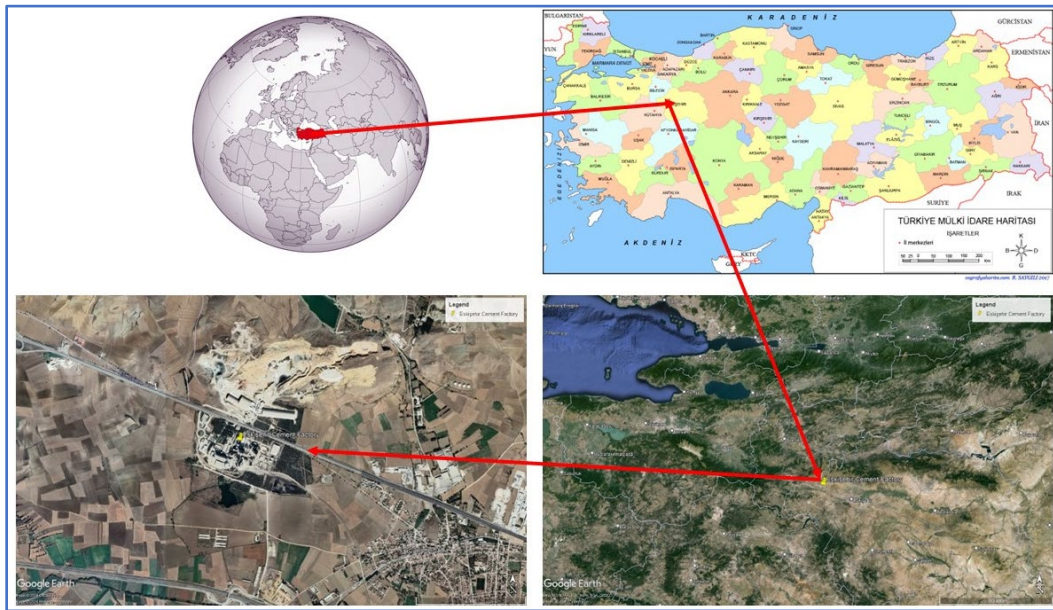


Figure 1. Location of Eskişehir Cement Plant

The Site is located in an agricultural and residential setting where the nearest residential area is Çukurhisar neighborhood, located approximately 1.2 km to the east of the Site.

2.3 The Project

The proceeds of the EBRD Loan will be used for the Company’s decarbonisation investment program which includes installation of (i) 10.8 MWe solar power plant, (ii) 5.5 MWe WHR power plant, and (iii) complementary process and technology upgrades at Eskişehir plant as part of the Company’s decarbonisation strategy.

The waste heat recovery system entails the collection of waste heat generated in the After Quenching Chamber (AQC) and Pre-Heater (PH) of the 2nd Rotary Kiln by AQC and PH boilers and subsequent use of heat to evaporate cyclopentane which will be used to rotate turbines and generate electricity in the

waste heat recovery energy facility that operates based on the principle of Organic Rankine Cycle (ORC). A high-level process flow is illustrated in Figure 2.

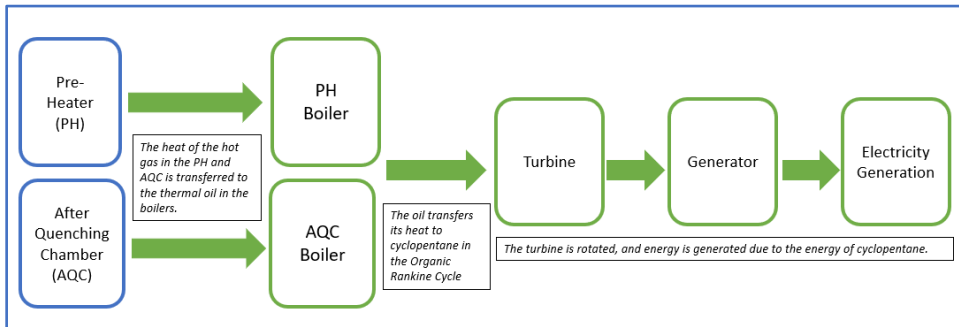


Figure 2. High-level process diagram of the WHR system

As reported by ÇİMSA representatives, the installed capacity of the WHR facility is 5.5 MWe (gross). The Company expects 500 kWh internal energy consumption and the net production to be 5 MWe (net). The WHR facility is expected to meet 25% of internal energy demands of Eskişehir cement Plant with an estimated annual electricity generation of 40,000 MWh. Enerjisa, another subsidiary of Sabancı Holding, is the main contractor for the WHR project and was implementing the construction works with several subcontractors (Figure 3) in March 2024. According to the latest schedule made available by ÇİMSA, it is planned to commission the WHR facility in December 2024.



Figure 3. View from construction works of the WHR facility

As part of its decarbonization strategy, ÇİMSA also plans to commission a solar power plant (SPP) with 10.8 MWe/14.2MWp/14.2 MWm installed capacity within the scope of the Regulation on Unlicensed Electricity Generation in the Electricity Market which allows offsetting electricity consumption of the companies with renewable energy generated by renewable energy plants, such as solar power plants. According to annual production estimations, the SPP is expected to generate around 20,000 MWh electricity annually (Figure 4).

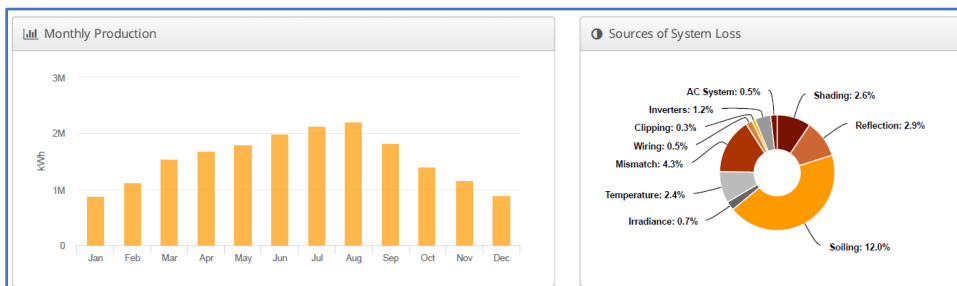


Figure 4. Monthly production and sources of system loss prediction

A high level schematics of the SPP layout is presented in Figure 5.



Figure 5. Early design schematics of the SPP

The Company has obtained the legally required call letter (official consent to connect to the 154 kV ÇİMSA Eskişehir Transformer Center (154 kV switchyard, already owned by ÇİMSA) from Turkish Electricity Transmission Corporation (TEİAŞ in Turkish) upon its application on 31.05.2023.

The Environmental Impact Assessment (EIA) Status of the Project

The Environmental Impact Assessment (EIA) Status of the Project. The AIGK facility is considered outside the scope of the EIA regulation as it does not lead to an increase in investment capacity. On the other hand, the Solar Power Plant (SPP) project falls under the current EIA Regulation, Annex-I, Section 43, "Solar energy plants with a project area of 20 hectares or more or installed power of 10 MWe or more." Accordingly, the Company has prepared the legally required EIA report. The final draft EIA report was approved by the Ministry of Environment, Urbanization and Climate Change (MoEUCC) on 15.11.2023, and the EIA Positive document was issued by the MoEUCC on 19.05.2024.

3 Project’s Expected Benefits, Potential Impacts and Mitigation Measures

The Project’s potential environmental and social impacts were assessed during Project’s Environmental and Social Due Diligence (ESDD) study conducted in March 2024. The ESDD entailed consultations with stakeholders to understand the Project’s potential risks, impacts and mitigations to reduce identified negative impacts, and to expand positive impacts. Categorized B under the Environmental and Social Policy (2019) of the EBRD, the Project will support ÇİMSA’s decarbonisation strategy and will help contribute to meeting the national targets related to climate change targets and to the reduction of greenhouse gas (GHG) emissions and increased energy efficiency. The Projects’ key environmental and social gaps, risks and potential adverse impacts as well as the mitigation measures to be taken by ÇİMSA are summarised in Table 1.

Table 1. Project’s key E&S risks and impacts and the associated mitigation measures

Gap/Risk/Impact Description	Mitigation Measure
<p>The nature of cement operations result in onsite and offsite potential dust generation which needs to be managed systematically through a management plan with a dedicated monitoring component.</p> <p>Existing and Project related activities have direct and indirect impacts on internal and external stakeholders, particularly the local communities and sensitive receptors in the vicinity of Eskişehir cement Plant.</p>	<p>ÇİMSA will develop a standalone community health and safety risks assessment of existing and Project related risks to the local communities.</p> <p>ÇİMSA shall undertake a comprehensive survey to map dust sources and impacted receptors and develop and implement a Dust Management Plan, integrating existing dust reduction actions implemented onsite, to reduce flue gas and fugitive dust emissions and minimise potential impacts on the workforce and local communities potentially impacted from Company operations. The Dust Management Plan shall be applied for the area of influence of ÇİMSA operations in Eskişehir, taking into account the quarries, as well as the receptors along the access roads and within the nearby settlements. The Plan shall be based on sound methodologies for the development of a dust source inventory, maintenance, operational controls and ambient dust monitoring.</p> <p>ÇİMSA will develop and implement a Road and Traffic Safety Management Plan to address the risks associated with transportation of raw materials used in cement production from the quarries to the Plant, transportation of waste to the Plant for RDF, transportation of the produced cement to customers as well as transportation of solar panels and construction equipment to the SPP area.</p>
<p>There is room for improvement in terms of aligning the existing cement manufacturing operations with international standards and best available techniques.</p>	<p>As a good industry practice and on a best effort basis, ÇİMSA will improve the existing operations to align the Company with the EU Directive (2010/75/EU) on industrial emissions and the associated BAT Conclusions for the Production of Cement, Lime and Magnesium Oxide and undertake a detailed technical study report to explore options and opportunities to adopt the best available techniques presented in the BAT Conclusions for the Production of Cement, Lime and Magnesium Oxide Production.</p>
<p>There is room for improvement to further reduce the greenhouse gas emissions associated with the Company operations.</p>	<p>ÇİMSA will develop and implement a GHG Reduction Plan in accordance with the decarbonisation strategy of the Company. ÇİMSA has also identified GHG emission reduction pathway based on Science-Based Targets Initiative (SBTI). ÇİMSA’s shall implement the following strategies as part of its decarbonisation pathway:</p> <ul style="list-style-type: none"> • Increasing the use of alternative resources to reduce the use of fossil fuels and natural resources • Transition to a sustainable product portfolio containing low clinker and high additives to support the transition to a low carbon economy • Applications of decarbonised raw materials with low carbon density • Renewable energy production and supply (e.g. SPP project) • Process optimization and energy efficiency (e.g., WHR project) <p>Technology improvement and new technology investments</p>
<p>The external stakeholders of ÇİMSA need to be engaged systematically and the external</p>	<p>ÇİMSA will implement a stakeholder engagement plan (SEP) and the external grievance mechanism. The SEP, in particular the external</p>

Gap/Risk/Impact Description	Mitigation Measure
grievances need to be formally addressed through an external grievance mechanism.	grievance mechanism, will be disclosed via the corporate web site and will be made available physically to local communities impacted from the Project (e.g., at the mukhtar’s office, village tea house, at SPP area entrance, etc). All grievance shall be recorded and responded in line with the steps defined in the external grievance mechanism.

ÇİMSA is committed to manage the environmental and social impacts of the Project in compliance with the requirements of applicable national legislation as well as EBRD’s Environmental and Social Policy (2019) and the associated PRs.

4 Policies of ÇİMSA and National and International Requirements

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

- Relevant Turkish national legislation
- EBRD's Environmental and Social Policy (2019) and the associated Performance Requirement (PR) 10

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

4.1 Relevant Policies of ÇİMSA

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

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

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

4.2 National Regulatory Requirements

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

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

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

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

Law on the Right to Information (No. 4982)

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

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

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

4.3 EBRD's Performance Requirements

The main applicable international standard for the Project, EBRD's Performance Requirements (PRs) within Environmental and Social Policy (2019), aligned with the approach of the United Nations Economic Commission for Europe (UNECE) Aarhus Convention, identify the environment as a public good and considers stakeholder engagement as an essential part of good business practices, corporate citizenship, and a way of improving the quality of projects.

Performance Requirement 10 of Environmental and Social Policy of EBRD is specifically focusing on information disclosure and stakeholder engagement requiring:

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

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

5 Stakeholder Identification

Individuals or groups with the following characteristics can be identified as stakeholders:

- Those directly or indirectly affected or influenced by the operations of Eskişehir cement Plant.
- Those directly or indirectly affected or influenced by the Project.
- Those who has interest in the operations of ÇİMSA.
- Those who has interest in the Project and Project activities.
- Those who can influence the Project and its planned outcomes.

Stakeholders of the Project are classified into internal (working in the Project or for its key contractors, directly involved in and benefitting from the Project) and external (not working in the Project and not involved in the Project).

Existing operation of ÇİMSA as well as the SPP component of the Project may have impacts on the residents of the nearby village of Çukurhisar, agricultural areas along the access road to the raw material mines (particularly to Göztepe mines), poultry farmers, and herders grazing their animals in nearby pastures, as well as drivers using the regional roads. To facilitate these engagements, the development and implementation of a Stakeholder Engagement Plan is imperative, commencing with the identification of stakeholders.

5.1 External Stakeholders

Local Communities

Eskişehir cement Plant is located approximately 1.2 km to the west of Çukurhisar neighborhood (old and new Çukurhisar neighborhoods). As such, the local communities in Çukurhisar may be negatively impacted by the routine operations of Eskişehir cement Plant (Figure 6). In addition, access roads leading to Göztepe mines operated by ÇİMSA (as shown with the red line in Figure 7) pass through agricultural plots and areas where animal husbandry is practiced. Trucks carrying raw materials to Eskişehir cement Plant may lead to potential dust problems and road safety risks to the sensitive receptors along the access road.



Figure 6. ÇİMSA Eskişehir Plant/raw material quarry and Çukurhisar settlement

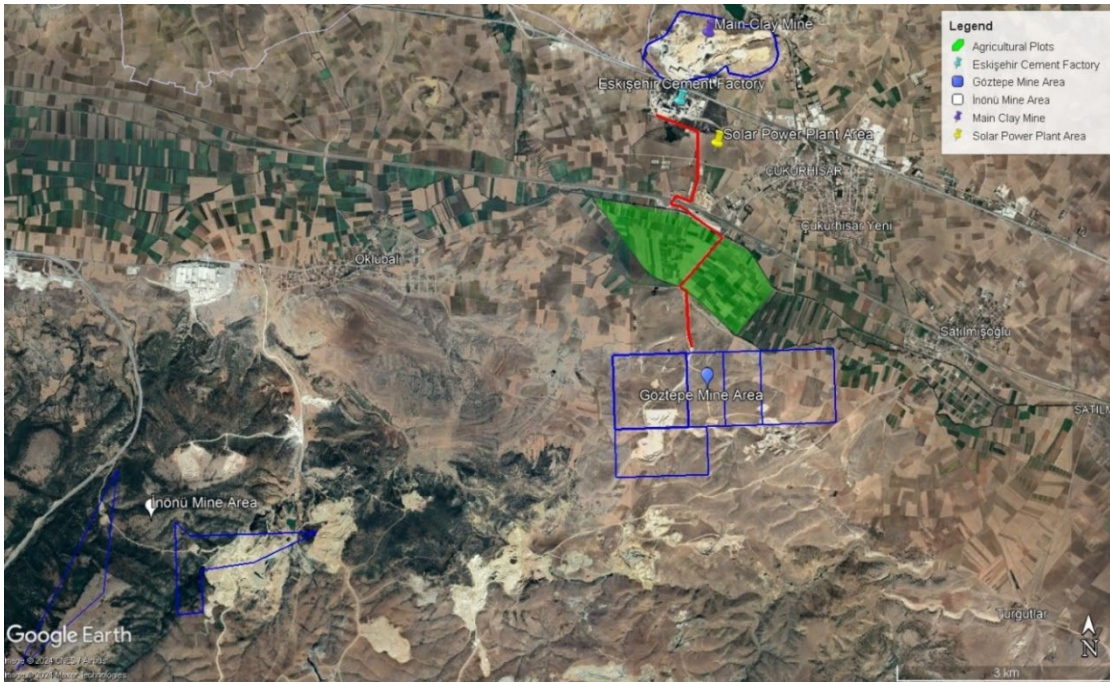


Figure 7. Land use around Eskişehir cement Plant

Site levelling works, panel installations and regular use of construction equipment associated with the construction phase of the SPP will inevitably result in potential construction noise and dust generation and the nearby residential areas and land users, including local businesses such as poultry farms, may be negatively impacted from potential construction noise and dust (Figure 8).



Figure 8. Immediate land use near the SPP area

In addition to construction phase impacts (potential dust and noise), one of the significant impacts of solar power plants during operation phase may be the glint and glare effect as a result of the image or light created by direct sunlight or a bright sky reflected from the panels. It was observed during the site visit that there are receptors around the SPP area which may be negatively impacted from glaring impacts. As the access road from the Eskişehir Plant to the Göztepe mine passes adjacent to the SPP

area and from the proximity of poultry farms and residential areas, the impacts on these receptors need to be managed with utmost care. As the WHR project will be constructed within the borders of Eskişehir cement Plant, an impact on local communities is not anticipated.

Vulnerable Groups

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

Shareholders, Investors and Financial Institutions

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

National Governmental Organisations

National governmental organisation are of importance to the Project as they are responsible for implementation of applicable legislation and granting the required permits. These include:

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

Local Governmental Organisations

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

- Eskişehir governorship
- Provincial directorates of relevant ministries
- Tepebaşı district governorship
- Eskişehir metropolitan municipality
- Çukurhisar neighborhood mukhtars (old and new Çukurhisar neighborhoods)

Non-governmental organizations

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

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

Suppliers

Solar panel suppliers, Project related material suppliers, suppliers of materials/equipment for existing operations are considered important stakeholders for the Project.

Local Businesses

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

Media and press

- National TV channels and newspapers
- National online platforms related with cement industry and renewable energy
- Local newspapers (Eskişehir Anadolu Gazetesi, Esgazete, İstikbal Gazetesi, etc).

Customers

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

Academic Institutions, Universities, Educational Institutions

Academic institutions, universities and educational institutions contribute to research, education, and innovation within cement industry. These institutions engage in various collaborations, research projects, and knowledge exchange initiatives with the Plant, aimed at advancing technology, sustainability practices, and industry standards. Stakeholders particularly relevant for ÇİMSA and the Project include local vocational institutions and Eskişehir Anadolu University.

5.2 Internal Stakeholders

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

ÇİMSA Employees

ÇİMSA, a subsidiary of Sabancı Holding and one of the most prominent cement companies, operates three cement factories in Eskişehir (employing 211 persons), Afyon (employing 127 persons), and Mersin (employing 418 persons), along with a ready mixed concrete plant (employing 80 persons). Additionally, with its headquarters (HQ) in Istanbul and 125 employees, the Company's total workforce amounts to 961 employees (it should be noted that with the inclusion of the workforce overseas, the number amounts to 1,100 employees).

Contractors

ÇİMSA delegates various production-related tasks to its contractors. These tasks include raw material extraction and transportation and product packaging and transportation. Waste management is handled by another company, while meal and industrial cleaning services are provided by two separate companies. Additionally, The private security contractor of ÇİMSA, employs security guards on-site, while contractor shuttle drivers are responsible for transporting workers to and from Eskişehir cement Plant. Furthermore, there are additional project-based contractors, such as IT support and electrical maintenance personnel.

5.2.1 Stakeholder Identification Summary

The internal and external stakeholders identified for the Project is summarized in Table 2 below:

Table 2. Summary Stakeholder Identification Table

Stakeholder Groups	Definitive Stakeholders	Summary of Specific Interest/Relevance
External Stakeholders		
Local Communities	Residents of Çukurhisar neighbourhoods (old and new) Agricultural land users, herders (animal husbandry) along the raw material supply route to Göztepe mines Road users (access roads in the vicinity of Eskişehir cement Plant) Poultry farms Residential dwellings close to the SPP area	Community health and safety (environmental noise impacts, dust, glare impacts) Traffic and road safety Livelihood impacts External grievances Information disclosure Local employment
Vulnerable Groups	Local community members who have limited access to communication channels, disabled persons, women and children	Community health and safety Traffic and road safety External grievances Information disclosure Local employment
National Governmental Organizations	Ministry of Environment, Urbanization and Climate Change Ministry of Agriculture and Forestry Ministry of Energy and Natural Resources Energy Market Regulatory Authority (EMRA) TEIAS (Turkish Electricity Transmission Corporation) Ministry of Industry and Technology	Permits and licenses Official inspections/audits
Local Governmental Organizations	Eskişehir governorship Provincial directorates of relevant ministries Tepebaşı district governorship Eskişehir metropolitan municipality Mukhtars of old and new Çukurhisar neighborhoods	Permits Environmental and social issues Community health and safety Traffic and access roads External grievances
Non-governmental Organizations/ Professional Chambers	Chamber of Commerce and Industry Cement Manufacturers Association Agricultural cooperatives, and similar organisations	Environmental and social issues Lobbying Other collaboration opportunities (women empowerment, environmental protection, capacity building trainings etc.) R&D projects External grievances
Suppliers and contractors	Solar panel suppliers Raw material extraction and transportation contractor Packaging and transportation contractor RDF contractor	Supply chain management Salient labor rights and working conditions External grievances Community health and safety GBVH Traffic and road safety Environmental protection
Local businesses	Local businesses providing catering, technical materials, equipment and consumables for Eskişehir cement Plant	Local procurement
Media	National TV channels and newspapers National online platforms related with cement and renewable energy	Information disclosure External grievances

Stakeholder Groups	Definitive Stakeholders	Summary of Specific Interest/Relevance
	Local newspapers (Eskişehir Anadolu Gazetesi, Esgazete, İstikbal Gazetesi, etc).	
Academic Institutions, Universities, Educational Institutions	Eskişehir Anadolu University Local vocational schools	Education and training Research & development Information disclosure
Others	Customers Shareholders and Investors The EBRD	Financial, environmental and social sustainability Project finance, environmental and social monitoring

Internal Stakeholders

ÇİMSA employees	ÇİMSA employees	Internal grievances
Contractor employees	Contractors and sub-contractors and their	Capacity building
Truck drivers	employees	Stable employment and opportunity
Private security personnel		Occupational health and safety
		Human rights and GBVH
		Working conditions
		Traffic and road safety

6 Existing Stakeholder Engagement

The Stakeholder Engagement Policy and Plan of ÇİMSA was established on 20.12.2017. This framework includes the identification and periodic update of priority stakeholder groups and communication channels, with adjustments made based on environmental conditions. The prioritization matrix exercise was employed internally to determine the importance ranking of stakeholder priorities. During this process, each identified issue is evaluated and scored from both ÇİMSA's perspective and that of the relevant stakeholder group, leading to the emergence of focus areas for ÇİMSA.

Feedback, suggestions, complaints, and requests received through communication channels with stakeholders are considered in prioritizing actions. The parties identified in the plan as forming the stakeholder chain include employees, investors, customers, the public, suppliers, subcontractors, public institutions, academic organizations, Sabancı Group companies, financial institutions, non-governmental organizations, sectoral organizations-professional associations, media, and similar entities that may be affected by or may affect the Company's activities. However, records of past stakeholder engagements have not been kept.

7 Stakeholder Engagement Programme

The stakeholder engagement programme for the Project is presented in Table 3 below:

Table 3. Stakeholder Engagement Approach and Future Stakeholder Engagement

No	Stakeholders	Activity Level	Effect	Consultation Subjects	Consultation Method	Frequency	Period
A Local Communities							
1	Residents of Çukurhisar neighbourhoods (old and new) Agricultural land users, herders (animal husbandry) along the raw material supply route to Göztepe mines. Road users Poultry farms Residential dwellings close to the SPP area	Local	Directly affected	Community health and safety Traffic and road safety External grievances Livelihood impacts Local employment Information disclosure	Face-to-face meetings Brochure, leaflet Announcements posted in public areas Online tools – recruitment platforms Phone/Petition/E-mail Company website and social media accounts	Initial consultation before the start of construction works (to inform the stakeholders on the Project schedule, risk mitigation measures planned by ÇİMSA, SEP and the external grievance mechanism, etc) and as needed during important milestones (start of construction, busy traffic, recruitment/employment notices, etc).	Pre-construction, construction
						Quarterly	Operation
2	Vulnerable Groups	Local	Directly affected	Community health and safety Traffic and road safety External grievances Local employment Information disclosure	The Company to tailor and adopt appropriate engagement practices and tools to ensure the identification of vulnerable groups and their adequate access to information and participation	As needed during important milestones (start of construction, busy traffic, recruitment/employment notices, etc).	Pre-construction, construction
						Quarterly	Operation
B Public Institutions							
3	National governmental organizations	National	Affecting	Permits and licenses Audits Legal regulations	Face to face meetings Online meetings E-mail Official correspondence Phone	As needed	Pre-construction, construction and operation

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

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

8 Disclosure and Consultation

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

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

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

9 Grievance Redress Mechanism

9.1 Existing External Grievance Mechanism

The contact section of the Company's website (<https://cimsa.com.tr/en/contact/>) includes the address and phone number of the Eskişehir Cement Plant. Individuals who wish to make an external complaint can do so verbally through the phone number found in this section, either by contacting Çimsa Headquarters or Eskişehir Cement Plant switchboards:

Eskişehir Cement Plant: (0222) 411 32 00

Çimsa Headquarters: (0216) 651 53 00, (0216) 651 05 00, (0216) 651 03 85

9.2 Further Actions

The Company shall enhance its existing Grievance Procedure to comply with the EBRD PRs. In order to prevent and/or resolve any grievances in a timely and effective manner, EBRD PR10 requires establishing and maintaining a permanent mechanism for receiving and handling stakeholders' grievances, concerns and requests. The process of the Grievance Mechanism to be implemented by the Company are presented below:

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

- If the grievance holder's contact information is known, he/she will be notified when the grievance is received, answered and resolved. If it is necessary to contact the contractors/subcontractors for problem resolution or mitigation measures, the Company and contractors shall act together.
- A register of grievances will be kept. This register will include grievance status detail. Same process above will be in place for the applications received from The Presidency's Communication Center (CIMER).
- The news in press and social media will also be followed and recorded in a separate media/news log. Negative news and concerns raised through media channels/platforms will be analyzed and will be processed through the grievance mechanism. The mechanism shall entail a non-retaliation principle to allow the submission of grievances without fear of retaliation.

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

All projects financed by EBRD shall be structured to meet the requirements of the EBRD Environmental and Social Policy which includes ten Performance Requirements (PRs) for key areas of environmental and social sustainability that projects are required to meet, including PR10 Information Disclosure and Stakeholder Engagement. In addition, EBRD's Independent Project Accountability Mechanism (IPAM), as an independent last resort tool, aims to facilitate the resolution of social, environmental and public disclosure issues raised by Project-affected people and civil society organizations about EBRD financed projects among Project stakeholders or to determine whether the EBRD has complied with its ESP and the Project-specific provisions of its Access to Information Policy; and where applicable to address any existing non-compliance with these policies, while preventing future non-compliance by the EBRD.

10 Resource and Responsibilities

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

11 Monitoring and Reporting

The SEP will be periodically reviewed and updated, as necessary, during the course of the Project. ÇİMSA will record all incoming grievances. The SEP Monitoring Framework for the Project is described below in Table 4. In addition to the monitoring frequency indicated below, there will be annual monitoring to EBRD annually within environmental and social reports.

Table 4. SEP Monitoring Framework

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

APPENDIX A: TEMPLATE FOR GRIEVANCE FORM

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

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