

**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

To the General Assembly of
OYAK Çimento Fabrikaları Anonim Şirketi

1) Opinion

As we have audited the full set consolidated financial statements of OYAK Çimento Fabrikaları Anonim Şirketi ("the Company") and its subsidiaries ("the Group") for the period between 01/01/2021–31/12/2021, we have also audited the annual report for the same period.

In our opinion, the consolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

2) Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under *Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report* in detail. We declare that we are independent from the Group in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") issued by POA and ethical provisions stated in the regulation of audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3) Auditor's Opinion for the Full Set Consolidated Financial Statements

We have presented unqualified opinion for the Group's full set consolidated financial statements for the period between 01/01/2021–31/12/2021 in our Auditor's Report dated 7 March 2022.

4) **Emphasis of Matters**

As explained in detail Note 1 of the audit Report, Mardin Çimento Sanayii ve Ticaret A.Ş., Bolu Çimento Sanayii A.Ş., Adana Çimento Sanayii Türk A.Ş., Aslan Çimento A.Ş. and Ünye Çimento Sanayi ve Ticaret A.Ş. were merged and continued their operations under the name of OYAK Çimento Fabrikaları A.Ş. as of 14 May 2020. Additionally, as of 31 December 2020, OYAK Beton Sanayi ve Ticaret A.Ş. one of the subsidiaries of the Company, merged within OYAK Çimento Fabrikaları A.Ş. together with all its assets and liabilities. This matter does not affect our conclusion.

As stated Not 6 of the audit report, the Group has trade receivables from various customers that have declared concordat and whose legal processes are continuing. This matter does not affect our conclusion.

5) **Management's Responsibility for the Annual Report**

The Group's Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

- a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
- b) Preparing the annual report with the all respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Group's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
- c) The annual report also includes the matters stated below:
 - The significant events occurred in the Group's activities subsequent to the financial year ends,
 - The Group's research and development activities,
 - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Ministry of Trade and related institutions while preparing the annual report.

6) **Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report**

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

6) **Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report (cont'd)**

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit

The engagement partner on the audit resulting in this independent auditor's report is Nazlı İvak.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Nazlı İvak
Partner

İstanbul, 7 March 2022

OYAK ÇİMENTO FABRİKALARI A.Ş.

ANNUAL ACTIVITY REPORT



BOARD OF DIRECTORS' REPORT

PREPARED IN ACCORDANCE WITH COMMUNIQUE NO. II-14.1

01 JANUARY – 31 DECEMBER 2021

OYAK ÇİMENTO FABRİKALARI A.Ş.

ANNUAL ACTIVITY REPORT

A- GENERAL INFORMATION

1. Reporting Period

01/01/2021 - 31/12/2021

2.

- **Commercial Name** : OYAK Çimento Fabrikaları A.Ş.
- **Trade Registration Number** : 445644 (Mersis No: 0612005096100011)
- **Headquarters contact information** :
 - Address** : Çukurambar Mah. 1480. Sok. No:2 A/56
 - Address** : Çankaya/ANKARA
 - Phone** : 0(312) 220 02 90
 - Fax** : 0(312) 220 02 91
- **Website address** : www.oyakcimento.com

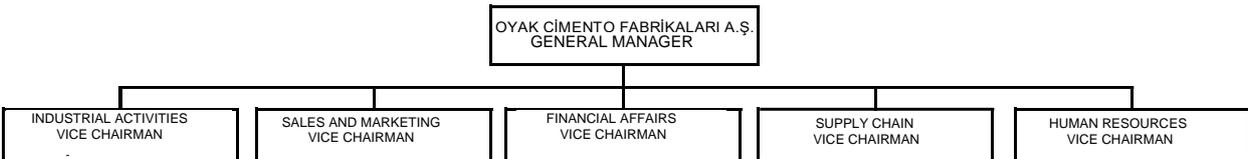
3. Shareholding Structure and Capital Distribution, Organization

Registered Capital Ceiling (TRY) : 1.500.000.000 TRY
Paid-in capital (TRY) : 1.159.793.441 TRY

Shareholders	Nominal Value (TRY)	Share of Capital (%)
OYAK Çimento A.Ş.	849.507.226,71	73,25
Other	310.286.214,29	26,75
Grand Total	1.159.793.441,00	100,00

There was no change in the partnership and capital structure during the period.

4. Organizational Structure of the Company



There was no change in the partnership and capital structure during the period.

5. Explanations on privileged shares and voting rights of shares

There are no privileged shares in the Company.

6. Information about the Board of Directors, executive officers and number of personnel

Board members are assigned in accordance with the provisions of the Articles of Association of our Company per the Turkish Commercial Code and related regulations. Changes during the period are made by the Board of Directors' decision subject to approval in the next Ordinary General Assembly. The Ordinary General Assembly of the Company for the year 2020 was convened on 31/03/2021.

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Members of the Board of Directors as of 31/12/2021:

Company	Duties	Term Start Date	Titles out of the Company
OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. (Person Acting on its Behalf: Suat ÇALBIYIK)	Chairman of the Board of Directors	20/09/2016	OYAK Group President - Cement Concrete Paper Sector In other OYAK Group Companies, he has the duties of Chairman of the Board of Directors / Deputy Chairman (as a representative).
OYAK Pazarlama Hizmet ve Turizm A.Ş. (Person Acting on its Behalf: Mehmet OKKAN)	Vice Chairman of the Board of Directors	10/06/2021	
ATAER Holding A.Ş. (Person Acting on its Behalf: Muammer ATİLA)	Board Member	10/06/2021	
OYTAŞ İç ve Dış Ticaret A.Ş. (Person Acting on its Behalf: Ramazan PATIR)	Board Member	10/06/2021	
OMSAN Lojistik A.Ş. (Person Acting on its Behalf: Adalet TUNÇER)	Board Member	19/03/2020	OYAK Subsidiaries Deputy General Manager for Monitoring and Financial Affairs OYAK Asset Management Inc.Sh.he has the duties of Deputy Chairman of the Board of Directors in OYAK and Member of the Board of Directors (as a representative) in other OYAK Group Companies
OYAK Denizcilik ve Liman İşletmeleri A.Ş. (Person Acting on its Behalf: Arda Kaan ALPMAN)	Board Member	10/12/2021	OYAK Treasury and Corporate Finance Director He has duties as a Member of the Board of Directors (as a representative) in other OYAK Group Companies.
Kazım YETİŞ	Independent Board Member (Chairman of the Audit Committee, Member of the Early Risk Detection Committee)	19/03/2020	Chartered accountant
Sezai Afif ENSARİ	Independent Board Member (Chairman of the Early Risk Detection Committee, Member of the Corporate Governance Committee)	19/03/2020	
Abdurrahman ÇELİKER	Independent Board Member Chairman of the Corporate Governance Committee, Member of the Audit Committee	19/03/2020	Director

Changes Made to the Board of Directors During the Period

The Independent Board Members have been assigned in the General Assembly meeting on 31/03/2021 until the next ordinary general assembly meeting, the Board Members other than the Independent Board Members have been assigned in the general assembly meeting on 19/03/2020 until the Ordinary General Assembly meeting regarding the activities in 2022.

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In the Board Meeting dated 31/03/2021;

- Mr. Volkan ÜNLÜEL has been appointed as the real person acting on behalf of OYAK Pazarlama Hizmet ve Turizm A.Ş., as of 31st of March 2021, replacing Mr. Hayati NAZİK, per the Board of Directors' decision of OYAK Pazarlama Hizmet ve Turizm A.Ş., which is a legal person that is a Board member of our Company,
- Mr. Alpaslan SİNAN has been appointed as the real person acting on behalf of ATAER Holding A.Ş., as of 31st of March 2021, replacing Mr. Mehmet Ali BAŞDOĞAN, per the Board of Directors' decision of ATAER Holding A.Ş., which is a legal person that is a Board member of our Company,
- Ms. Selda ÜNAL has been appointed as the real person acting on behalf of OYTAŞ İç ve Dış Ticaret A.Ş., as of 31st of March 2021, replacing Mr. Mustafa KOCAEREN, per the Board of Directors' decision of OYTAŞ İç ve Dış Ticaret A.Ş., which is a legal person that is a Board member of our Company
- OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. has been appointed as the Chairman of the Board of Directors (Person Acting on its Behalf: Suat ÇALBIYIK),
- OYAK Denizcilik ve Liman İşletmeleri A.Ş. has been appointed as the Vice President of the Board of Directors (Person Acting on its Behalf: İhsan Kağan BAYRAKTAR),

In the Board Meeting dated 10/06/2021;

- Mr. Mehmet OKKAN has been appointed as the real person acting on behalf of OYAK Pazarlama Hizmet ve Turizm A.Ş., as of 10th of June 2021, replacing Mr. Volkan ÜNLÜEL, per the Board of Directors' decision of OYAK Pazarlama Hizmet ve Turizm A.Ş., which is a legal person that is a Board member of our Company,
- Mr. Muammer ATİLA has been appointed as the real person acting on behalf of ATAER Holding A.Ş., as of 10th of June 2021, replacing Mr. Alpaslan SİNAN, per the Board of Directors' decision of ATAER Holding A.Ş., which is a legal person that is a Board member of our Company,
- Mr. Ramazan PATIR has been appointed as the real person acting on behalf of OYTAŞ İç ve Dış Ticaret A.Ş., as of 10th of June 2021, replacing Ms. Selda ÜNAL, per the Board of Directors' decision OYTAŞ İç ve Dış Ticaret A.Ş., which is a legal person that is a Board member of our Company,
- OYAK Pazarlama Hizmet ve Turizm A.Ş. (Person Acting on its Behalf: Mehmet OKKAN) has been appointed as Vice President of the Board, replacing OYAK Denizcilik ve Liman İşletmeleri A.Ş. (Person Acting on its Behalf: İhsan Kağan BAYRAKTAR) that had been serving as Vice President of the Board,
- OYAK Denizcilik ve Liman İşletmeleri A.Ş. (Person Acting on its Behalf: İhsan Kağan BAYRAKTAR) which had been serving as Vice President of the Board has been appointed as a Board member.

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In the Board Meeting dated 10/12/2021;

- Legal Entity Board Member of our company OYAK Maritime and Port Management INC.' As of 10 December 2021, OYAK Denizcilik ve Liman İşletmeleri A.Ş. As the representative of the real person acting on behalf of Mr. Instead of İhsan Kağan BAYRAKTAR, Mr. It was decided to appoint Arda Kaan ALPMAN.

Duties and Powers of the Board Members

The Chairman and Members of the Board of Directors have the duties and powers set out in the relevant articles of the Turkish Commercial Code and the Articles of Association of the Company.

Information About Board Members' and Executive Management's Titles out of the Company and The Declarations of Independent Board Members

Information about the Duties of the Board Members' Representatives and Managers Outside the Company is October in the Board Members' table as of 31/12/2021 and the Statements of the Independent Board Members regarding their Independence are included in ANNEX-1.

Numbers of Board Meetings Convened throughout the Year and Attendance by the Board Members to these Meetings

For the period 01/01/2021-31/12/2021, the Board of Directors has convened 20 times and 62 resolutions have been adopted. Board Members regularly attended these meetings.

Committee Members of the Committees of the Board of Directors, Frequency of Meetings, Working Principles, including the Activities to be Carried Out, and Evaluation of the Board of Directors on the Effectiveness of the Committees

In 2021, the Audit Committee has convened 5 time, the Corporate Governance Committee has convened 6 times, and the Early Risk Detection Committee has convened 6 time. Board Members regularly attended these meetings. Working guidelines for committees are available on www.oyakcimento.com.

The Company's Board of Directors has established the Audit Committee, the Corporate Governance Committee and the Early Risk Detection Committee in order to properly fulfill its duties and responsibilities and comply with Corporate Governance Principles, and has published the principles of the functioning of the Committees on the website. The Audit Committee and the Corporate Governance Committee of the Board of Directors meet every 3 months, and the Early Risk Detection Committee meets every 2 months and informs the board of directors in accordance with the purposes specified in the operating principles. Under the framework of the Corporate Governance Communiqué of the Capital Markets Board, the authority, duty and responsibility for the fulfillment of the tasks stipulated for the Nomination Committee and the Remuneration Committee are also assigned to the Corporate Governance Committee. No external consulting service has been procured by the committees throughout the year.

OYAK ÇİMENTO FABRİKALARI A.Ş.

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Committee	Duties	Name and Surname	Title	Meeting Frequency
Supervision Committee	Chairman	Kazım YETİŞ	Independent Member	Once every 3 month period, at least four times a year.
	Member	Abdurrahman ÇELİKER	Independent Member	
Corporate Governance Committee	Chairman	Abdurrahman ÇELİKER	Independent Member	Once every 3 month period, at least four times a year.
	Member	Sezai Afif ENSARİ	Independent Member	
	Member	Enes Ensari VARDAR	Investor Relations Manager	
Early Risk Detection Committee	Chairman	Sezai Afif ENSARİ	Independent Member	Once every 2 month period, at least six times a year.
	Member	Kazım YETİŞ	Independent Member	

Executive Officers

Executive Officers	Duties	Term Start Date
Ali PASTONOĞLU	OYAK Çimento Fabrikaları A.Ş. General Manager	18.08.2020
Kadir Kaan KAHVECİ	Vice Chairman - Financial Affairs	10.06.2020
Cem ÇELİK	Vice Chairman - Sales and Marketing	10.06.2020
Sabri Levent ÖZÇENGEL	Vice Chairman - Human Resources	10.06.2020
Ozan ERİNÇKAN	Vice Chairman - Supply Chain	10.06.2020

The number of our company personnel is 2.082 people, including 1.472 that are covered by collective agreements and 610 that are not covered by collective agreements.

Changes to Executive Officers during the Period

During the period, İlker Vedat ULUĞTEKİN Vice Chairman - Industrial Activities who worked in executive level has resigned his position at our Company.

7. Actions of Board Members with the company on behalf of themselves or someone else, as well as activities falling under non-competition

In the Ordinary General Assembly meeting held on 31/03/2021 regarding the activities of the Company for 2020, board members were granted permission for 2021 to carry out transactions within the framework of the relevant articles of the TCC. In this context, no transaction has occurred.

8. Employee and Worker Movements and Collective Agreement Practices and Rights and Benefits Provided to Employees and Workers

Personnel working in the Company, whether covered by collective agreements or not, work in accordance with the Social Insurance and General Health Insurance Law No. 5510, in terms of social security, and the Labor Law No. 4857 in terms of labor law.

OYAK ÇİMENTO FABRİKALARI A.Ş.

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The personnel's (not covered by collective agreements) personal rights are managed in accordance with the employment contracts signed by the Company and the employee, and the personnel's (covered by collective agreements) personal rights are managed in accordance with the provisions of the collective labor agreement. The workers are affiliated with the Turkish Çimse-İş union.

The new term Group Collective Labor Agreement negotiations, which started on December 22, 2021, between the Cement Industry Employers' Association (ÇEİS) and the Turkish Çimse-Work Union have concluded with an agreement as of January 28, 2022. According to the group collective labor agreement signed between 01.01.2022 - 31.12.2023, the net salary per hour received on 31.12.2021 of the workers who worked at the workplace on 01.01.2022 in the 1st year of the agreement and whose employment contract was continued on the date of the signing of the collective labor agreement, were paid as 01.01.2022 effective from the date of the contract, there will be a 43 percent increase in the net salary per hour. Workers who worked at the workplace on 01.01.2023 in the 2nd year of the contract and whose employment contract continues on 31.12.2022 will increase by CPI + 2 percent.

Amount of provision for severance pay allocated at the end of the period in accordance with Communiqué No. II-14.1 of the CMB is TRY 125.952.372.

9. Corporate Governance Principles Compliance Report

"Corporate Governance Principles" published by the Capital Markets Board are followed and applied during the period 01/01/2021 - 31/12/2021. The "Corporate Governance Principles Compliance Statement" published by the company is included in Annex-2.

10. Amendments to the Articles of Association

In the General Assembly meeting dated 31/03/2021, the following amendments were made to the articles of association.

FORMER TEXT	NEW TEXT
<p>Share and Share Transfer and Capital of the Company:</p> <p>Article 7 - The Company adopted the registered capital system in accordance with the provisions of the Capital Market Law (CMB) No. 6362 and transitioned to this system with the approval of the Capital Market Board dated 02.05.1991 and numbered 292. The Company's Registered Capital Ceiling Is 200,000,000.- TRY (two hundred million TRY). The Company's issued capital is 1,159,793,441, paid in full.- TRY. (one billion one hundred and fifty nine million seven hundred ninety three thousand and four hundred and forty one TRY)</p> <p>This capital is divided into 115.979.344.100 (one hundred and fifteen billion, nine hundred and seventy-nine million, three hundred and forty-four thousand and a hundred) shares with each at a nominal value of 1 Kuruş (one kuruş).</p>	<p>Share and Share Transfer and Capital of the Company:</p> <p>Article 7 - The Company adopted the registered capital system in accordance with the provisions of the Capital Market Law (CMB) No. 6362 and transitioned to this system with the approval of the Capital Market Board dated 02.05.1991 and numbered 292. The Company's Registered Capital Ceiling Is 1,500,000,000.- TRY (one billion five hundred million TRY). The Company's issued capital is 1,159,793,441, paid in full.- TRY. (one billion one hundred and fifty nine million seven hundred ninety three thousand and four hundred and forty one TRY)</p> <p>This capital is divided into 115.979.344.100 (one hundred and fifteen billion, nine hundred and seventy-nine million, three hundred and forty-four thousand and a hundred) shares with each at a nominal value of 1 Kuruş (one kuruş).</p>

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<p>The distribution of shares representing the issued capital is shown below. Cash: 168,391,920 shares, 1,683,919.20 TRY, funds of increase after reevaluation: 2,160,389,230 shares, 21,603,892.30 TRY, Positive Inflation Adjustment Difference: 6.673.309.350 shares, 66.733.093, 50 TRY, Extraordinary Reserves : 654.436.100 shares ,6.544.361,00 TL, status reserves: 1.295.873.400 shares,12.958.734, 00 TRY and 1.050.269.441 TRY increased capital, covered by the acquisition and merger of the companies Adana Çimento Sanayii T.A.Ş., Aslan Çimento A.Ş., Bolu Çimento Sanayii A.Ş. and Ünye Çimento Sanayii ve Ticaret A.Ş., along with all of the assets and liabilities and rights and obligations, in total, in accordance with art. 134 et. al. of the Turkish Commercial Code No. 6102, art. 19 and 20 of the Corporate Tax Law No. 5520, art. 23, 24 and other relevant articles of the Capital Markets Law No. 6362; the Communiqué on Merger and Demerger (II-23.2) and the Communiqué on the Common Principles Regarding Significant Transactions and the Right to Leave (II-23.1) and other relevant provisions of the legislation and per the principles agreed upon in the merger agreement executed by the companies merged therein dated.</p> <p>Shares issued in exchange for this increased amount of capital have been distributed, based on the merger and conversion ratios determined by the expert firm report dated February 10, 2020, to the shareholders of Adana Çimento Sanayii T.A.Ş., Aslan Çimento A.Ş., Bolu Çimento Sanayii A.Ş., Ünye Çimento Sanayii ve Tic. A.Ş., companies that were liquidated per the merger, free of charge.</p> <p>In accordance with the capital market legislation, all shares of the Company, except those traded on the stock exchange, are registered shares. The Company may not issue bearer shares except those that will be issued to be traded on the stock exchange.</p> <p>The Board of Directors is authorized to increase the issued capital by issuing bearer shares up to the registered capital ceiling when it deems necessary in accordance with the provisions of the CMB, between 2018-2022. The registered capital ceiling permit issued by the Capital Markets Board is valid for the years 2018-2022 (5 years). Even if, at the end of 2022, the authorized ceiling of the registered capital has not been reached, in order for the board of directors to decide on increasing capital after 2022, it is necessary to obtain authorization from the general assembly for a new period by obtaining permission from the Capital Markets Board for the previously authorized ceiling or a new ceiling amount. If such an authorization is</p>	<p>The distribution of shares representing the issued capital is shown below. Cash: 168,391,920 shares, 1,683,919.20 TRY, funds of increase after reevaluation: 2,160,389,230 shares, 21,603,892.30 TRY, Positive Inflation Adjustment Difference: 6.673.309.350 shares, 66.733.093, 50 TRY, Extraordinary Reserves : 654.436.100 shares ,6.544.361,00 TL, status reserves: 1.295.873.400 shares,12.958.734, 00 TRY and 1.050.269.441 TRY increased capital, covered by the acquisition and merger of the companies Adana Çimento Sanayii T.A.Ş., Aslan Çimento A.Ş., Bolu Çimento Sanayii A.Ş. and Ünye Çimento Sanayii ve Ticaret A.Ş., along with all of the assets and liabilities and rights and obligations, in total, in accordance with art. 134 et. al. of the Turkish Commercial Code No. 6102, art. 19 and 20 of the Corporate Tax Law No. 5520, art. 23, 24 and other relevant articles of the Capital Markets Law No. 6362; the Communiqué on Merger and Demerger (II-23.2) and the Communiqué on the Common Principles Regarding Significant Transactions and the Right to Leave (II-23.1) and other relevant provisions of the legislation and per the principles agreed upon in the merger agreement executed by the companies merged therein.</p> <p>Shares issued in exchange for this increased amount of capital have been distributed, based on the merger and conversion ratios determined by the expert firm report dated February 10, 2020, to the shareholders of Adana Çimento Sanayii T.A.Ş., Aslan Çimento A.Ş., Bolu Çimento Sanayii A.Ş., Ünye Çimento Sanayii ve Tic. A.Ş., companies that were liquidated per the merger, free of charge.</p> <p>In accordance with the capital market legislation, all shares of the Company, except those traded on the stock exchange, are registered shares. The Company may not issue bearer shares except those that will be issued to be traded on the stock exchange.</p> <p>The Board of Directors is authorized to increase the issued capital by issuing bearer shares up to the registered capital ceiling when it deems necessary in accordance with the provisions of the CMB, between 2021-2025. The registered capital ceiling permit issued by the Capital Markets Board is valid for the years 2021-2025 (5 years). Even if, at the end of 2025, the authorized ceiling of the registered capital has not been reached, in order for the board of directors to decide on increasing capital after 2025, it is necessary to obtain authorization from the general assembly for a new period by obtaining permission from the Capital Markets Board for the previously authorized ceiling or a new ceiling amount. If such an authorization is not obtained,</p>
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<p>not obtained, capital can not be increased by a resolution of the Board of Directors.</p> <p>Under the condition of conformity with the provisions of the Turkish Commercial Code and the Capital Markets Law, the Board of Directors is authorized to limit the right of shareholders to purchase new shares and to issue shares above their nominal value.</p> <p>Shares representing the capital are monitored within the framework of the principles of dematerialization. Each share is entitled to 1 vote.</p> <p>During the pre-license period and until the production license is obtained, no action or transaction that will result in a direct or indirect change of the Company's shareholding structure, transfer of shares or share certificates may be carried out, except for the exceptions specified in the Electricity Market License regulation.</p> <p>After having obtained a production license, for any transfer of shares or share certificates resulting in an acquisition of shares that represent ten percent (five percent for publicly traded companies) or more of the capital of the Company, directly or indirectly by a real or legal person, or a change of control within the shareholding structure of the Company, free of the changes in shareholding percentages mentioned above, or other transactions having such results, - before the transaction is carried out - in every case and at every single time, it is necessary to obtain an approval from the Energy Market Regulatory Authority. If the transfer of shares is not completed within six months from the date of approval, the said approval will be invalid. Each share is entitled to 1 vote.</p>	<p>capital can not be increased by a resolution of the Board of Directors.</p> <p>Under the condition of conformity with the provisions of the Turkish Commercial Code and the Capital Markets Law, the Board of Directors is authorized to limit the right of shareholders to purchase new shares and to issue shares above their nominal value.</p> <p>Shares representing the capital are monitored within the framework of the principles of dematerialization. Each share is entitled to 1 vote.</p> <p>During the pre-license period and until the production license is obtained, no action or transaction that will result in a direct or indirect change of the Company's shareholding structure, transfer of shares or share certificates may be carried out, except for the exceptions specified in the Electricity Market License regulation.</p> <p>After having obtained a production license, for any transfer of shares or share certificates resulting in an acquisition of shares that represent ten percent (five percent for publicly traded companies) or more of the capital of the Company, directly or indirectly by a real or legal person, or a change of control within the shareholding structure of the Company, free of the changes in shareholding percentages mentioned above, or other transactions having such results, - before the transaction is carried out - in every case and at every single time, it is necessary to obtain an approval from the Energy Market Regulatory Authority. If the transfer of shares is not completed within six months from the date of approval, the said approval will be invalid. Each share is entitled to 1 vote.</p>
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B- Financial Rights Granted to Board Members and Executive Officers

1. Total amount of financial benefits such as attendance payment, remuneration, premia, bonuses and dividends

In the General Assembly meeting which took place on 31/03/2021, it has been decided to pay a net remuneration of 8.100 TRY/Month as of 01/04/2021 to the Independent Board Members who are to serve until the next Ordinary General Meeting and to not pay any remuneration to the other Board Members. In addition, Life Insurance (death) have been granted for all Board Members.

No performance-based rewarding payments have been made to the Board members.

During the period, no amounts were credited to the board members and managers, directly or through a third party as a personal loan, and no guarantees such as collateral were given in their favor.

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The salaries of the Company's executive officers are determined by the Company's Board of Directors. Additional performance-based payments are made within the Company to non-covered personnel, including the Company's executive officers.

A total of TRY 12.504.936 is recorded as an expense in the reporting period as wages and other short term benefits for the executive officers of the Company.

2. Information on the total amount of allowances, travel, accommodation and representation expenses, as well as in-kind and cash benefits, insurance and similar guarantees

Expenses were not recorded during the reporting period in relation to the Company's Board members.

C- Research and Development Activities

R&D activities regarding concrete designs for our current and alternative customers, along with studies carried out for the purposes of alternative energy sources in the manufacturing process at our Company, development of new products and product applications, are currently being carried out;

Per the cooperation protocols executed by "Çukurova University Faculty of Engineering and Architecture", and "Adana Science and Technology University"; work for R&D, innovation, business development, project studies for scientific and technological research, project-based articles and working papers, and work that would ensure an experimentation capacity at a national or international level to ensure the efficient use and sustainability of research infrastructure are currently ongoing.

For the period 01/01/2021-31/12/2021, TRY 9.564.307 is recorded as a research and development expense.

D- Activities and Important Developments Related to Activities

1. Investment Activities

OYAK Cement, which carries out pioneering activities in its sector to contribute to a sustainable world, continues its work unabated depending on the 2050 roadmap it has prepared in the focus of risks related to climate change, as the transition to a carbon-neutral world is being designed with energy transformations. In this context, companies global temperature increase of 1.5°C limits with the science-based criteria that need to identify targets that combines the name is "net-zero" (Net-Zero) in which the first cement company in Turkey, the commitment Oyak cement, In the light of R&D and innovation studies, DEC has once again demonstrated its difference in the sector with its value-oriented business model.

The commitment of OYAK Cement, which started its activities related to SBTi in 2020, will also be exhibited by the Science-Based Targets Initiative (SBTi), the UN Global Compact and We Mean Business as part of Race to Zero, a United Nations (UN)-supported the campaign.

Turkey in the field of sustainability will contribute to the direction of the net-zero goal determines the manner 2053 Oyak cement, cut energy costs in the last 5 years within the scope of environmental liability, waste feed to improve their systems, waste heat recovery plants, and significant investments to build more environmentally friendly units when performing the rate of alternative fuel use has also significantly increased.

2. Internal control system and internal audit activities

In order to increase the effectiveness and efficiency of the internal control system, the Company regularly monitors periodic measurements, preventive maintenance practices, specific energy monitoring reports, daily production tracking tables, monthly activity reports and takes instant measures against elements that may affect the Company's productivity. In addition, a management system is implemented with targets and committee activities are carried out.

An internal audit unit department exists in the cement and concrete group. The Company carries out Audit Committee studies and reports and internal control system within its business processes. On 25/07/2012 it established the Early Risk Detection Committee. The committee, consisting of a total of 2 members, meets, from the date of its establishment to the date of the report, for the purpose of early diagnosis of reasons that endanger the existence and development of the Company and the implementation of the necessary measures and remedies for this and risk management, and submits the reports it has prepared in this context to the Board of Directors. Guidelines of the committees are available at the Company's website www.oyakcimento.com.

3. Direct and Indirect Subsidiaries

Company	Sector	Participation Rate (%)
Adana Çimento Sanayi ve Ticaret Ltd.	Cement and clinker	100
Adana Çimento Free Port Ltd.	Cement and clinker	100
Unye Cem SRL	Cement and packaging	100
Marmara Madencilik San. ve Tic. Ltd. Şti.	Exploration, extraction, discovery, exploitation and procuring exploitation of all kinds of mines, turning these into raw, semi-finished and finished goods and purchasing and selling these	98,9

The registration, at the Ankara Trade Registry Office, of the merger of Oyak Beton Sanayi ve Ticaret A.Ş., a subsidiary of our Company at the percentage of 100%, registered at the Ankara Trade Registry Office with the registration number 195300, in the midst of our Company, by "acquisition" via the application of the method of "Facilitated Merger Procedure", as a whole with all its assets and liabilities, is completed as of 31/12/2020.

4. Information regarding the shares of the Company that it has acquired

None exists as of 01/01/2021 –31/12/2021.

5. Explanations on private audit and public audit

Independent external audit activities for 2021, is to be carried out by the firm, DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Deloitte), an independent external audit firm approved at the Ordinary General Assembly meeting on March 31/03/2021, and the Full Certification Audit will be carried out by Denet Yeminli Mali Müşavirlik A.Ş. The Company has been audited for one time by any public institution in 2021.

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The Independent Audit and Full Certification and audit by public institutiton, which are routinely carried out between 01/01/2021 and 31/12/2021, are as follows.

Auditor	Start Date	End Date	Audit Subject	Result
DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.	11.01.2021	05.03.2021	Independent Audit	Positive
DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.	05.07.2021	17.08.2021	Review of financial Information	Positive
Denet Yeminli Mali Müşavirlik A.Ş.	18.01.2021	25.01.2021	Full Certification and Tax Audit	Positive
Denet Yeminli Mali Müşavirlik A.Ş.	05.05.2021	11.05.2021	Full Certification and Tax Audit	Positive
Denet Yeminli Mali Müşavirlik A.Ş.	02.08.2021	06.08.2021	Full Certification and Tax Audit	Positive
Denet Yeminli Mali Müşavirlik A.Ş.	17.01.2021	19.01.2021	Full Certification and Tax Audit	Positive
Republic of Turkey Ministry of Treasury and Finance	10.06.2021	06.09.2021	2016-2017 Accounting Period Adana Çimento Sanayi T.A.Ş. Audit	The audit result has not shared with our company.

6. Legal Matters

a) Lawsuits

There are no significant lawsuits filed against the Company and that are still ongoing, that may affect the financial position and activities of the company. In the financial statements dated 31/12/2021, an amount of TRY 11.491.335 is allocated in accordance with the legal report for the cases filed against the company and which are not of a significant nature.

b) Administrative-Judicial sanctions

There are none.

7. General Assemblies

On 31/03/2021, Ordinary General Assembly meeting for the year 2020 has been held. The outcomes of Ordinary General Assembly meeting are presented to our shareholders by publishing them on the Public Disclosure Platform (PDP), Company website (www.oyakcimento.com) and the information portal of the Central Securities Depository (CSD).

Resolutions adopted in the 2020 Ordinary General Assembly meeting held on 31/03/2021 have been implemented.

8. Donations and Social Responsibility Projects

Support and donations for the amount of 1.272.890 TRY have been made in the period 01/01/2021-31/12/2021.

9. Group Companies**a) Transactions**

199 of the Turkish Commercial Code by the Board of Directors of our Company. A report explaining our relations with our Judges and Subsidiaries has been prepared within the scope of the article and approved by our Board of Directors dated March 07, 2022, and the final part of this report has been prepared;

" In 2021, there are no legal actions taken for the benefit of OYAK or an affiliated company, no measures taken or avoided for the benefit of OYAK or an affiliated company, no measures taken for the benefit of OYAK or an affiliated company by the Military Assistance Institution (OYAK), the controlling partner of our Company, and/or OYAK's subsidiaries or OYAK. in 2021, all commercial activities dec between our subsidiaries and our Company, both our dominant partner and our dominant partner, were carried out on conditions appropriate to market conditions. it has the form."

b) Information about Transactions

Not available.

E- Financial Situation**1. Summary of Financial Statements**

Financial statements are prepared in accordance with the CMB's Communiqué Serial:II, 14.1 and have been audited as of December 31, 2021 and December 31, 2020.

Summary Balance Sheet (TRY)

	31.12.2021	31.12.2020
Current Assets	2.600.687.269	1.909.488.901
Non Current Assets	2.274.946.920	2.063.237.639
Total Assets	4.875.634.189	3.972.726.540
Short-Term Liabilities	1.386.278.336	1.554.271.751
Long-Term Liabilities	511.434.660	136.303.584
Equity	2.977.921.193	2.282.151.205
Total liabilities and equity	4.875.634.189	3.972.726.540

Summary Income Statement (TRY)

	31.12.2021	31.12.2020
Revenue	4.680.981.940	2.932.234.571
Operating Profit	843.846.504	385.089.907
Profit Before Tax	915.644.995	378.442.461
Net Profit for the Period	725.165.282	358.453.306

The Entity prepares its budgets within the frame of its strategic goals that is approved by the Board of Directors.

In the regular meetings of the Board of Directors is reviewing the current position of the Entity and activities are compared with the previous period and budget targets

2. Key Ratios**Significant Ratios**

	31.12.2021	31.12.2020
Operating Profit Margin(%)	18,03	13,13
Net Profit Margin(%)	15,49	12,22
EBITDA Margin (%)	22,19	18,75

3. Financial Capacity

Per the calculations made in accordance with Art. 376 of the TCC, it is determined that the capital of the Company is not uncovered.

4. Development of Funding Sources and Policies Implemented by the Enterprise Regarding this Development

New financing alternatives that are suitable for market conditions are constantly being investigated and suggestions are being evaluated. It has full access to all national and international financing sources and there are no changes in the Company's financing sources.

OYAK Cement Factories A.Sh. JCR Eurasia Rating A.Sh. the results were evaluated by the student. Credit rating agency JCR Eurasia Rating (JCR-ER), OYAK Cement Factories A.Sh.it has determined the long-term national rating of "AA+ (Trk)", the short-term national rating of "A-1+ (Trk)", the long-term international rating of "BB", the short-term international rating of "B", and the outlook is stable.

5. Nature and Amount of Issued Capital Market Instruments

The table of the capital market instruments issued by the Company is as below;

ISIN CODE	TYPE	DUE DATE	SALES METHOD	COMPLETION DATE OF SALE	NOMINAL AMOUNT (TRY)
TRSOYKCE2313	Private Sector Bonds	31.10.2023	Sale to Qualified Investor	02.11.2021	300.000.000

6. Dividend Distribution

Our profit distribution policy adopted in the Ordinary General Assembly meeting for 2014 held on March 12, 2015 is as follows.

"The Company, in principle, has adopted the policy of distribution of the entirety of the distributable profit for the period in cash, to the extent that the financial leverage rates and the needs for investment / funding and expectations regarding the creation of free cash in the future, including market forecasts, in accordance with the legislation in force and the Articles of Association of the Company. The dividend distribution policy is reviewed annually by the Board of Directors according to national and global economic conditions, the projects on the company's agenda and the status of its funds.

Dividends are paid until 15th of December of the relevant calendar year, in installments with equal or different amounts, in accordance with the provisions of the legislation, with the authorization of the Board of Directors in the general assembly meeting during which a resolution to distribute is adopted.

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In accordance with the provisions of the relevant legislation, the General Assembly is authorized to distribute Advance Dividends"

As a result of the General Meeting held on 31/03/2021, it is decided that the Company is not to distribute dividends over its profit for the year 2020.

7. Information about the Industry in Which the Enterprise Conducts Business

Throughout Turkey, there are 56 integrated facilities and 17 grinding – packaging facilities belonging to 30 groups and manufacturers. According to Türk Çimento data for 2020, clinker production capacity in Turkey is 94.112.060 tons and cement production capacity is 145.401.478 tons. With this capacity, Turkey ranks fifth after China, India, USA and Vietnam in the rankings for cement production in the world.

Taking into consideration and evaluating Türk Çimento data for 2020, it can be said that cement production is 72.299.054 tons. Total sales were 55.653.157 tons as domestic sales and 16.245.597 tons as export sales. Again, in this period, the export sales of clinker amounted to 13.555.020 tons. There is an excess of capacity in Turkey and exports have become necessary. Despite this excess capacity, cement facility investments continue in different regions of Turkey.

According to Türk Çimento data at the end of November 2021, cement production increased by 8,4% compared to the same period last year. About 21,5% of the cement produced during this period is exported. Again, in this period, domestic sales increased by 8,4% and exports by 3,2%.

According to Türk Çimento data for July 2021, domestic cement sales increased regionally in all regions, while exports, except Mediterranean and the Black Sea, from the Marmara, Aegean, Central Anatolia and Southeastern Anatolia regions increased.

Notes:

1 (*) Production, domestic and export sales data for Turkey and its regions cover factories that are members of Türk Çimento.

2 (*) Türkiye kapasite ve üretim sıralamasında Cemnet 2020 E verileri baz alınmıştır.

8. Position of the Enterprise in the Industry

Marmara

According to Türk Çimento's data for November 2021, domestic sales increased by 8,4% in Turkey and 8,5% in the Marmara region compared to the same period last year. Exports increased by 3,2% in Turkey and 43,2% in our region. According to Türk Çimento's data for November 2021, 17.125.127 tons of clinker and 17.435.287 tons of cement were produced in our region.

Mediterranean

According to Türk Çimento's data for November 2021, domestic sales increased by 8,4% in Turkey and 15,5% in the Mediterranean region compared to the same period last year. Exports increased by 3,2% in Turkey, while a decline of 11,7 % was observed in our region. According to Türk Çimento's data for November 2021, 18.331.845 tons of clinker and 17.771.318 tons of cement were produced in our region.

Black Sea

According to Türk Çimento's data for November 2021, domestic sales increased by 8,4% in Turkey and 4,11% in the Black Sea region compared to the same period last year. Exports increased by 3,2% in Turkey, while 50,8% fell in our region. According to Türk Çimento's data for November 2021, 6.001.222 tons of clinker and 7.072.722 tons of cement were produced in our region.

Central Anatolia

According to the data of Türk Cement for November 2021, domestic sales increased by 8.4% in Turkey and 5.9% in the Central Anatolia Region compared to the same period last year. Exports increased by 3.2% in Turkey, while a decrease of 8.8% was observed in our region. According to the November 2021 data of Turkish Cement, 12,127,869 tons of clinker and 11,646,444 tons of cement were produced in our region

Southeastern Anatolia

According to Türk Çimento's data for November 2021, domestic sales increased by 8,4% in Turkey and 5,6% in Southeast Anatolia compared to the same period last year. Exports increased by 3,2% in Turkey and 100,4% in our region. According to Türk Çimento's data for November 2021, 6.204.023 tons of clinker and 5.423.323 tons of cement were produced in our region.

9. Incentives

The technical information of our company is contained in the footnote No. 14 of our CMB report dated 31.12.2021.

10. Development of the Enterprise

The first concrete export by OYAK Çimento Fabrikaları A.Ş., which has started its activities on September 8, 1975, (Former Commercial Title: Mardin Çimento Sanayii ve Tic. A.Ş.) has been made to Middle East countries, in 1975. OYAK Çimento, with its strong and reliable reputation acquired in domestic and export markets, is a reason for choice in all around Turkey.

Taking into consideration the strategic plans and the synergy to be achieved regarding the targets in the cement industry, on 13.12.2019, it has been decided to start the negotiations with the intention to carry out the merger of OYAK Çimento Fabrikaları A.Ş. (Former Commercial Title: Mardin Çimento Sanayii ve Tic. A.Ş.) and Adana Çimento Sanayii T.A.Ş., Aslan Çimento A.Ş., Bolu Çimento Sanayi A.Ş., and Ünye Çimento Sanayi ve Ticaret A.Ş.

The "Announcement Text" on the merger was approved by the decision of the Capital Markets Board dated 20/02/2020 and submitted to the approval of the shareholders in the Extraordinary General Meeting held on 27.03.2020. In the Extraordinary General Assembly, the merger was approved. The merger has been registered at the Mardin Trade Registry Office on 14.05.2020.

The registration, at the Ankara Trade Registry Office, of the merger of Oyak Beton Sanayi ve Ticaret A.Ş., a subsidiary of our Company at the percentage of 100%, registered at the Ankara Trade Registry Office with the registration number 195300, in the midst of our Company, by "acquisition" via the application of the method of "Facilitated Merger Procedure", as a whole with all its assets and liabilities, is completed as of 31/12/2020.

OYAK Çimento, which continues its activities in a wide area as the capacity and market leader of the Turkish cement industry, is a leading community that develops areas of use of cement with the principles of efficiency, creativity and profit-orientation, playing an active role in the country's market.

OYAK Çimento Fabrikaları A.Ş., which adopted as its vision to be a respected, leading and reliable company, developing areas of use of cement and playing an active role in global markets, endeavors to increase sales volumes both at home and abroad.

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11. Units of the Enterprise

The capacities of the branches and facilities of our Company are summarized in the table below.

PLACES OF ACTIVITY	AREAS OF ACTIVITY OF THE FACILITY	Cement Production Capacity (Ton / Year)	Clinker Production Capacity (Ton / Year)	Grinding Capacity (Ton / Year)	Cement Stocking Capacity (Ton / Year)	Concrete Production Capacity (m3 / year)	Aggregate Production Capacity (Ton / Year)
Adana Cement Branch	Cement-clinker production and sales	3.5 million	3 million				
Iskenderun Facility-I	Cement-Ground Slag and Sale			1 million			
Iskenderun Facility-II	Cement-Ground Slag and Sale			1 million			
Turkish Republic of Northern Cyprus	Stocking and sales				8 thousand		
Bolu Cement Branch	Cement-clinker production and sales	2.5 million	1.45 million				
Ereğli Branch	Cement and Ground Slag and Sale			1 million			
Ankara Branch	Cement-clinker production and sales	1.7 million	1.3 million				
Aslan Cement Branch	Cement-clinker production and sales	3.3 million	1.8 million				
Ünye Cement Branch	Cement-clinker production and sales	2.6 million	1.56 million				
Rize/ Çayeli	Cement Filling and Packaging Facility				21 thousand		
Romania Facility	Cement Filling and Packaging Facility				8 thousand		
Mardin Cement Branch	Cement-clinker production and sales	2.7 million	1.85 million				
Ready Mixed Concrete Facilities (İstanbul, Ankara, İzmit, İzmir, Adana, Samsun, Manisa, Aydın, Denizli,Afyon, Mersin, Hatay, Gaziantep, Kahramanmaraş, Osmaniye,Ordu,Rize)	Ready Mixed Concrete Production and Sales					9.5 million	
Aggregate Production Facilities (Ayaş, Çerkeşli, Candere)	Aggregate Production Facility						5 million

12. Products

The product range of OYAK Çimento Fabrikaları includes the following types of cement. Portland Cement is used in construction projects that require high strength but do not require special attention to hydration heat and sulfate effect. Portland Composite Cement is used in general-purpose construction projects where blended cement is used and which require higher strength. Pozzolanic Cement is used in concrete exposed to sea water and groundwater, industrial floors affected by sulfate, mass concrete where low hydration heat is required. Blast Furnace Slag Cement is used in concrete exposed to sea water and groundwater, industrial floors affected by sulfate, general purpose construction, mass concrete where low hydration heat is required. Sulfate-resistant cement types are used in construction projects in areas affected by sulphated fields and sea water, in underwater construction projects, construction projects for bridges, dams and port foundations, in construction projects for retaining walls. White cement can be used wherever grey cement is used. Their distinctive basic characteristics are that they have white color, aesthetic and decorative properties, and their strength gains are high. Ground Blast Furnace Slag is used as a secondary binder in concrete production.

The product information of our company is listed below;

Product Name	Type and Class	Standard
Adana Cement Branch		
Portland Cement	CEM I 42,5 R	TS EN 197-1
Portland Cement	CEM I 52,5 R	TS EN 197-1
White Portland Cement	CEM I 52.5 R / BPC 52.5 R / 85	TS EN 197-1 / TS 21
White Portland Cement	CEM I 42,5 R	TS EN 197-1
White Portland Limestone Cement	CEM II / B-LL 42,5 R	TS EN 197-1
Composite Cement	CEM V / A (S-P) 32.5 R	TS EN 197-1
Portland Slag Cement	CEM II / A-S 42,5 R	TS EN 197-1
Portland Cement(White)	Type I	ASTM C 150

Iskenderun Facilities Branch		
Portland Cement	CEM I 52,5 R	TS EN 197-1
Portland Cement	CEM I 42,5 R	TS EN 197-1
White Portland Cement	CEM I 52, R	TS EN 197-1
Blast Furnace Slag Cement	CEM III / A 42,5 N	TS EN 197-1
Portland Composite Cement	CEM II / B-M (S-V) 42,5 R	TS EN 197-1
Composite Cement	CEM V / A (S-V) 32.5 R	TS EN 197-1
Portland Cement(White)	Type I	ASTM C 150
Ground Blast Furnace Slag	-	TS EN 15167-1

Bolu Cement Branch		
Portland Cement	CEM I 42,5 R	TS EN 197-1
Sulphate Resistant Portland Cement	CEM I 42.5 R-SR5	TS EN 197-1
Portland Composite Cement	CEM II / A-M (S-L) 42.5 R	TS EN 197-1
Pozzolanic Cement	CEM IV / B (P) 32,5 R	TS EN 197-1
API Well Cement	Class G; HSR type	API Spec Q1-API-10A
Ground Blast Furnace Slag	Ground Blast Furnace Slag	EN 15167-1

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Sulphate Resistant Blast Furnace Slag Cement	CEM III B (S) 32,5 N-SR	TS EN 197-1
Ground Blast Furnace Slag	Ground Blast Furnace Slag	EN 15167-1
Blast Furnace Slag Cement	CEM III / A (S) 32,5 N	TS EN 197-1
Blast Furnace Slag Cement	CEM III / A (S) 42.5 R	TS EN 197-1

Ankara Branch

Portland Cement	CEM I 42,5 R	TS-EN-197-1
Pozzolanic Cement	CEM IV / B (P) 32,5 R	TS-EN 197-1
Portland Limestone Cement	CEM II/A-LL 42,5 R	TS EN 197-1
Ground Blast Furnace Slag	Ground Blast Furnace Slag	TS-EN 15167-1

Aslan Cement Branch

Portland Cement	CEM I 42,5 R	TS EN 197-1
Portland Composite Cement	CEM II / A-M (S-L) 42.5 R	TS EN 197-1
Composite Cement	CEM V / A (S-P) 32,5 N	TS EN 197-1
Portland Composite Cement	CEM II / B-M (S-L) 42,5 R	TS EN 197-1
Portland Cement (Low Alkali Content)	TYPE I	ASTM C 150

Ünye Cement Branch

Portland Cement	CEM I 42,5 R	TS EN 197-1
Portland Composite Cement	CEM II / A-M (P-LL) 42.5 R	TS EN 197-1
Blast Furnace Slag Cement	CEM III / A 42,5 N	TS EN 197-1
Pozzolanic Cement	CEM IV / B (P) 32,5 R	TS EN 197-1

Mardin Cement Branch

Portland Cement	CEM I 42,5 N	TS EN 197-1
Portland Composite Cement	CEM II / A-M (P-LL) 42.5 R	TS EN 197-1
Pozzolanic Cement	CEM IV / B (P) 32,5 N	TS EN 197-1
Sulphate Resistant Cement	CEM I 42,5 R-SR3	TS EN 197-1

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Along with the production of all kinds of standard concrete of every class and type within the product range of ready-mixed concrete, OYAK Çimento Fabrikaları A.Ş. has a special and wide product range, developed by long term R&D efforts, whose trademarks are registered, every single one of which serves a different purpose, with a content and richness that may respond to every special need.

Brand	Product Name	Explanation
<i>DURABET®</i>	Concrete with High Durability	It is a special product with high durability that is resistant to severe environmental effects, with low water and chlorine permeability, minimized crack risk, and heat development control.
<i>SMARTBET®</i>	Self-Settling Concrete	It is a self-settling special product designed for building elements with narrow-sections and thick fittings, that may be easily placed and finished.
<i>AQUABET®</i>	Concrete with Reduced Water Permeability	It is a special product with reduced water permeability designed for any environment exposed to water and moisture.
<i>SKYBET®</i>	Concrete Pumped to High Floors	It is a special product with high consistency protection and high strength that can be easily transferred over very long distances in multi-story office and residential buildings, vertically and horizontally.
<i>İZOBET®</i>	Insulating Concrete	It is a special product designed for building elements where heat and sound insulation are needed.
<i>FIBRABET®</i>	Fiber Concrete	It is a special steel and polypropylene fiber reinforced product with high bending and impact resistance, and a reduced risk of premature cracks.
<i>FIBROSHOT®</i>	Fiber Shotcrete	It is a special shotcrete product that is fast, practical and fiber-reinforced, used in manufacturing of tunnel and slope etc.
<i>WHITEBET®</i>	White Concrete	It is a special product manufactured by the use of special white cement and light colored raw materials for construction elements with aesthetic and decorative features.
<i>REPABET®</i>	Micro-fiber Repair Concrete	It is a special fiber reinforced product that settles quickly and that can be used in the repair of factory floor concrete, road, apron and runway concrete subject to heavy traffic, with a low risk of cracks, high early and final strength.
<i>VIABET®</i>	Sliding Formwork Concrete	It is a special product designed in accordance with the working principle of sliding formwork systems in viaduct concretes.
<i>POROZBET®</i>	Permeable Concrete	It is a special product designed for areas such as parks, gardens, parking lots etc., with increased permeability.
<i>DUALBET®</i>	Road Concrete	It is a special road concrete that can be compressed with a cylinder and/or dumped with a paver.
<i>DOZBET®</i>	Dose Concrete	It is a special product designed based on a binding rate determined according to customer demand.
<i>FLEKSBET®</i>	Fixed and Flex Line Concrete	It is a special product designed according to customer demand, which can be conveniently pumped over long distances with fixed or flex hoses.

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Product Name	Type and Class	Standard
Standard Concrete	C8 / 11-C80 / 95	TS EN 206
Light Concrete	LC 8/9-LC 35/38	TS EN 206
Heavy Concrete	HC8 / 10 – HC 50/60	TS EN 206
DURABET®	Special Product	TS EN 206
AQUABET®	Special Product	TS EN 206
SKYBET®	Special Product	TS EN 206
SMARTBET®	Special Product	TS EN 206
FIBRABET®	Special Product	TS EN 206
WHITEBET®	Special Product	TS EN 206
FIBROSHOT®	Special Product	TS EN 206
REPABET®	Special Product	TS EN 206
İZOBET®	Special Product	TS EN 206
VIABET®	Special Product	TS EN 206
POROZBET®	Special Product	TS EN 206
DUALBET®	Special Product	TS EN 206
DOZBET®	Special Product	TS EN 206

13. Developments Regarding Sales

While the Company continues its activities by targeting sustainable profitability, new investments are being pursued domestically in 2021. Regarding exports, new sales markets are being explored.

F- Risks and Assessment of the Board of Directors**1. Risk management policy**

The Company manages the risks by identifying the risks that may endanger its existence, development and continuation and taking the necessary measures related to the identified risks. In this context, the Company established the Early Risk Detection Committee.

2. Early Risk Detection Committee

The Company established this committee on 25/07/2012 and the committee consists of 2 members. The committee has met routinely from the date of its establishment to the date of the report, for the purpose of early diagnosis of reasons that endanger the existence and development of the Company and the implementation of the necessary measures and remedies for this and risk management, and submitted the reports it has prepared to the Board of Directors. Guidelines of the committee are available at the Company's website www.oyakcimento.com.

3. Future Risks

In accordance with our awareness and priorities for social responsibility, our Company monitors future risks in order to maintain its activities in accordance with its goals regarding occupational health and safety, environmental sensitivity, regular optimization of its costs and to offer innovative products to our customers. All factors that may negatively affect our domestic and export sales quantity and prices are monitored.

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G- Other Considerations

1. Headquarters and Organizations outside the Headquarters

The Headquarters and Organizations outside the Headquarters of our Company are listed below.

	Address	Phone Number	Fax Number
Headquarters	Çukurambar Mahallesi 1480. Sokak No: 2A/56 Çankaya-Ankara / TURKEY	0 (312) 220 02 90	0 (312) 220 02 91
Adana Cement Branch	İncirlik Cumhuriyet Mahallesi Çimento Blv. No: 39/ A Yüreğir / ADANA / TURKEY	0 (322) 332 99 50	0 (322) 332 97 32
Iskenderun Facility I	Karayılan Beldesi Yanı PK: 27 İskenderun/HATAY / TURKEY	0 (326) 654 25 10	0 (326) 654 25 00
Iskenderun Facility II	Karayılan Mah. 37. Sok. No: 9 İskenderun/HATAY / TURKEY	0 (326) 654 25 10	0 (326) 654 25 00
Turkish Republic of Northern Cyprus	Gazimağusa Serbest Liman Bölgesi Parsel no: 1 Gazimağusa / TRNC	0 (392) 365 31 25	0 (392) 365 07 64
Bolu Cement Branch	Yuva Köyü Yuva Köyü Merkez (Mücavir) Mevkii Çimento Fabrikası yanı Sokak No:1 A Merkez BOLU / TURKEY	0 (374) 226 47 70	0 (374) 226 50 68
Ereğli Branch	Hamzafakıhlı Mahallesi Organize Sanayi Bölgesi 5 Nolu Yol Sokak (Bina no: 116184763) Dış Kapı No:3 Ereğli ZONGULDAK / TURKEY	0 (372) 334 32 00	0 (372) 334 32 05
Ankara Branch	Saray Mahallesi Gıdacılar Caddesi No:23 /A-B Kahramankazan ANKARA / TURKEY	0 (312) 815 50 50	0 (312) 815 50 60
Aslan Cement Branch	Cami Mahallesi, Kaplan Caddesi Girişi Sit. No: 149/1 Darıca / KOCAELİ / TURKEY	0 (262) 745 47 47	0 (262) 745 43 42
Ünye Cement Branch	Günpınarı Mah. Boğazağzı Sok. No.2/1 Ünye / Ordu / TURKEY	0 (452) 321 11 00	0 (452) 321 11 30
Rize/ Çayeli	Limanköy Mevkii Çayeli / Rize/ TURKEY	0 (464) 532 86 01	0 (464) 532 86 03
Romania Facility	Incinta Port Mangalia Romania	00 40 241 743 777	00 40 241 743 733
Mardin Cement Branch	Kabala Mah. 630 Sokak No:1/1 Artuklu / MARDİN / TURKEY	0 (482) 226 64 30	0 (482) 226 64 36
OYAK Beton	Bahçekapı Mah. 2453 Cad. Oyak Beton Apt. No: 8 Etimesgut / ANKARA	0 (312) 278 78 00	0 (312) 278 60 20

There are also ready-mixed concrete facilities owned by our Company.

2. Information about Changes in Legislation that can Significantly Affect the Company's Activities

There are no changes in legislation that can significantly affect the Company's activities.

3. Information about Conflicts of Interest Between the Organizations from which the Company Procures Services on Issues such as Investment Advice and Rating, as well as Measures Taken by the Company to Prevent these Conflicts of Interest

There are none.

4. Information about Employees' Social Rights, Vocational Training and Other Activities of the Company which Have Social and Environmental Consequences

Company employees are covered by health and life insurance. In addition, both internal and external vocational and social skill trainings are organized in order to increase the competence of the employee of the company.

The company takes all necessary measures by evaluating the possible effects on the environment and the environmental dimensions of the investments being made at the project stage. Environmental impact assessment reports have been prepared specifically for each factory and project in relation with the company's activities and in this context there are Positive EIA Certificates and/or decisions regarding EIA not being necessary. Each factory has "Environmental Permit and License documents" in force, regarding Wastewater discharge, Air emission, Noise and Waste incineration and Co-incineration. The Company monitors all risks and environmental dimensions regarding the protection and improvement of the environment and human health and security and promptly takes measures and aims to, by increasing the efficiency of the "Integrated Management System", increase the level of quality, create a healthy and safe business environment with environmental awareness, and ensure the continuity of consumer satisfaction by presenting products and services that are appropriate for the desires and taste of customers.

With the purposes of developing quality along with environmental awareness and occupational health and safety culture, reducing work accidents, creating a healthy and safe working environment, reducing use of natural resources, and increasing efficiency, the Company has established the "Integrated Management System" that meets the requirements of ISO 9001 "Quality Management System", ISO 14001 "Environmental Management System", ISO 50001 "Energy Management System" and ISO 45001 "Occupational Health and Safety Management System" and obtained certificates in a level covering each factory.

The Company has updated policies , by prioritization of economical, social and environmental impacts to management strategy within the scope of sustainability in 2020, and published 2020 Integrated report on May 28, 2021, which shows both financial information and sustainability performances in the most holistic, effective and comprehensive way. At the same time, in 2021, the company has started studies to determine the sustainability strategies and targets for the next three years (2022-2025).

5. Mandatory information to be provided to shareholders on related party transactions and balances

Information about our Company's transactions with Related parties is included in footnote 5 of our CMB report dated 31/12/2021.

At the meeting of our Company's Board of Directors on March 7, 2022, the "Report on Common and Continuous Transactions" between our Company and our group company OYAK Elektrik Enerjisi Toptan Satış A.Ş. was prepared and approved, under the Corporate Governance Communiqué no. II-17.1 of CMB. The conclusion part of this report is as follows:

"It is envisaged that the business activity which was common and continuous in 2021 and electricity purchase between our Company and our group company OYAK Elektrik Enerjisi Toptan Satış A.Ş., exceeded more than 10% share in the cost of total sales and transactions of the same nature and same kinds of transactions will continue in 2022 by the principles determined, within the framework of the Corporate Governance no. II-17.1 of the CMB; it is concluded that these transactions are in line with previous years and are reasonable compared to market conditions."

6. Information for Shareholders

Shares of the Company are traded at Borsa İstanbul A.Ş. (BİST) with the code OYAKC. Information about share certificates is published on the economy pages of daily newspapers and on the internet portals of investment companies.

The Company's annual reports and other information may be obtained both from the address below and at www.oyakcimento.com.tr.

The paid-in capital of the company is 115.979.344.100 TRY (31 December 2020: 115.979.344.100). The Company's Capital is divided into 115.979.344.100 shares, each with a nominal value of 0,01 TRY (31 December 2020:0,01 TRY)

Investor Relations Department Contact Information

Shares of OYAK Çimento Fabrikaları A.Ş. are traded at Borsa İstanbul A.Ş. (BİST) with the OYAKC symbol. Information about share certificates is published on our website, on the economy pages of daily newspapers and on the internet portals of investment companies. Annual reports of OYAK Çimento Fabrikaları A.Ş. and other information can be obtained both from the address below and at www.oyakcimento.com.tr.

All activities related to shareholders are carried out within the framework of the Company's Financial Affairs Directorate-General Accounting. A report on the work done by the Investor Relations Department in 2021 was presented to the members of the Company's Board of Directors at the Board of Directors meeting held on March 07, 2022. The Investor Relations Department's contact information is listed below.

Manager of Investor Relations Department;

Name and Surname : Enes Ensari VARDAR
Phone : 0 312 220 02 90
E-Mail Address : evardar@oyakcimento.com
Licenses Owned : Level 3 Capital Market Activities License
Corporate Governance Rating License
Credit Rating License
Derivative Instruments License
Residential Valuation License
Real Estate Valuation License

Information on the employees working under the Investor Relations Department;

Name and Surname : Sema PEKKANLI TEZEL
Phone : 0 312 220 02 90
E-Mail Address : spekkanli@oyakcimento.com
Licenses Owned : Corporate Governance Review License
Level 3 Capital Market Activities License
Credit Rating License
Derivative Instruments License

Name and Surname : Fatih DEMİR
Phone : 0 312 220 02 90
E-Mail Address : fdemir@oyakcimento.com
Licenses Owned : Corporate Governance Review License
Level 3 Capital Market Activities License

Investor Relations Phone Line : 0 312 220 01 12

Investor Relations Mail Address: yatirimciiliskileri@oyakcimento.com

App.1

BAĞIMSIZLIK BEYANI

Mardin Çimento Sanayii ve Ticaret A.Ş. (Şirket) Yönetim Kurulu'nda, mevzuat, esas sözleşme ve Sermaye Piyasası Kurulu'nun Kurumsal Yönetim Tebliği'nde belirtilen kriterler kapsamında "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

a) Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran veya şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığını, sermaye veya oy haklarının veya imtiyazlı payların %5 inden fazlasına birlikte veya tek başına sahip olunmadığını ya da önemli nitelikte ticarî ilişkinin kurulmamış olduğunu,

b) Son beş yıl içerisinde, başta şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışmadığımı veya yönetim kurulu üyesi olmadığımı,

c) Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

ç) Bağlı oldukları mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmıyor olduğumu,

d) 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K.)'na göre Türkiye'de yerleşmiş sayıldığımı,

e) Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

f) Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabileceğimi,

g) Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmadığımı,

ğ) Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

h) Yönetim Kurulu üyesi olarak seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

beyan ederim.

Abdurrahman ÇELİKER

27.01.2021

ANNUAL ACTIVITY REPORT

BAĞIMSIZLIK BEYANI

Mardin Çimento Sanayii ve Ticaret A.Ş. (Şirket) Yönetim Kurulu'nda, mevzuat, esas sözleşme ve Sermaye Piyasası Kurulu'nun Kurumsal Yönetim Tebliği'nde belirtilen kriterler kapsamında "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

a) Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran veya şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığını, sermaye veya oy haklarının veya imtiyazı payların %5 inden fazlasına birlikte veya tek başına sahip olunmadığını ya da önemli nitelikte ticari ilişkinin kurulmamış olduğunu,

b) Son beş yıl içerisinde, başta şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın aldığı veya sattığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışmadığımı veya yönetim kurulu üyesi olmadığımı,

c) Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

ç) Bağlı olduğum mevzuata uygun olması şartıyla, üniversite öğretim üyesi hariç, üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmıyor olduğumu,

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f) Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabileceğimi,

g) Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyesi yapmadığımı,

ğ) Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

h) Yönetim Kurulu üyesi olarak seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

beyan ederim.

Kazım YETİŞ

27.01.2021



ANNUAL ACTIVITY REPORT

BAĞIMSIZLIK BEYANI

Mardin Çimento Sanayii ve Ticaret A.Ş. (Şirket) Yönetim Kurulu'nda, mevzuat, esas sözleşme ve Sermaye Piyasası Kurulu'nun Kurumsal Yönetim Tebliği'nde belirtilen kriterler kapsamında "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

a) Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran veya şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendim, eşim ve ikinci dereceye kadar kan ve sıhrî hisimlerin arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkisinin bulunmadığını, sermaye veya oy haklarının veya imtiyazlı payların %5 inden fazlasına birlikte veya tek başına sahip olunmadığını ya da önemli nitelikte ticari ilişkinin kurulmamış olduğunu,

b) Son beş yıl içerisinde, başta şirketin denetimi (vergî denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışmadığımı veya yönetim kurulu üyesi olmadığımı,

c) Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

ç) Bağılı oldukları mevzuata uygun olması şartıyla, Üniversite öğretim üyeliği hariç, üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmıyor olduğumu,

d) 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K.)'na göre Türkiye'de yerleşmiş sayıldığımı,

e) Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

f) Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabileceğimi,

g) Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmadığımı,

ğ) Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,

h) Yönetim Kurulu üyesi olarak seçilen tüzel kişi adına tescilli ve ilan edilmemiş olduğumu,

beyan ederim.

Sezai Afif ENSAR

27.01.2021

App.2

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE

OYAK Çimento Fabrikaları A.Ş. ("Company") is aware of its responsibilities towards its stakeholders as one of the well-established and publicly traded companies of the Turkish cement industry. In this context, the Company has adopted the concepts of "equality", "transparency", "accountability" and "responsibility", which form the basis of corporate governance in its activities, and has taken maximum care and effort to comply with the Capital Markets Law and the secondary regulations and decisions of the Capital Markets Board (CMB).

In line with the corporate governance efforts, the Company has started to operate corporate governance mechanisms in accordance with the principles since 25.07.2012.

OYAK Çimento Fabrikaları A.Ş. believes in the importance of ensuring full compliance with the Principles of Corporate Governance. In the activity period ended on 31 December 2021, the Company has continued to adopt the mandatory corporate governance principles that are included in the Corporate Governance Communiqué annexed to the relevant legislation.

The Company pays utmost attention to compliance with voluntary principles that are not fully complied with yet within the relevant legislation and there is no conflict of interest between the stakeholders so far.

For the period ended on 31 December 2021, compliance with the corporate governance principles included in the Corporate Governance Communiqué and the explanations of those who have not yet achieved compliance are included in the annual report; Corporate Governance Compliance Report, Corporate Governance Information Form, Sustainability Principles Compliance Report and other related sections of the report.

In the future, corporate governance practices of the Company, efforts to improve our corporate governance practices, including non-mandatory principles that have not been put into practice in a limited number, will be continued.

In case of a significant change in the Sustainability Principles Compliance Report during the period, the relevant change will be published in the interim activity reports. When there is a change in the Corporate Governance Compliance Report or Corporate Governance Information Form, there will be a material event disclosure and it will be published in the interim activity reports as well.

Corporate Governance Compliance Report

	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.	X					
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10- The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				There is an item related to donations and benefits on the agenda of the General Assembly. In this article, the amount of donations and benefits made is indicated, but information about the beneficiaries is not provided.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.					X	During the accounting period of 2021, there was no request for participation in the General Assembly from the media.

ANNUAL ACTIVITY REPORT

1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2-The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	There is no mutual subsidiary relationship in the capital of our company.
1.5. MINORITY RIGHTS						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2-The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			The provisions of TCC and CMB are applied in the articles of association of our company.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 -There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle2.1.1.	X					

ANNUAL ACTIVITY REPORT

2.1.2-The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				The English website of the company is provided in English and some sections are provided in English.
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities..	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.		X				Some of the policies and procedures related to the rights of stakeholders are published on the Company's website.
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.		X				There is no such regulation in our articles of association. Employee participation is supported by the company's internal practices.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					

ANNUAL ACTIVITY REPORT

3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1- The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					

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3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2- The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1- The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place	X					
4.1.2- The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1- The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2- Duties and authorities of the members of the board of directors are disclosed in the annual report.		X				Reference has been made to the Turkish Commercial Law and no detailed regulation has been included.
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4- Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7- The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					

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4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9- The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			There is no policy in the board of directors regarding the minimum target of 25% for the female member rate.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.		X				The working principles of the Board of Directors have been partially evaluated by the articles of association.
4.4.6 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				There are no restrictions on the duties of the Members of the Board of Directors within the company. The duties performed by the members of the Board of Directors outside the Company are included in the Annual Report.

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4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Since the number of Independent Members of the Board of Directors is not sufficient, the members serve on more than one committee.
4.5.6- Committees have invited persons to the meetings as deemed necessary to obtain their views.			X			There are no experts invited to the committee meetings during the semester.
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.			X			The Committee does not provide consultancy services.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			Has to be achieved.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report		X				The salaries of the directors are disclosed not on a per capita basis but collectively; the salaries of our Board members are also included in the minutes of the General Assembly Meetings.

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Corporate Governance Information Form

1. SHAREHOLDERS	
1.1. 1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	1
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/915720
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	No
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	None.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/915719
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/915719
The name of the section on the corporate website that demonstrates the donation policy of the company	https://assets.oyakcimento.com/contents/pdf/2021103/64811618404489111221.pdf
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/192036
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 21.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	There are no restrictions on the participation of stakeholders in the General Assembly.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	None.
The percentage of ownership of the largest shareholder	73,25%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Corner / Shareholder Information / Policies and Guidelines / Dividend Policy
The name of the section on the corporate website that describes the dividend distribution policy	https://www.kap.org.tr/tr/Bildirim/922427
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-

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General Assembly Meetings									
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares directly present at the GSM	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting
31.03.2021	-	74,43%	0,00%	74,43%	Investor Corner / General Meetings / Minutes of the Ordinary General Assembly Meeting /Oyak Çimento Fabrikaları A.Ş.- Minutes of the Ordinary General Assembly Meeting 2020	Investor Corner / General Meetings / Questions Asked at the General Assembly Meeting / Oyak Çimento Fabrikaları A.Ş - Questions Asked at the 2020 Ordinary General Assembly Meeting	-	272	https://www.kap.org.tr/tr/Bildirim/922427

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2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Investor Corner
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Investor Corner /Corporate Information/Oyak Cement Factories A.Sh.-Partnership Structure
List of languages for which the website is available	Turkish, English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	The duties they perform outside the company are included in Article A-6 and Article-1 also contains declarations of independence.
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	A-6. Article
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	A-6. Article
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	G-2. Article
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	D-6a Article
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	G-3. Article
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	D-3. Article
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	G-4. Article

ANNUAL ACTIVITY REPORT

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	None
The number of definitive convictions the company was subject to in relation to breach of employee rights	32
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Ethics Committee
The contact detail of the company alert mechanism	cimporethico.com
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	None.
Corporate bodies where employees are actually represented	Union
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Confirmation
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Employee Policy-Code of Ethics
Whether the company provides an employee stock ownership programme	There are no plans to acquire shares.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Ethical Rules
The number of definitive convictions the company is subject to in relation to health and safety measures	1
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Employee Policy/Code of Ethics
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	About us – Environmental Awareness - Social Responsibility
Any measures combating any kind of corruption including embezzlement and bribery	With the study conducted in 2020, our New Ethics Line was commissioned at the beginning of November 2020. International efforts to eliminate such crimes are supported, while unethical acts such as bribery, corruption, abuse of office are carefully avoided. Its employees refrain from any actions and behaviors that may mean providing benefits to themselves or their relatives. The conflict of personal interests with the benefit of the Company and the acquisition of inappropriate personal interests due to the position of employees, relatives or 3. it is not allowed under any circumstances to benefit individuals.

OYAK ÇİMENTO FABRİKALARI A.Ş.**ANNUAL ACTIVITY REPORT**

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Chairman of The Board of Directors OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. (Person Acting Behalf of Suat ÇALBIYIK); Vice President Of The Board Of Directors OYAK Paz. Hiz. Ve Tur. A.Ş.'nin (Person Acting Behalf of Mehmet OKKAN)
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	-
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	D-2. Article
Name of the Chairman	Chairman of The Board of Directors OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. (Person Acting Behalf on Suat ÇALBIYIK)
Name of the CEO	General Manager Ali PASTONOĞLU
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	None
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	Executive liability insurance is available for the defects of the members of the board of directors during their duties and the damage they will cause to the company; it does not exceed 25% of the capital.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None
The number and ratio of female directors within the Board of Directors	Our number of female members is 1; the ratio is 1/9

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Composition of Board of Directors							
Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Oyka Kağıt Ambalaj San. Ve Tic. A.Ş. (Represented by Suat ÇALBIYIK)	Non-executive)	Not independent director	20/09/2016	-	Not considered	No	Yes
OYAK Pazarlama Hizmet ve Tur. A.Ş. (Represented by Mehmet OKKAN)	Non-executive)	Not independent director	10/06/2021	-	Not considered	No	Yes
Ataer Holding A.Ş. (Represented by Muammer ATILA)	Non-executive)	Not independent director	10/06/2021	-	Not considered	No	Yes
Oytaş İç ve Dış Ticarek A.Ş. (Represented by Ramazan PATIR)	Non-executive)	Not independent director	10/06/2021	-	Not considered	No	Yes
Omsan Lojistik A.Ş. (Represented by Adalet TUNÇER)	Non-executive)	Not independent director	19/03/2020	-	Not considered	No	Yes
OYAK Denizcilik ve Liman İşl. A.Ş. (Represented by Arda Kaan ALPMAN)	Non-executive)	Not independent director	10/12/2021	-	Not considered	No	Yes
Kazım YETİŞ	Non-executive)	Independent director	19/03/2020	https://www.kap.org.tr/tr/Bildirim/915714	Considered	No	Yes
Sezai Afif ENSARI	Non-executive)	Independent director	19/03/2020	https://www.kap.org.tr/tr/Bildirim/915714	Considered	No	Yes
Abdurrahman ÇELİKER	Non-executive)	Independent director	19/03/2020	https://www.kap.org.tr/tr/Bildirim/915714	Considered	No	Yes

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4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	20
Director average attendance rate at board meetings	100,00%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	3 - 5 days ago
The name of the section on the corporate website that demonstrates information about the board charter	None
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	A-6. Article
Link(s) to the PDP announcement(s) with the board committee charters	Investor Corner/Shareholder Information/Policies and Guidelines

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Composition of Board Committees-I				
Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Komite Başkanı Olup Olmadığı	Whether Board Member Or Not
1-Denetim Komitesi (Audit Committee)	-	Kazım YETİŞ	Yes	Board member
1-Denetim Komitesi (Audit Committee)	-	Abdurrahman ÇELİKER	No	Board member
2-Kurumsal yönetim komitesi (Corporate Governance Committee)	-	Abdurrahman ÇELİKER	Yes	Board member
2-Kurumsal yönetim komitesi (Corporate Governance Committee)	-	Sezai Afif ENSARİ	No	Board member
2-Kurumsal yönetim komitesi (Corporate Governance Committee)	-	Enes Ensari VARDAR	No	Not board member
3-Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	Sezai Afif ENSARİ	Yes	Board member
3-Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	Kazım YETİŞ	No	Board member

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4. BOARD OF DIRECTORS-III	
4.5. Yönetim Kurulu Bünyesinde Oluşturulan Komiteler-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	A-6. Article
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	A-6. Article
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	A-6. Article
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	A-6. Article
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	A-6. Article
4.6.Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	None.
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	https://oyakcimento.com/tr/yatirimci-kosesi/hissedar-bilgileri
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	B-1. Article

Composition of Board Committees-II					
Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	Komitenin Faaliyetleri Hakkında Yönetim Kuruluna Sunduğu Rapor Sayısı
Denetim Komitesi (Audit Committee)	-	100%	100%	5	5
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	67%	67%	6	6
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	100%	100%	6	6

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SUSTAINABLE PRINCIPLES COMPLIANCE REPORT						
Principles	Compliance Status					Explanation
	Yes	Partially	No	Exempt	Irrelevant	
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Goals						
Environmental, Social and Corporate Governance (ESG) priority issues, risks and opportunities have been identified by the Board.		X				Environmental, social and corporate priority issues have been identified in the last quarter of 2021, and the process of integration with risks and opportunities continues.
ESG policy has been established by the Board.		X				IMS Policy has been prepared and published. Sustainability principles have been taken into account in the published policy, and the integration process of EMS issues into the IMS Policy continues.
Documents such as in-partnership guidelines, business procedures, etc. for the effective implementation of ESG policies have been prepared.		X				All procedures and instructions regarding the environment have been published and implemented for the effective implementation of the IMS Policy. "Corporate Sustainability Handbook" was prepared in English and Turkish to be used locally and globally, and its Portuguese translation was made. Sustainability studies continue.
A decision for the ESG policies have been taken by the board and policies have been disclosed to the public.		X				IMS Policy has been prepared and published. Sustainability principles have been taken into account in the published policy, and the integration process of EMS issues into the IMS Policy continues.
Partnership Strategy has been determined in accordance with ESG policies, risks and opportunities.		X				The process of determining the Partnership Strategy in line with the ESG policy and risks and opportunities continues.
In line with the partnership strategy and ESG policies, short and long term targets have been set and disclosed to the public.		X				The process of determining short and long term targets in accordance with the partnership strategy and ESG policy to be determined continues.

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A2. Implementation / Monitoring						
Committees and / or units responsible for the implementation of ESG policies have been determined and disclosed to the public.		X				In order to identify sustainability risks, preparatory work has been initiated and continues for the determination of the Sustainability committees that will be responsible for the execution of the ESG policy. Regarding Corporate Governance; Early Detection of Risk, Audit and Corporate Governance Committees were formed and disclosed to the public.
Committees and / or units responsible for the implementation of ESG policies have been determined and disclosed to the public.		X				Corporate Governance, Early Detection of Risk and Audit Committee decisions related to Corporate Governance have been taken and stated in the annual report.
Implementation and action plans have been prepared in line with the short and long-term targets and announced to the public.			X			The process of determining short and long-term targets in line with the partnership strategy and ESG policy continues.
ESG Key Performance Indicators (KPIs) have been determined and the indicators are disclosed on a yearly basis.	X					Key Performance Indicators for 2021 have been determined and will be shared with the public through OYAK Çimento Fabrikaları A.Ş. 2021 Integrated Report.
KPIs are presented together with local and international sector comparisons (in case of verifiable data).		X				Key Performance Indicators for 2021 have been determined and will be shared with the public through OYAK Çimento Fabrikaları A.Ş. 2021 Integrated Report. The results of the Sectoral Comparison study and sectoral comparisons were announced to the sector by the Department of Energy Efficiency and Environment.
Innovation activities for business processes or products and services that improve sustainability performance are explained.		X				Innovation and R&D activities aimed at business processes or products/services to improve sustainability performance are being carried out, and these activities will be shared with the public through the OYAK Çimento Fabrikaları A.Ş. 2021 Integrated Report.

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A3. Reporting						
Sustainability performance, goals and actions have been reported at least once a year and disclosed to the public. Information on sustainability activities have been disclosed in the annual report.	X					Sustainability performance and actions are being monitored and preparatory work is ongoing at OYAK Çimento Fabrikaları A.Ş will be shared with the public through the Integrated Report for 2021.
In order for the stakeholders to understand the position, performance and development of the partnership, important information have been shared in a direct and concise manner (Detailed information and data can also be explained on the corporate website, and separate reports that directly meet the needs of different stakeholders can be prepared.).		X				Work continues.
Maximum care has been taken in terms of transparency and reliability in disclosures and reporting. Within the scope of the balanced approach, all kinds of developments about material issues in disclosure and reporting have been objectively explained.		X				OYAK Çimento Fabrikaları A.Ş. will be shared with stakeholders on the website through the 2021 Integrated Report. Work continues.
Information was provided on which of the United Nations Sustainable Development Goals the activities are related to.		X				OYAK Çimento Fabrikaları A.Ş. whose preparatory work is continuing. It will be shared with the public through the Integrated Report for 2021.
Disclosures have been made regarding the lawsuits filed and / or concluded against ESG issues.		X				What is considered necessary /important from the lawsuits filed and/or concluded against our company is explained in the CAP.
A4. Verification						
Sustainability performance measurements have been disclosed to the public, if verified by independent third parties (independent sustainability assurance providers).		X				The emission data from the sustainability related parameters are approved by the verifying organization and shared with the Ministry.

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B. ENVIRONMENTAL PRINCIPLES						
Policies and practices, action plans, environmental management systems (ISO 14001) and programs created within the scope of environmental management have been explained.	X					In 2021, all OYAK Çimento Fabrikaları A.Ş. will be operating under the EYS system. It has been taken as an Integrated for branches and headquarters.
Compliance with the environment and related laws and other relevant regulations has been achieved and the work done has been explained.	X					OYAK Çimento Fabrikaları A.Ş. full legal compliance has been achieved for its branches and permission and license processes have been completed within this scope. Within the scope of the EYS system, the legislation that should be followed with the list of outsourced documents has been determined and the system that follows the changes in legislation on a daily basis has been established
In the report prepared within the scope of Sustainability Principles, the limitations regarding the limit of the environmental report included, reporting period, reporting date, data collection process and reporting conditions have been included.	X					Relevant restrictions are included in the Integrated Reporting for 2020, and OYAK Çimento Fabrikaları A.Ş. Relevant restrictions will also be included in the 2021 Integrated Report.
The highest level responsible regarding environment and climate change, relevant committees and duties of them have been explained.	X					The most senior environmental and climate change officials have been identified, and Sustainability-related committees and tasks will also be announced.
Incentives offered to employees for the management of environmental issues, including the achievement of goals, are explained.	X					It is explained in Personnel Regulation and Award Procedure.
How environmental problems are integrated into business goals and strategies is explained.		X				Environmental priorities and business sensitivities it is included in their strategy. The process of determining climate-based risks is ongoing.
Sustainability performances for business processes or products and services and activities to improve these performances are explained.	X					Performance and improvement activities are included in the 2020 integrated reports. OYAK Çimento Fabrikaları A.Ş. It will also be included in the 2021 Integrated Report.

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It is explained not only in terms of direct operations, but also how environmental issues are managed throughout the partnership value chain and how suppliers and customers are integrated into strategies.		X				According to the supplier evaluation procedure, supplier selection is made and the suitability of suppliers is checked with audits. Improving the process continues to work for.
Whether or not to participate in policy-making processes on environmental issues (sectoral, regional, national and international); Cooperation with affiliated associations, related organizations and non-governmental organizations in the field of environment, duties and activities supported, if any, are explained.	X					There are many organizations where we work together on environmental issues (TÜRKÇİMENTO, TOBB, TAYÇED, ERTA, ÇEİS, WCA, THBB, etc.).
In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), information on environmental impacts has been reported periodically in a comparable manner.	X					Environmental indicators are included in the integrated reports for 2020. OYAK Cement Factories A, whose preparatory work is continuing.Sh. It will also be included in the Integrated Report for 2021.
The standard, protocol, methodology and base year details used to collect and calculate the data are explained.		X				The environmental indicators are included in the integrated report for 2020. OYAK Cement Factories A, whose preparatory work is continuing.Sh. It will also be included in the Integrated Report for 2021.
The status of environmental indicators (increase or decrease) for the reporting year in comparison with previous years has been disclosed.	X					The environmental indicators are included in the integrated report for 2020. OYAK Cement Factories A, whose preparatory work is continuing.Sh. It will also be included in the Integrated Report for 2021.
Short and long-term goals have been determined to reduce environmental impacts and these goals (It is recommended that the targets be determined based on scientific methods as suggested by the United Nations Conference of the Parties on Climate		X				Environmental indicators are partially included in the integrated report for 2020. in the Sustainability Strategy Report, which has been prepared in 2021, short- and long-term targets will be announced.

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Change). It provided information on the issue, if there are any progress achieved in the reporting year in line with the previously set targets						
The strategy and actions to combat the climate crisis have been explained.			X			No explanation has been made in this context.
The program or procedures established to prevent or minimize the potential negative impact of the products and / or services offered are explained; The actions of third parties to reduce greenhouse gas emissions have been explained.			X			No explanation has been made in this context.
The actions taken to reduce environmental impacts, the total number of projects and initiatives carried out, and the environmental benefits / benefits and cost savings provided by them are explained.	X					Environmental indicators are included in the 2020 integrated report. OYAK Çimento Fabrikaları A.Ş. It will also be included in the 2021 Integrated Report.
Total energy consumption data (excluding raw materials) are reported and energy consumption is given in the report as Scope-1 and Scope-2.	X					Relevant data will be included in the Integrated Reporting for 2021. Within the scope of the "Energy Efficiency Law" No. 5627 for each facility, the energy production and consumption data of the previous year are entered as data in the "Energy Efficiency Portal" according to the established criteria every year.
Information was given on electricity, heat, steam and cooling data generated and consumed in the reporting year.	X					Relevant data will be included in the Integrated Reporting for 2021. Within the scope of the "Energy Efficiency Law" No. 5627 for each facility, the energy production and consumption data of the previous year are entered as data in the "Energy Efficiency Portal" according to the established criteria every year.
Information was provided on electricity, heat, steam and cooling data generated and consumed in the reporting year.	X					Its data for the use of renewable energy are included in the integrated report for 2020. these studies will also be included in the Integrated Report for 2021.

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Renewable energy production and usage data were announced.	X					Its data for the use of renewable energy are included in the integrated report for 2020. These studies will also be included in the Integrated Report for 2021.
Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through these studies has been announced.	X					The studies within the scope of energy efficiency are included in the integrated report for 2020. these studies will also be included in the Integrated Report for 2021.
The amount of water withdrawn, used, recycled and discharged from underground or aboveground, its sources and procedures (Total water withdrawal by source, water sources affected by water withdrawal; percentage and total volume of recycled and reused water, etc.) have been reported.	X					The data and studies within the scope of water use are included in the integrated report for 2020. These studies will also be included in the Integrated Report for 2021.
It is explained whether the operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).			X			No taxation system has entered into force in our country. Active participation is provided in public and sectoral studies conducted in our country.
Information and details regarding the carbon credits accumulated or purchased during the reporting period have been announced.			X			No taxation system has entered into force in our country. Active participation is provided in public and sectoral studies conducted in our country.
If carbon pricing is applied within the partnership, the details of this application have been announced.			X			No taxation system has entered into force in our country. Active participation is provided in public and sectoral studies conducted in our country.
All mandatory and voluntary platforms where environmental information is disclosed have been announced.		X				Environmental information is disclosed to member organizations and relevant Ministries within the scope of legislation.
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
Corporate Human Rights and Employee Rights Policy has been established, in which full compliance with the Universal Declaration of Human Rights, ILO Conventions that are confirmed by Turkey and legal framework and	X					

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legislation regulating human rights and working life in Turkey has been established. The policy and the roles and responsibilities related to its implementation have been disclosed to the public.						
Equality of opportunity is ensured in recruitment processes.	X					
Considering also the supply and value chain effects, fair labor, improvement of labor standards, women's employment and inclusion issues (such as women, men, religious belief, language, race, ethnic origin, age, disability, refugee, etc.) have been included in the policies.	X					
Measures taken throughout the value chain to protect the rights of certain economic, environmental, social factors (low-income groups, women, etc.) or minority rights / equality of opportunity are explained.	X					
Progress in preventing and corrective practices against discrimination, inequality, human rights violations, forced labor has been reported.	X					
Regulations for not employing child labor have been explained.	X					
Policies regarding investment in employees (training, development policies), compensation, vested benefits, right to unionize, work / life balance solutions and talent management are explained.	X					
Mechanisms for employee complaints and dispute resolution have been established and dispute resolution processes have been determined.	X					
Activities carried out to ensure employee satisfaction are announced regularly.	X					
Occupational health and safety policies have been	X					

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created and shared with the public.						
The precautions taken in order to prevent occupational accidents and to protect health and accident statistics are explained.	X					
Protection of personal data and data security policies have been created and shared with the public.	X					
Ethical policy (including work, work ethics, compliance processes, advertising and marketing ethics, open disclosure, etc.) has been created and disclosed to the public.	X					
Studies within the scope of social investment, social responsibility, financial inclusion and access to finance have been explained.	X					
Informative meetings and training programs regarding ESG policies and practices have been held for employees.	X					
C2. Stakeholders, International Standards and Initiatives						
Activities in the field of sustainability are carried out by taking into account the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations, etc.).	X					The relevant issues will be declared in the Integrated Reporting for 2021.
The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.		X				There is also no policy on customer satisfaction, the issue is included in the "Integrated Management System Policy" and it is always open and accessible to the society and all interested parties.
Stakeholder communication is carried out continuously and transparently.	X					
"Developments in sustainability activities were explained.		X				Studies on the subject are ongoing.

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The developments in sustainability activities and which stakeholders were communicated with for what purpose, on what subject and how often have been explained."		X				Integrated Reporting for 2021 will be prepared and declared in accordance with GRI standards and ESG.
The adopted international reporting standards (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Climate-Related Financial Disclosures Task Force (TCFD) etc.) have been disclosed to the public.			X			No explanation has been made in this context.
Signatory or member international organizations or principles (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Principles (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.), international principles adopted (International Capital Market Association (ICMA) Green / Sustainable Bond Principles etc.) has been disclosed to the public.	X					The company is included in the indices of BIST ANKARA / BIST ALL / BIST PARTICIPATION TUM / BIST INDUSTRIAL / BIST 100-30 / BIST PARTICIPATION 50 / BIST PARTICIPATION 100 / BIST STONE, TOPRAK / BIST 100 / BIST YILDIZ .
D. CORPORATE GOVERNANCE PRINCIPLES						
Maximum effort is made to comply with all Corporate Governance principles as well as the mandatory Corporate Governance principles within the scope of the Capital Markets Board Corporate Governance Communiqué No. II-17.1.	X					
While determining the corporate management strategy, the issue of sustainability, the environmental impacts of the activities and the principles on this issue are taken into consideration.		X				The relevant issues will be declared in the Integrated Reporting for 2021 and Sustainability Strategy reporting will be carried out.

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As stated in the Corporate Governance Principles, necessary measures are taken to comply with the principles regarding stakeholders and to strengthen communication with stakeholders.	X					
Opinions of stakeholders are sought in determining measures and strategies in the field of sustainability.		X				Stakeholder Analysis will be carried out in the 2021 Integrated Reporting and will be evaluated in the Sustainability Strategy reporting.
Studies are carried out to raise awareness on the issue of sustainability and the importance of sustainability through social responsibility projects, awareness activities and trainings.		X				Relevant issues will be declared in the 2021 Integrated Reporting.
Efforts are being made to become a member of international standards and initiatives on sustainability and to contribute to studies.		X				Our institution is one of the founders of ERTA in Turkey, and research is carried out on other platforms.
Policies and programs regarding the fight against bribery and corruption and the principle of tax integrity are explained.	X					

In contradiction between the Turkish and English versions of this Board of director' s report, the Turkish version shall prevail.

