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ENKA

Sustainability Report



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A Message From The President And Chairman Of The Executive Committee



Dear Stakeholders,

ENKA İnşaat ve Sanayi A.Ş. (ENKA) has successfully completed 60 years in business, maintaining its entrepreneurial spirit, and constantly growing and adding value to the communities around us. With the support of our employees and all our other stakeholders, we have always conducted our activities within the spirit of our corporate values of integrity, trust, ethics, innovation, solidarity and sustainability.

In the year in which we celebrated our 60th anniversary, we set out on a journey of sustainability restructuring. Our aim was to systematise our responsible management approach, deepen it and root it in international standards. Under the leadership of the Sustainability Committee which we formed, we have developed a sustainability policy and strategy with the engagement of all our stakeholders. Furthermore, we have begun to internalise the spirit of responsible management -which is at the heart of sustainability- at all the functions of the company. As we carry out our activities in various sectors - among them engineering and construction, energy, real estate and commerce - and in widely varying locations, we have committed ourselves to serve sustainable development. The ENKA Sustainability Strategy, which we



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have developed in accordance with ENKA's fields of influence and the global Sustainable Development Goals, rests on four principal foundations:

- Doing Good Business
- Caring for Employees
- Developing Communities
- Reducing Environmental Impact

Details of the targets which ENKA and its group companies have set under each of these headings, and of the activities carried out up to now, can be found in the following pages.

With its activities in Turkey and around the world, ENKA has been shaping the sectors in which it operates for 60 years. It has done so without compromising its principles in terms of ethics, quality, safety at work and the environment. Using the right human resources and the right infrastructure, it has brought its engineering work based on science and technology through all stages from design to delivery. It has shared the power of the energy produced by the plants it has built and operated with the world.

ENKA was established and grew as a family company and has succeeded in becoming one of the world's most important corporate companies. Achieving targets through a stable management approach, it has progressed by continually setting itself new targets. With its Sustainability Strategy, the

decisions it has taken and the operations it is conducting, ENKA is now aiming to contribute to the agenda of the UN Sustainable Development Goals. Accordingly, ENKA signed the UN Global Compact on 17th November 2017, and pledged to act in accordance with its ten fundamental global principles. We have also linked our sustainability policy and strategy to the UN Sustainable Development Goals.

I can state with confidence that we are carrying out our projects and other activities in accordance with our quality, safety at work and environmental management systems, which constitute the most basic requirements of sustainability and ensure that they are completed safely and in conformity with our zero-accident target.

Safety at work has always been an important value for us. Following many years of effort, I can say that safety at work has been internalised within ENKA at all levels. The system which we have established for safety at work encompasses both proactive and reactive approaches. I would like to inform you that we are continuing to improve this system every day by learning from the accidents which we experience, conducting effective training activities, establishing open channels for communication and continuously monitoring these systems.

The "zero accident" target, which we have adopted to ensure that our employees return safe and sound to their homes and families also encompasses the philosophy

of doing “zero harm” to the environment in all the locations where we operate. We are constantly working to reduce the environmental impacts of our activities out of respect for the natural resources of the regions where we are working. To control the potential environmental impacts, we carry out detailed environmental impact assessment analyses at the initial phase of all of our projects. Following these analyses, we develop Waste Management Plans with the basic aim of eliminating or reducing wastes at their sources. Through our environmental procedures and inspection programme, we monitor our environmental performance regularly and seek to put any necessary improvements into practice promptly. In this spirit, we have worked on and implemented efficiency measures to improve the productivity of our power plants in Turkey, resulting in lower levels of emissions, improved performance and greater operational flexibility.

One of our highest-ranking corporate principles at ENKA is to contribute to the development of the countries in which we operate and to raise their standards of living. In line with this principle, we make sure that every activity, which we plan and implement creates a positive and permanent asset for the regions in which we are present, and favourably endows the communities with which we interact.

In this context, I would like to stress that the activities of the ENKA Foundation, which we founded in 1983, account for the greatest proportion of our social investment

activities. ENKA Foundation aims to support and accelerate Turkey's development in all of its activities, through the institutions it manages in the fields of education, sports and culture, which are the most basic needs of life. Projects we support and our regular programmes seek to benefit our country by providing sustainable and reproducible models that can be served as “best practices”.

The following units operate under the ENKA Foundation: the ENKA Sports Club, which was established in the same year as the Foundation itself; Istanbul ENKA Schools, which was inaugurated in 1996; Adapazarı ENKA Schools, which opened immediately after the 1999 earthquake and was established precisely to provide education for children affected by the earthquake; the ENKA Vocational and Technical Anatolian High School, which started up in 2008; the ENKA Science and Technology High School, which began operating in 2014, and the ENKA Culture & Arts unit. All of these institutions, and all those who belong to them, are striving to share their experience and make the related opportunities available to society at large.

Our Sports Club started out with the slogan “Gelecek Gençlerindir” (The Future belongs to the Young). Around 6000 people benefit from its sports campus, which has a total area of 100,000 square metres. Here, the Club is aiming to bring up new generations that are healthy in mind and body and ahead of their time. We have approximately 1,100 licensed athletes. They compete regularly in



One of our highest-ranking corporate principles at ENKA is to contribute to the development of the countries in which we operate and to raise their standards of living.

national and international competitions. We also have about 700 young candidate athletes who are being trained within the ENKA family to be the champions of the future. At this point, I would like to share some important facts with you: At the Rio Olympics in 2016, 22 out of 103 athletes in the Turkish delegation were from ENKA. Similarly, ENKA provided 17 of the 114 athletes from Turkey who took part in the London Olympics of 2012. I believe these to be crucial indicators that the Foundation has fulfilled the aims for which it was established.

ENKA schools believe that every child has the right to benefit from sporting, educational and cultural events. Operating under the umbrella of the Foundation, they continue to be the hope of thousands of children for a secure future. I would like to take this opportunity to state that ENKA Schools have come to be regarded among the most respected educational institutions at home and abroad due to their top-quality facilities and the educational services they provide.

Our approach to community investment is an inseparable element of our corporate values and the way we work. We will continue to work hard to ensure that this approach is reflected in our activities in the future as well, and to improve this aspect of our work. Through the innovative approach and reproducible models we develop, we desire to maintain our pioneering and exemplary position, as well as to be of benefit to both our country and to other places in which we carry out our activities.

We are proud to see that awareness of working on the basis of global principles is growing among the business community in general, and particularly among our employees and suppliers. We have developed the report which you are now reading in a spirit of transparency and accountability in the framework of the Global Compact Progress Report and the Global Reporting Initiative (GRI) standards. We intend to work with you to develop our reporting further in the following years and we would like to continue to share these reports as we broaden its scope. We wish to always see you alongside us, through this long and pleasant journey.

Mehmet Tara
President and Chairman of the Executive Committee

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About the Report

With its 2017 Sustainability Report, ENKA intends to share with all of its stakeholders its targets for the future, its approach to material issues that are significant for its stakeholders and its sustainability work and performance in 2017. The report covers activities conducted between January 1st - December 31st 2017. This is ENKA's first sustainability report.

The ENKA 2017 Sustainability Report has been prepared in accordance with the GRI Standards: Core option. Additionally, the report makes use of GRI Construction and Real Estate Sector Disclosures.

ENKA became a signatory of the United Nations Global Compact (UNGC) in 2017. The UNGC Index given at the end of the report indicates which parts of the report include ENKA's activities in relation to the 10 global principles.



The ENKA 2017 Sustainability Report has been prepared in accordance with the GRI Standards: Core option. Additionally, the report makes use of GRI Construction and Real Estate Sector Disclosures.

The ENKA 2017 Sustainability Report covers data from and activities of ENKA Headquarters, all ENKA subsidiaries in Turkey and around the world, and ENKA Foundation. All organisations listed in ENKA's consolidated balance sheets are covered by this report. The report chapters entitled Energy Efficiency and Climate Change and Water Management cover the activities of ENKA Headquarters, two ENKA İnşaat Projects, Çimtaş (Steel and Pipe), ENKA Power (all plants), ENKA Pazarlama, Istanbul ENKA Schools, ENKA Sports Club and ENKA Real Estate (CCI, ENKA TC, MKH).

The data for the report was collected under the leadership of the ENKA Sustainability Committee with contributions from all firms and organisations active within ENKA and their relevant units. Mikado Sustainable Development Consulting supported the preparation of the report. The report was not subject to external auditing.

ENKA's sustainability strategy was designed and the materiality assessment was conducted through a broad-based, inclusive stakeholder participation process. The materiality assessment process is described in the report under the heading of "Material Sustainability Topics".

This ENKA 2017 Sustainability Report has been prepared in Turkish and English.

All enquiries, feedback and suggestions regarding the ENKA 2017 Sustainability Report may be addressed to sustainability@enka.com.



ABOUT ENKA



Our Vision

To be one of the best and most innovative global engineering and construction companies.

Our Mission

To design, build and deliver safe, high-quality and cost-effective construction projects on schedule for our customers while providing quality employment and career growth opportunities for ENKA employees.

Our Values

Integrity: Our conduct towards our clients, shareholders, employees, suppliers, subcontractors, governmental and regulatory authorities and competitors, and towards society as a whole, is without fault.

Sustainability: A corporate sustainability approach fully mindful of our economic, environmental and social responsibilities towards internal and external stakeholders.

Ethics: Transparency, Accountability and Discipline in our business.

Trust: An open relationship with our employees based on mutual trust, respect and success.

Innovative Acumen: Excellence, Innovation and Improvement.

Commitment: Uncompromising commitment to Quality, Health, Safety and Environment.

Solidarity: Sharing success and standing together in the face of failure.

Read more...



Çimtaş: <http://www.cimtas.com/about-us/proşle/>
ENKA Power: <http://www.enkapower.com/en/visson-and-mission/>
ENKA Sports: <http://www.enkaspor.com/en/about-us/mission/>

About ENKA

Founded in 1957, ENKA İnşaat ve Sanayi A.Ş. (ENKA) provides comprehensive services including design and engineering at the purchasing, construction, commissioning, operation, maintenance and project management stages of all kinds of construction projects. It operated mainly in Turkey in the early years and later in other countries. With the combined strength of the companies in the group, ENKA has carried out more than 500 projects in 45 countries. Working with human resources comprising more than 40,000 and a machinery park valued at USD300 million, ENKA has succeeded in making its services available in every location in the world.

ENKA İnşaat ve Sanayi A.Ş., a company with its headquarters in Istanbul, Turkey, provides services in the following areas through its affiliated companies, foreign enterprise branches and jointly controlled entities:

- Engineering and Construction
- Power Generation
- Real Estate
- Trade



ENGINEERING & CONSTRUCTION

ENKA İNŞAAT VE SANAYİ A.Ş.

ÇİMTAŞ

KASKTAŞ

ENKA TEKNİK

TİTAŞ



POWER GENERATION

GEBZE ELEKTRİK ÜRETİM LTD. ŞTİ.

ADAPAZARI ELEKTRİK ÜRETİM LTD. ŞTİ.

İZMİR ELEKTRİK ÜRETİM LTD. ŞTİ.



REAL ESTATE

MOSENKA

MOSKVA KRASNYE HOLMY

ENKA TC

CITY CENTER INVESTMENT BV.

ENKA INVEST



TRADE

ENKA PAZARLAMA İHRACAT İTHALAT A.Ş.

ENTAŞ NAKLİYAT VE TURİZM A.Ş.

AIRENKA HAVA TAŞIMACILIĞI A.Ş.

ENKA SYSTEMS YAZILIM A.Ş.

Read more...



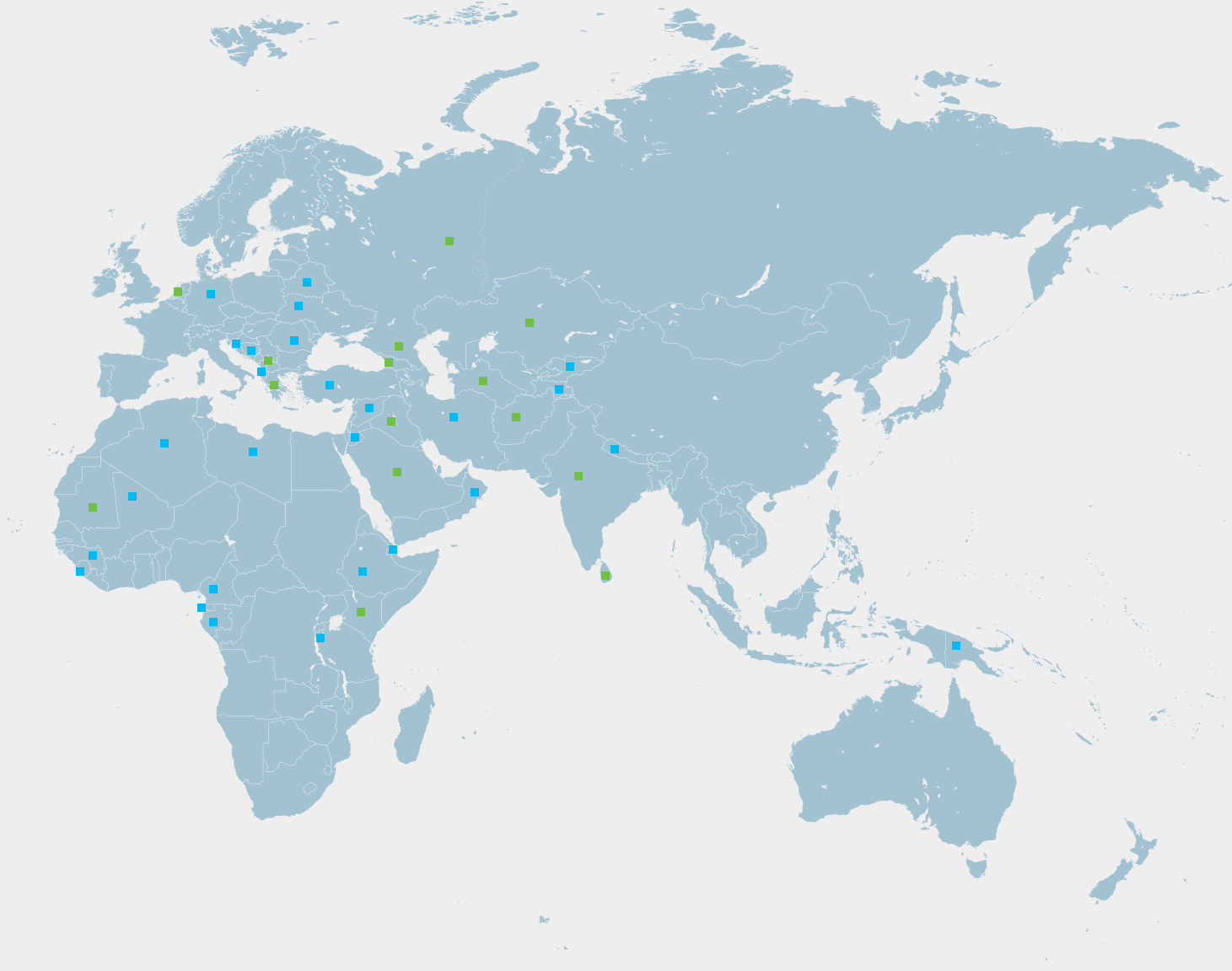
about our activities: <http://www.enka.com/what-we-do/>
about our activities: <http://www.enka.com/subsidiaries/>

Aside from the operation of its natural gas combined cycle power plants in Gebze, Adapazari and Izmir in Turkey, ENKA continued its work in 2017 on: pipeline preliminary works and facilities in Georgia; natural gas combined cycle power plants undertaken on an EPC basis in Iraq; a multi-functional medical centre complex in Gelendzhik, the TAIF business centre in Kazan and the Kashirskaya shopping centre project in Moscow – all in the Russian Federation; construction work on an oilfield and islands in Kazakhstan; the Kosovo Route 6 motorway project, and projects for the construction of US embassy buildings in Afghanistan, Russia, the

Netherlands, Turkmenistan, Sri Lanka, Saudi Arabia, India, Mauritania, Paraguay, Kenya, Mexico and Greece. In addition, ENKA and the contractor have agreed upon the construction works of the 433MW Namakhvani hydroelectric power plant project to be built under the build-own-operate model in Georgia, the Dhi Qar and Samawa combined cycle power plants in Iraq, and a combined cycle power plant with an installed capacity of 495MW in Nizhnekamsk in Tatarstan in the Russian Federation.

The countries in which ENKA has operated are shown below:

AFRICA		ASIA		Turkmenistan		Kosovo	
Algeria		Afghanistan		Russia		The Netherlands	
Burundi		Azerbaijan		Turkey		Romania	
Cameroun		India				Ukraine	
Djibouti		Iran		AUSTRALIA		NORTH AMERICA	
Equatorial Guinea		Iraq		Papua Yeni Gine		Mexico	
Ethiopia		Jordan		EUROPE		Dominican Republic	
Gabon		Kazakhstan		Albania		SOUTH AMERICA	
Guinea		Kyrgyzstan		Belarus		Paraguay	
Kenya		Nepal		Bosna Herzegovina			
Libya		Oman		Croatia			
Mali		Saudi Arabia		Germany			
Mauritania		Sri Lanka		Georgia			
Sierra Leone		Tajikistan		Greece			
				■ On-going Projects			



Governance

ENKA carries out its activities with an ethical, transparent and accountable management approach. It fully abides by all laws and regulations, and its model of corporate governance has been developed in accordance with the corporate governance principles laid down by the Capital Markets Board of Turkey (SPK). ENKA shares information about the progress it is making in this area with its stakeholders by publishing annual corporate governance principles compliance reports.

ENKA İnşaat ve Sanayi A.Ş. is controlled by Tara Holding A.Ş. and the Tara and Gülçelik families, and 12.03% of its shares are traded on Borsa İstanbul, the Istanbul Stock Exchange.

The Board of Directors of ENKA İnşaat ve Sanayi A.Ş. is made up of a total of five members comprising two executive members and three non-executive members of whom two are independent members. According to the company's articles of incorporation, ENKA İnşaat ve Sanayi A.Ş. is managed and represented externally by its board of directors. At the Ordinary General Assembly held on 24th March 2017, a decision was taken approving the following board members to serve for a period of one year.

Board of Directors

Name and Surname	Occupation	Position
M. Sinan Tara	Civil Engineer MSc	Chairman of the Board of Directors
Haluk Gerçek	Industrial Engineer	Deputy Chairman of the Board of Directors
Erdoğan Turgut	Civil Engineer MSc	Member of the Board of Directors (Non-Executive Member)
E. Melih Araz	Economist	Member of the Board of Directors (Non-Executive Independent Member)
V. Ergin İmre	Chemical Engineer MSc	Member of the Board of Directors (Non-Executive Independent Member)



The Executive Committee of ENKA İnşaat ve Sanayi A.Ş. is as shown in the following table, with no limits on the period of office:

Executive Committee

Name and Surname	Occupation	Position
A.Mehmet Tara	Civil Engineer	President and Chairman of the Executive Committee (Engineering and Architectural Project Offices, Human Resources and Administrative Affairs, Environment, Health and Safety at Work, Quality Management, Machinery Supply and Real Estate Investments)
M.Gökhan Sağnaklar	Civil Engineer	Deputy Chairman of the Executive Committee
B.Burak Özdoğan	Civil Engineer	Member of the Executive Committee (Moscow Projects)
C.Şan Gürdamar	Civil Engineer MSc	Member of the Executive Committee (Nuclear Power Plant Projects)
Özger İnal	Civil Engineer MSc	Member of the Executive Committee (Infrastructure Projects)
S.Oğuz Kırkgöz	Civil Engineer	Member of the Executive Committee (Oil, Gas and Petrochemicals Projects)
Zafer Gür	Civil Engineer	Member of the Executive Committee (Special Projects)
H.Fehmi Bayramoğlu	Mechanical Engineer	Member of the Executive Committee (Energy Projects)
Cem Çeliker	Lawyer	Member of the Executive Committee (Legal Affairs)

Financial Performance

In 2017, the company's assets increased to USD8 million from USD7.6 million the previous year. Its net cash position amounted to USD3.2 million, and 78% of the total resources of the company consisted of its own resources.

ENKA achieved a turnover of USD2.9 billion in 2017 in the four main segments in which it operates. The company's net profit increased from USD589 million to USD705 million. Earnings before interest and tax, which indicate the company's operational profitability, worked out at USD745 million, of which engineering and construction accounted for 28%, energy production for 42%, real estate for 26% and the trade segment for 4%.

Of the distributable profits earned in 2017, TRY349 million was paid out in cash as advances against dividends. Moreover, a proposal was submitted to the General Assembly to be held in 2017 envisaging the distribution of additional cash dividends of TRY552 million as well as to add TRY400 million to the company capital through a bonus issue.

The tender for the project to construct and subsequently operate a 433MW dam and hydroelectric power plant in Georgia was won in 2017.



Fiscal Indicators	
Net Sales Income	USD2,899,584,190
Liabilities	USD1,747,478,462
Own Resources	USD6,283,812,575
Economic Value Directly Produced	
Construction	USD1,195,007,579
Real Estate Rental	USD318,976,963
Trade	USD234,245,005
Energy	USD1,336,969,326
Total	USD2,899,584,190
Economic Value Distributed	
Sales, Distribution and Marketing Costs	USD26,612,213.48
General Management Expenses	USD101,615,754.42
Benefits to Employees	
Salaries	USD228,180,000
Social Security Expenditures	USD45,258,000
Other Benefits	USD3,238,000
Total	USD276,676,000
Total Tax Expenditures	USD118,025,245
Tax Reductions	
Income Tax	TRY4,867,223
Social Security Premiums	TRY1,043,689
Corporation Tax	TRY15,294,954
Total	TRY21,205,867
Payments to Capital Owners	
Profit	
To Holders of Ordinary Shares	TRY853,000,000
To Holders of Preference Shares	TRY29,352,000
Total	TRY882,352,000

Important Developments In 2017

ENKA İnşaat ve Sanayi A.Ş.

The reconstruction of the Kashirskaya Shopping Centre in Moscow, which is part of ENKA's real estate portfolio, continued. The engineering and construction works of this project are being carried out in line with Russian green building requirements.

At the beginning of the year, an agreement was made for the Namakhvani project, a hydroelectric power plant with an installed capacity of 433MW which is to be constructed under the build-own-operate model in conjunction with Norway's Clean Energy Group.

The contracts were secured for the Dhi Qar and Samawa combined cycle power plant projects in Iraq and for two projects in Tatarstan in the Russian Federation: the TAIF Business Centre project in the city of Kazan and the combined cycle power plant with an installed capacity of 450MW to be built in Nizhnekamsk.

ENKA İnşaat ve Sanayi A.Ş. opened its Design Centre, which will operate in the fields of Design and Engineering. This centre is Turkey's first design and engineering centre in the construction sector.

ENKA became the first contracting company to enter Libya since the war.

The transition to the 2015 versions of the ISO 14001 and ISO 9001 management system quality certificates was successfully completed.

The ENKA Sustainability Committee, Ethics Committee and Risk Management Working Group were established, and the ENKA Ethics Hotline was put into active use.

ENKA Group Companies:

The ENKA subsidiary Cimtas Boru (Cimtas Pipe) opened a new LEED Gold-certified factory, thereby increasing its annual production capacity by 60,000 tons.

The company ENKA Systems was established as an ENKA subsidiary in order to meet the software needs of companies managing large-scale operations at the global level. The centre was approved as an R&D centre by the Ministry of Science, Industry and Technology of the Republic of Turkey. During the course of the year, ENKA Systems put six software packages on the market.

A number of infrastructure improvements were made at the Gebze, Adapazari and İzmir natural gas combined cycle power plants operated by ENKA subsidiary ENKA Power, and the "Advanced Path and DLN2.6+ Upgrade" investment was made using the latest technology. ENKA Power led the sector with this technology investment. As a result, the performance of its power plants improved, their emission levels were reduced, and the management flexibility and reliability of the plants was increased.

The Kuntsevo Multi-Purpose Trade Centre, which is owned by ENKA's subsidiary ENKA TC, has started to operate in 2015 and has reached an occupancy rate of 89% in the shopping mall area and 52% in the office areas as of the end of 2017.



Awards Received In 2017

Capital 2017 – Turkey's Most Profitable Company

ENKA was chosen as the most profitable company in the Turkey's 500 Largest Private Companies of Turkey Survey conducted by the Capital Magazine.

Boğaziçi Business World Awards 2017 - Construction Company of the Year

ENKA was selected for the "Construction Company of the Year" award at the "Boğaziçi Business World Awards" organised in a total of twenty categories by the Boğaziçi (Bosporus) University Engineering Club.

Global Project of 2017 and Global Best Project in the Power/Industrial category

The Sulaymaniyah 1,500MW Combined Cycle Power Plant Project was chosen Global Best Project in the Power/Industrial category by the world-renowned Engineering News Record (ENR) magazine and received the Global Project of 2017 award from the same magazine. This was the first time that a Turkish engineering company had received the Global Project of the Year award.

ENKA was included in Forbes' list of the "World's Best Employers 2017".

Istanbul Sailing Club Trophy – ENKA Yachting Team

The ENKA Sailing Team finished first in the Istanbul Sailing Club (İYK) 2017 yachting trophy programme, made up of nine races. The team won the championship for IRC-0 division yachts, which is considered the highest category.

Bahçeşehir University Trophy- ENKA Sailing Team

The ENKA Sailing Team finished first in the Bahçeşehir University (BAU) yachting trophy programme, made up of four races. The team won the championship for IRC-0 division yachts, which is considered the highest category.

Stars of Real Estate – Jury Award of Honour

The Sign of the City awards were organised for the fourth time in 2017 with the aim of bringing the construction and real estate sector into line with international norms and encouraging it to achieve excellence. Winners were selected in five main categories. The Jury presented its Award of Honour to Mr Şarik Tara.

Turkish Education Association Social Responsibility Award

The ENKA group of companies and volunteers and students from ENKA Schools joined forces for the Vodafone Istanbul Marathon, the only intercontinental race in the world, which was held for the 39th time in 2017, in a partnership with the Turkish Education Foundation (TEV). Our volunteers were delighted to be part of the marathon under the theme "We are running for our children's future". They made the crossing from Asia to Europe with great excitement and exuberance. The ENKA Group and ENKA Schools were selected for the award by the Turkish Education Foundation.

ENKA Sports Club Achievements

Athletics

Two European Championship records and four adult, eleven U23, six U20 and five U18 Turkey records were broken.

At the 2017 European Athletics Championship, a total of five gold medals, one silver medal and one bronze medal were won.

At the 2017 World Athletics Championship, one silver medal and one bronze medal were won.

Tennis

Championships were won in singles and doubles at the Islamic Solidarity Games.

In ITF junior tournaments held in different places and at different times, our players were champions seven times and finalists six times in singles, and champions six times and finalists 14 times in doubles.

Swimming

One gold medal was won at the 2017 European Swimming Championships.

A World Swimming Championship record was broken in the butterfly stroke at the World Schools Swimming Championships.

Our swimmers took seven gold medals, five silver medals and four bronze medals at the Islamic Solidarity Games.

Water Polo

Our adult and junior teams finished the season in second place in Turkey while we won championship titles in all the intervening age groups.

We won one gold medal at the Islamic Solidarity Games and placed third in the Balkan U15 Championship.

Wrestling

ENKA wrestling team has won the Turkish Championship in Junior category.

We won one First place and Second place prizes in the 20th International Champions Tournament.

We came in Second place in the Third Balkan Youth Championship.

ÇİMTAŞ Awards

- General Electric: "Comprehensive Partnership" Award
- Turkish Structural Steel Association: "Tenth Year of Membership Award of Honour"
- Istanbul Minerals and Metals Exporters Union (İMMİB) "Third Time Leading Exporter of Iron and Steel Construction Parts" Award
- Ministry of Energy and Technology: "R&D Centre" Certificate
- IDC Turkey Best Innovation Projects Awards: "Operational Excellence Projects of the Year" Award
- Award for Excellence in Client Focus

MKH Swissotel Awards

- 2017 TripAdvisor Travelers' Choice® – Top 25 Luxury Hotels, Russia
- 2017 TripAdvisor Travelers' Choice® – Best 25 Hotels for Service in Russia
- Luxury Travel Guide Awards 2017 – Best Luxury Hotel, Russia
- Luxury Travel Guide Awards 2017 – Best Hotel Restaurant (Acapella Restaurant)
- Travel & Hospitality Awards 2017 – Service Excellence Award
- World Travel Awards 2017 – Russia's Leading Luxury Business Hotel
- Calvados Nouvelle Vogue International Trophies 2017- Best Bartender of Russia (Nikita Khlopyanov)

ENKA TC Awards

In the European Property Awards announced in late 2016, the Kuntsevo Plaza received awards in the Retail Architecture and Retail Development categories. It was "Highly Commended" in the Retail Architecture category and received a "Five Star" accolade in the Retail Development category.



DOING GOOD BUSINESS

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Sustainability Priorities

ENKA's sustainability priorities were identified through an intensive process of engagement with its stakeholders, both internal and external. The materiality analysis took place over a three-month period between March and May 2017.

The topics identified also provided input for the development of ENKA's sustainability strategy.

ENKA Sustainability Materiality Analysis Process

Preparation

A list was made of the topics that might be prioritised, based on a study of sectoral dynamics, information obtained from situation analysis meetings, feedback from stakeholders and relevant internal and external sources

The list was reviewed and the items were grouped and consolidated. As a result, 21 topics that might potentially be materialized were identified.

Determination of Topics for Stakeholders

Face-to-face workshops and/or online questionnaires were used with various groups of stakeholders in order to find out what sustainability topics were material for ENKA's stakeholders and to receive their feedback.

ENKA Materiality Analysis

The findings obtained from the top management and from the stakeholders were consolidated and the most material sustainability topics for ENKA were projected onto a matrix.

Determination of Strategic Topics

A materiality workshop was conducted with the Sustainability Committee, representing the top management of ENKA, in order to identify the sustainability topics of strategic importance for ENKA.

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In determining the potential material sustainability topics, GRI Standards Sustainability Reporting Guidelines, the GRI Construction and Real Estate Sector Disclosures and the GRI report "Sustainability Topics for Sectors: What do stakeholders want to know?" were used. Account was also taken of the dynamics of the sectors in which ENKA operates, the economic, social and environmental impacts of these sectors and of ENKA itself, and feedback obtained directly or indirectly from stakeholders over the course of time.

A materiality workshop was held with the Sustainability Committee in order to determine the sustainability topics of strategic importance for ENKA. A total of 42 members, consisting of high-level managers and decision-makers from ENKA headquarters and ENKA group companies, took part in the workshop. Among the factors taken

into account in identifying the most material topics were the economic, social and environmental impacts which ENKA creates, the risks and opportunities associated with each of the sustainability topics, and the effects of these topics on the long-term performance of the company.

In addition, face-to-face workshops and/or online surveys were carried out to find out which sustainability topics were most important to ENKA's stakeholders and to receive the stakeholders' feedback. The groups of stakeholders to take part in the materiality assessment were chosen together with the group companies taking elements of impact and accessibility into account, and care was taken to ensure that the individuals and organisations contacted were selected in such a way as to be representative of the stakeholder group.



A total of 266 stakeholder representatives, including the Sustainability Committee, ENKA employees, suppliers, employers, sales representatives, non-governmental organisations and professional associations contributed to ENKA's materiality analysis through the stakeholder engagement process

102-42, 102-46

During the workshops and online surveys, the relevant sustainability topics were shared with ENKA’s stakeholders and they were asked to select the topics most important to them and put them in order. At the workshops, the participants were also given a sustainability training, which made the workshops more productive. All of these activities proved to be of great value for understanding what stakeholders expect of ENKA, getting to know their ideas for improvements, and strengthening stakeholder engagement.

A total of **266 stakeholder representatives**, including the Sustainability Committee, ENKA employees, suppliers, employers, sales representatives, non-governmental organisations and professional associations contributed to ENKA’s materiality analysis through the stakeholder engagement process. Finally, the most material sustainability topics for ENKA were identified by consolidating the findings obtained from the senior management and from the stakeholders.



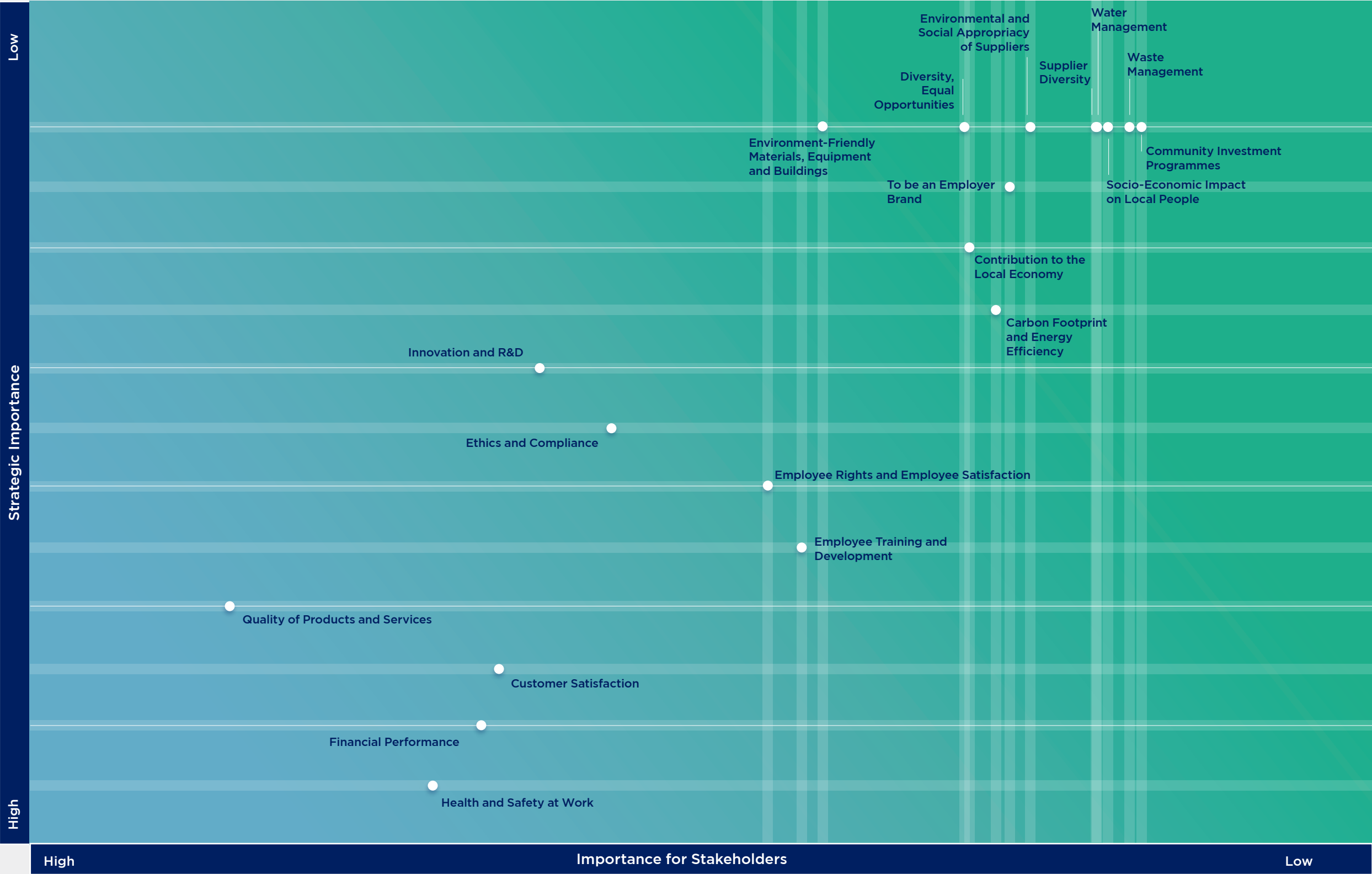
102-42, 102-46

Workshops Held and Surveys Conducted

Method	Stakeholder Group	No. Of Participants
Workshop	Senior Management	42
	Employees Group 1	27
	Employees Group 2	25
	Suppliers	10
	Non-Government Organisations And Professional Organisations	11
	Çimtaş	30
	Total	145
Survey	Employers	15
	Sales Representatives	6
	Suppliers Group 1	3
	Suppliers Group 2	39
	Employees Group 1	10
	Employees Group 2	48
	Total	121
Grand Total		266

102-44, 102-47

ENKA Sustainability Materiality Matrix



The list of ENKA’s most material sustainability topics drawn up as a result of the above process, together with the range of units they encompass, is as follows:

Most Material Sustainability Topics	Scope
Health and Safety at Work	ENKA Group and Subcontractors (including Projects)
Economic Performance	ENKA Group (including Projects)
Customer Satisfaction	ENKA Group (including Projects)
Quality of Products and Services	ENKA Group (including Projects)
Employee Training and Development	ENKA Group (including Projects)
Employee Rights and Employee Satisfaction	ENKA Group (including Projects)
Ethics and Compliance	ENKA Group, Subcontractors, Suppliers and Business Partners (including Projects)
Innovation and R&D	ENKA Group (including Projects)
Carbon Footprint and Energy Efficiency	Headquarters, Çimtaş (Pipe + Steel), 2 Projects, Power (All), ENKA Pazarlama, Istanbul ENKA Schools, ENKA Sports Club, ENKA Real Estate (CCI, ENKA TC, MKH)
Contribution to the Local Economy	ENKA Group (including Projects)

Sustainability Policy

1

As a leading and global company, headquartered in Istanbul, we provide high-quality products and services in any activity we partake in.

2

We contribute to the development and welfare of the countries in which we execute our projects; we ensure our credibility by prioritizing occupational health and safety, quality and cost efficiency.

3

We carry out our business with a corporate management approach that is transparent and accountable and contributes to the vision of sustainable growth.

4

We provide employment to thousands of people in geography we operate and help local economies flourish. By meeting regional needs, we contribute in local socio-economic development.

5

We value stakeholder participation. Our comprehensive strategy takes account of stakeholder expectations, lowers risks and helps us establish long-lasting and permanent relationships.

6

In all regions where we undertake work, we respect human rights, oppose all forms of discrimination, promote equality of opportunity and expect our business partners to be just as sensitive.

7

In addition to ensuring the health and safety of our employees, who are our foremost stakeholders, we provide them with a fair and participatory working environment and invest in their development.

8

We measure and assess the environmental and social impact of our activities. We improve processes in place to reduce negative impact.

9

We support measures against climate change and take care to protect natural resources.

10

We support the development of future generations by investing in education, arts, culture and sport.

Sustainability Management

ENKA, which operates in a variety of sectors such as engineering and construction, energy, real estate and trade, and is active in many different locations, has committed itself to serve sustainable development in all its operations.

ENKA has a Sustainability Committee which leads its sustainability efforts, determines its sustainability strategy, follows up the implementation of its sustainability actions and monitors the state of its sustainability goals. The Sustainability Committee is made up of managers from different units and departments at the Headquarters and in the subsidiaries. The Sustainability Committee meets regularly and is sponsored by ENKA's CEO.

While the Sustainability Committee leads ENKA's work on sustainability, sustainability and corporate responsibility is a holistic approach which requires the integration of all ENKA employees into decision-making and business mechanisms. With this in mind, every effort is made to ensure that sustainability targets and actions are owned and followed at every level.

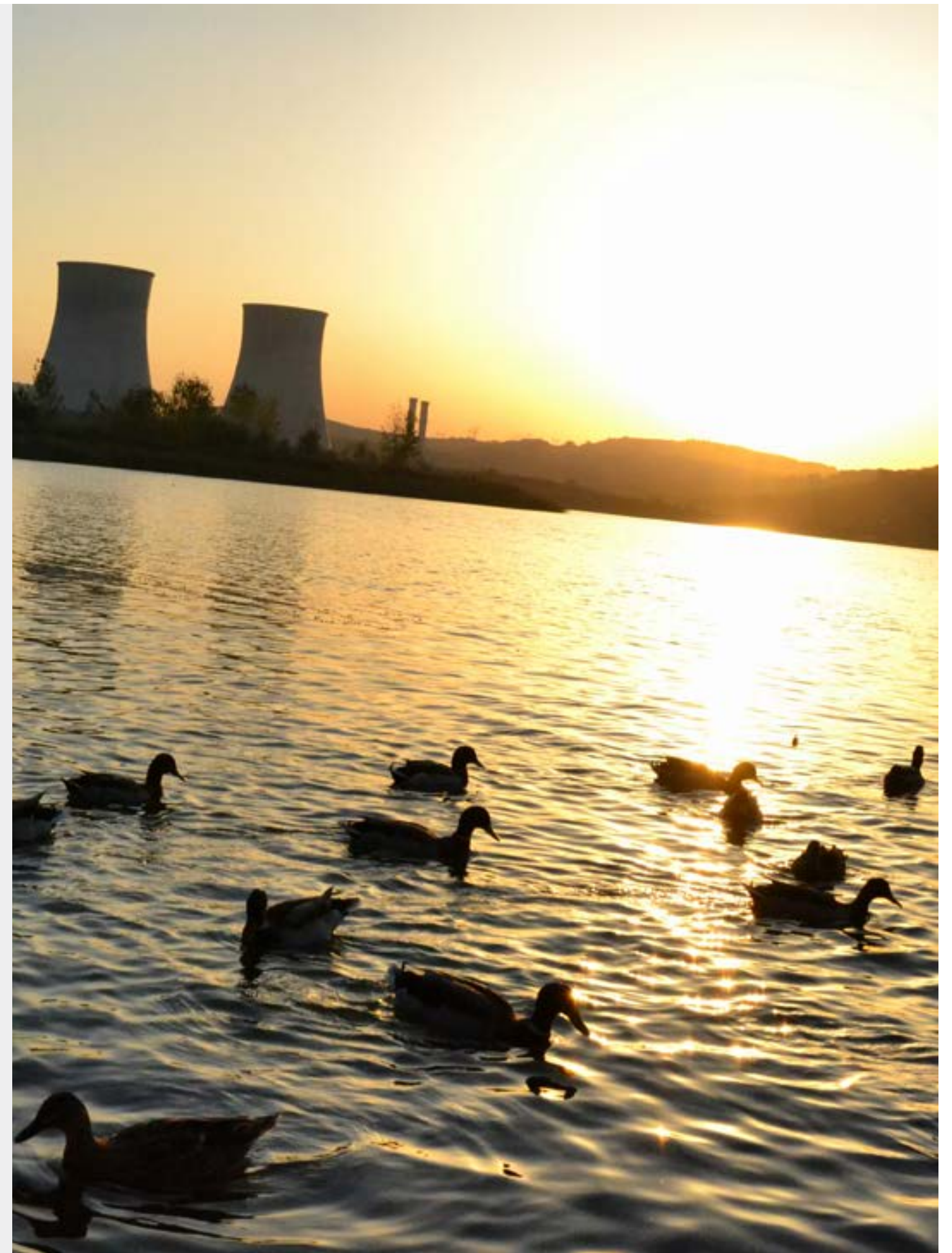
On 17th November 2017, ENKA signed the United Nations Global Compact and committed itself to act in accordance with its ten fundamental universal principles. The UN Global Compact, which is the world's

largest corporate sustainability initiative, calls on companies to bring their strategies and operations into line with universal principles concerning human rights, employee rights, the environment and the avoidance of corruption, and to take action for the achievement of global goals. <https://www.unglobalcompact.org/>

The approach to corporate sustainability adopted by ENKA entails an awareness of its economic, environmental and social responsibilities to its internal and external stakeholders. In this context, ENKA has held a comprehensive dialogue with its stakeholders, both external and internal, in order to develop its sustainability priorities and perform its materiality analysis. The strategy development effort was conducted by the ENKA Sustainability Committee – which meets regularly and includes representatives of the various subsidiaries and departments within the group – and led by ENKA's CEO, the sponsor of the Sustainability Committee.

ENKA Sustainability Strategy

Drawn up in consideration of ENKA's fields of influence and the sustainable development goals, the ENKA sustainability strategy has four main foundations:



ENKA,

does its business honestly and on time, its work is of high quality, and it makes sure that a responsible and ethical attitude is adopted at every level.

has broadened the definition of risk management so as to address economic, environmental and social issues in an integrated manner.

encourages, trains, supervises and ameliorates its business partners, subcontractors and suppliers in the context of its responsible supply chain management.

seeks to generate awareness of sustainability among its sales representatives and customers as well, and provides leadership to all its stakeholders in terms of sustainability.

contributes to the realisation of sustainable development through its innovation and R&D activities.

ENKA,

protects the health and safety of its employees and its subcontractors' employees.

works to increase employee loyalty and the more active engagement of the employees in decision-making mechanisms.

invests in the training and development of its employees and provides them with equal opportunities for training and development.

seeks to generate awareness of sustainability among its employees.

ENKA,

measures and reports on its environmental impacts, sets targets and ameliorates them.

carries out improvements to reduce its carbon and water footprints and ensures energy efficiency.

develops and implements environment-friendly building solutions.

adopts green office practices and encourages its employees to respect the environment.

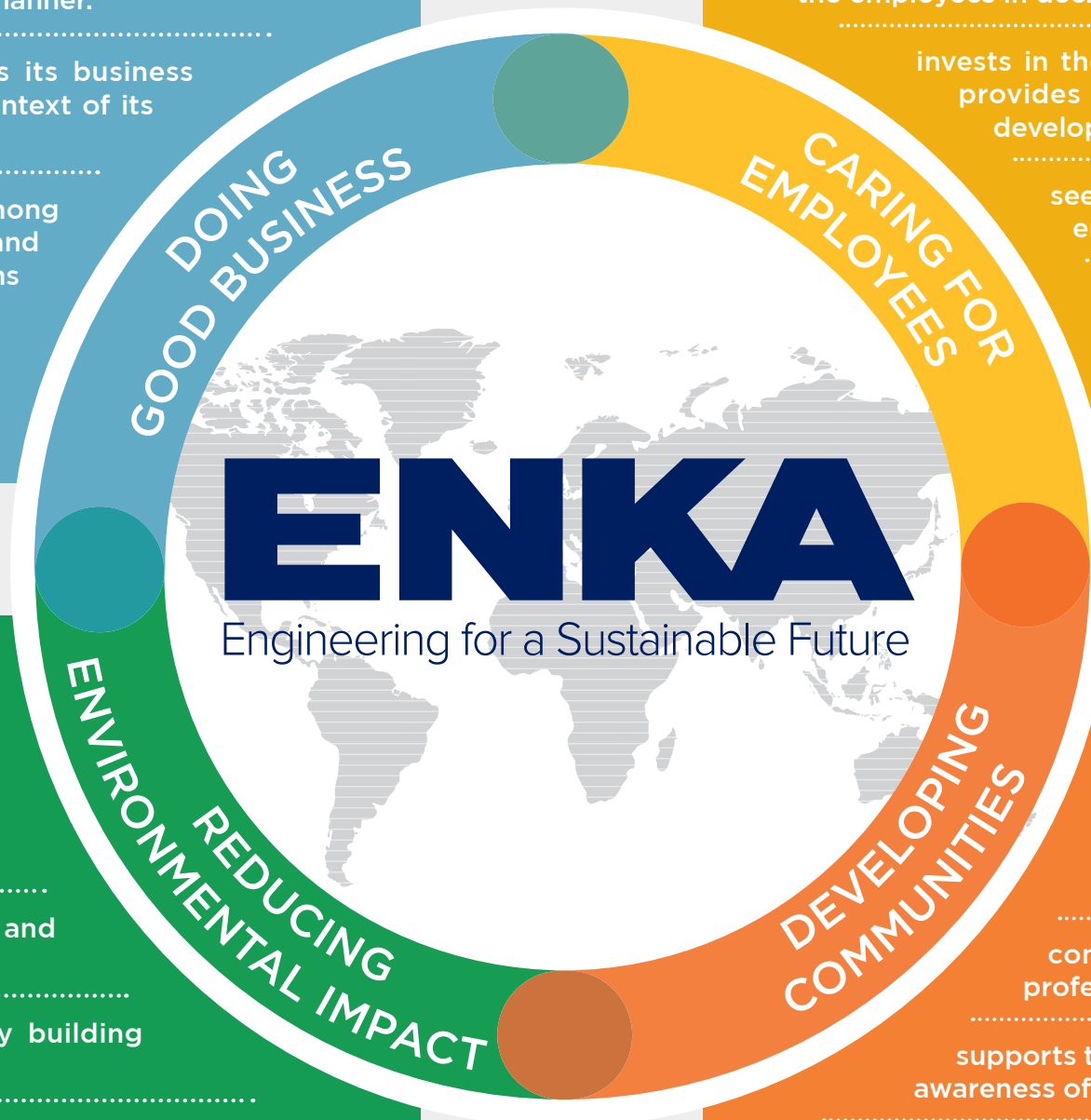
ENKA,

contributes to the welfare and development of local communities through the infrastructure and superstructure investments it makes.

contributes to the development of the engineering profession in all regions of the world in which it operates.

supports the growth of a responsible generation by spreading awareness of sustainability in its schools.

invests in education, culture and arts, and sport.



ENKA Sustainability Strategy and the UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs), sometimes also referred to as the “global goals”, emerged from the UN Sustainable Development Conference held in Rio de Janeiro in 2012 and took effect in 2016. The aim was to establish a set of universal goals that address the urgent environmental, social and economic problems

our world is faced with. There are seventeen SDGs, grouping together a total of 167 targets.

<https://www.un.org/sustainabledevelopment/>

ENKA seeks to contribute to the UN global development agenda through its sustainability strategy, the decisions it takes and the operations it carries out. The ENKA sustainability strategy is particularly closely linked to the following SDGs:



Stakeholder Engagement

Determining the needs and expectations of stakeholders and engaging them in business processes is of great strategic value and importance for improving performance in processes and activities, minimising risks and managing them effectively, reducing environmental impacts through an awareness of new developments in the company’s fields of activity, shaping social investment efforts and collectively constructing a sustainable future.

ENKA defines its stakeholders as the individuals, groups and organisations who affect, or are affected, directly or indirectly, by its activities, aims and policies, and by the decisions which it takes. In identifying the stakeholders who may influence its strategies and activities, or whom the activities it carries out may affect, the company makes use of criteria such as degree of impact, potential for impact, authority to represent individuals and institutions, degree of loyalty to the company and influence over company policies and targets.

ENKA communicates regularly with its stakeholders in a spirit of openness, transparency and accountability. It informs them about its activities via various platforms and endeavours to obtain their opinions.

Together with all its subsidiaries, ENKA has an extensive stakeholder network. In line with its overall understanding and principles of stakeholder engagement, the company maps its stakeholders and identifies




channels for interacting with them. ENKA further groups its main stakeholders as employees, customers, business partners, shareholders, community stakeholders and public institutions. ENKA communicates regularly with its stakeholders in a spirit of openness, transparency and accountability. It informs them about its activities via various platforms and endeavours to obtain their opinions. Stakeholder engagement activities have played a determinant role in the identification of ENKA’s sustainability strategy and actions.




The “ENKA Newsletter” platform, developed in 2015, provides employees with all kinds of information and increase their awareness. This platform is used to strengthen communication by sharing information about organisational changes at ENKA Headquarters and within its subsidiaries, innovations, any matter that might directly or indirectly affect employees, developments related to management systems, environmental matters, sustainability activities, general announcements about the company, lessons learned within the organisation, examples of good practices, the company’s operating principles, updates to management methods and procedures, technology which we have developed and many other topics of concern to our employees.

The following table shows the communications platforms used by ENKA and the frequency of communication:

102-40, 102-43

102-40, 102-43

STAKEHOLDERS	COMMUNICATION PLATFORM	FREQUENCY OF COMMUNICATION
 EMPLOYEES (ENKA employees and other workers performing duties in ENKA's name)	Web Sites	Continuous
	Social Media	Continuous
	Newsletter – Health, Safety and Environment at Work, Quality Management System, Sustainability Activities, General Announcements	Monthly
	Newsletter – Lessons Learned and Best Practices within the Organisation	Continuous
	ENKA Academy	Continuous
	Employee Loyalty and Satisfaction Survey	Once a year
 CUSTOMERS (Investors, Project Owners, etc.)	Customer Satisfaction Survey	Upon the completion of projects
	Web Sites	Continuous
	ENKA Document Management System	Continuous
	Meetings	Periodic
 BUSINESS PARTNERS (Suppliers, Subcontractors, Manufacturers, Joint Ventures, Third Party Auditing Firms, Insurance Companies, Logistics Firms, Service Providers, Consultancy Companies, etc.)	Web Sites	Continuous
	ENKA Academy	In line with the Training Plan
	Evaluation Surveys	Several times a year
	ENKA Code of Conduct and ENKA Supplier Code of Conduct	Before starting new jobs
	Management Systems Inspections	Periodic
	ENKA Document Management System	Continuous
	Meetings	Periodic

STAKEHOLDERS	COMMUNICATION PLATFORM	FREQUENCY OF COMMUNICATION
 SHAREHOLDERS (Partners, Investors)	General Assembly	At least once a year
	Web Sites	Continuous
	Activity Reports	Four times in a year
	Material Disclosures, Financial Reports, Periodic Disclosures (Public Disclosure Platform - KAP)	As required by the related disclosure
	Meetings	Continuous
 SOCIAL PARTNERS (Local Communities, NGOs, the Media)	Web Sites	Continuous
	Media, Social Media	Continuous
	Activity Reports	Once a year
	Meetings	Periodic
 PUBLIC INSTITUTIONS (Governments, Local Institutions, Universities and Academic Institutions, Tax Bodies)	Activity Reports	Once a year
	Web Sites	Continuous
	Periodic Disclosures (Public Disclosure Platform -KAP)	Periodic
	Meetings	Periodic
	Official Correspondence	Continuous
	Audits	Periodic
	Memberships	Monthly

“

By maintaining the highest and most effective level of communications with all our stakeholders, we aim to orient the activities of our company in line with the principle of a sustainable and better future for all.

Due to their specific structures and missions, the ENKA Foundation and ENKA Schools interact with a different group of stakeholders from those of the ENKA companies. The ENKA Foundation communicates constantly with sports school students, athletes, members, trainers, teams, federations, spectators and artists and develops collaborations where necessary with sponsors, non-governmental organisations and local administrations.

The ENKA Schools define teachers and other employees, students, parents, international stakeholders, public institutions, academic institutions and subcontractors as their major stakeholders and dialogues are maintained with all these groups of stakeholders by means of various channels and means of communication.



Our Membership Affiliations

Name of the Department/ Organization	Category
Organizations ENKA is enrolled in:	
Overseas Contracting Certificate	Construction, Installation, Assembly, Engineering, Design, Consulting, Management, Maintenance and Repair Activities
British Safety Council	Global HSE Standards
Organizations ENKA has the certificate of:	
American Society of Mechanical Engineers	A (Assembly of power boilers at field sites)
	U (Manufacture of pressure vessels at field sites)
	U2 (Manufacture of pressure vessels at field sites)
	S (Design with fabrication, assembly and stamping at field sites)
British Standards Institution	Quality Management System ISO 9001:2015
	Environmental Management System ISO 14001:2015
	"Occupational Health & Safety Management System OHSAS 18001:2007"
TÜV NORD	ASME Nuclear (Section III) Conformity Certificate
Turkish Organizations ENKA is enrolled in:	
Foreign Economic Relations Board of Turkey (DEİK)	
The Turkish Contractors Association (TMB)	
The Turkish Employers' Association of Construction Industries (INTES)	
Turkish Exporters Assembly (TIM)	

Organizations Çimtaş Steel, Cintas Pipe and Precision Machining are enrolled in:

Steel Construction Institute

The Chamber of Turkish Naval Architects and Marine Engineers

People Management Association of Turkey (PerYÖn)

SAHA İstanbul Defence and Aerospace Cluster Association

KALDER

TWI

The American Society of Mechanical Engineers (ASME)

Bursa Aerospace and Defence Cluster (BASDEC)

Human Resources Solidarity Association (İKDAY)

Turkish Shipbuilders' Association (GİSBİR)

Organizations Cintas CNBO is enrolled in:

American Society for Quality

China Lean Enterprise

Turkey Lean Enterprise

Jishuken Association

Ningbo Welding Association

Liaoning Welding Association

The Committee of Liaoyang technical School Consultation

Organizations ENKA Pazarlama is enrolled in:

Turkish Construction Equipment Distributors' and Manufacturers' Association (İMDER)

The Material Handling, Storage & Industrial Equipment Association of Turkey (İSDER)

Organizations ENKA Foundation is enrolled in:

Third Sector Foundation of Turkey (TÜSEV)

Turkish Marine Environment Protection Association

Mediterranean Opera and Ballet Club Association (AKOB)

Organizations ENKA Power is enrolled in:

Istanbul Mineral and Metals Exporters' Association

Organizations CCI is enrolled in:

CRE Russia (Commercial Real Estate)

BREEAM In-Use

Organizations ENKA Systems is enrolled in:

Turkey Software Industrialists Association (YASAD)

Organizations MKH is enrolled in:

Association of European Businesses

Organizations ENKA TC is enrolled in:

RCSC (Russian Council of Shopping Centers)

USGBC (US Green Building Council (Gold))

RUGBC (Green Building Council Russia (Premium))

Moscow Investors Club

Organizations Adapazarı ENKA Schools is enrolled in:

Eco-Schools

White Flag

The International Baccalaureate Organization (IBO)

Organizations İstanbul ENKA Schools is enrolled in:

Eco-Schools

White Flag

The International Baccalaureate Organization (IBO)

Round Square

New England Okullar ve Üniversiteler Birliği (NEASC)

Uluslararası Okullar Konseyi (CIS)

Duke of Edinburgh Programı

Organizations ENKA Kocaeli Schools is enrolled in:

Ministry of Education School Democracy Assembly

Ethics And Compliance

Ethics is one of ENKA's basic values and the principle of "No concessions on integrity, honesty and fairness" is an unwavering element of ENKA's culture. ENKA's employees have adopted global standards for interacting ethically with employers, suppliers and subcontractors, communities, other colleagues and competitors, and are obliged to make the necessary efforts to carry out their work fairly and honestly along these lines.

All activities performed by ENKA's employees, representatives and subsidiaries must be transparent and accountable, and consistent with the honesty, impartiality and reputation of the company. ENKA units and individual employees must comply fully with the relevant laws and regulations in all activities which they are involved in carrying out, anywhere in the world. All ENKA employees are obliged to avoid any kind of relationship, communication or connection which might affect the decisions they make or the responsibilities they undertake in the course of their work. These rules are valid for all of ENKA's employees including managerial staff at all levels and the top management.

Managers in ENKA also have responsibilities for establishing a positive working environment and for encouraging the development of the culture necessary to preserve this environment, in which people are treated with respect and dignity.

ENKA Code of Conduct

In order to ensure that the principles which underlie ENKA's way of working are understood and adopted by all the relevant parties, a booklet has been written entitled ENKA Code of Conduct. This booklet, which has been published with the approval of the President and Chairman of the Executive Committee, is accessible to all employees via ENKA's Electronic Document Management System (EDMS). It has also been made

available on ENKA's website so that it can be reached by parties other than ENKA employees.

ENKA Code of Conduct, and the stance of the company concerning human rights and ethical matters, are shared with all newly-employed personnel as part of their orientation training. Through this training programme, ENKA seeks to ensure that its new employees carry out their work in accordance with the Corporate Understanding of Ethics and Human Rights from their very first day at work. As of the end of 2017, 100% of ENKA's employees had completed the orientation programme. The ENKA Code of Conduct is available in Turkish, English, Russian and Arabic. The ENKA subsidiary Çimtaş has its own specific Çimtaş Code of Ethical Conduct.

ENKA Supplier Code of Conduct

ENKA treats the concept of ethics as an indivisible whole that encompasses all the processes in which it is engaged, and believes that all the organisations with which it jointly creates value should form part of this whole. Accordingly, ENKA expects all its suppliers, subcontractors, consultants and business partners (collectively referred to as "suppliers") to comply in all their activities with the ENKA Supplier Code of Conduct, which it published in 2017.

Accordingly, ENKA expects all its suppliers, subcontractors, consultants and business partners (collectively referred to as "suppliers") to comply in all their activities with the ENKA Supplier Code of Conduct, which it published in 2017.

The ENKA Supplier Code of Conduct falls under five main headings:

- Compliance with the Law
- Human Rights and Fair Working Conditions
- The Environment and Health and Safety at Work
- Security
- Combating Bribery and Corruption and Preventing Anti-Competitive Behaviour

ENKA informs its suppliers of its Code of Conduct and the procedures that will be followed in the case of any infringement of this code before signing any contract with them. This requirement has been set out in ENKA's Procurement Procedure and all the units concerned have been informed of this by means of internal announcements. In addition, the ENKA Supplier Code of Conduct is available on the ENKA website in Turkish, English, Russian and Arabic.

Executive Ethics and Compliance Committee

ENKA's work on ethics and compliance is guided by the Executive Ethics and Compliance Committee ("the Committee"), which commenced its activities in 2017. The Committee also helps the company to conduct an effective ethics and compliance programme, to determine basic principles, and to promote continuously a corporate culture that places importance on ethical business practices and compliance with the law.

ENKA Ethics Hotline

In 2017, ENKA established an Ethics Hotline to provide for open and transparent communication, to enable employees, local people and all parties with which the company has business relations (suppliers, subcontractors, subcontractors' employees, employers, business partners etc.) to report behaviour that infringes the Code of Conduct or other company policies, and to obtain advice on

any matters which they may be in doubt about. By using this hotline, employees and all the stakeholders concerned are able to pass on any concerns which they are unable to overcome by talking to their supervisors or to their local project management.

ENKA Ethics Hotline personnel have signed a confidentiality agreement to the effect that they will preserve the confidentiality of all information provided by persons making use of the Ethics Hotline. They have completed the training on the work it requires, and are fully conversant with the ENKA Code of Conduct and the company's policies. They are obliged to report all the questions, requests for advice, accusations and complaints, which they receive, to the Ethics and Compliance Committee. Once inquiries have been completed, they identify the actions that need to be taken in order to close the report, as well as the persons responsible, and then keep track of the process.

The company employees are informed the ENKA Ethics Hotline by means of their orientation training, internal announcements and Ethics Hotline posters. Contact information for the Ethics Hotline is also available on the ENKA website. In addition, a training programme has been designed for 2018 to create awareness of the topic among employees and managers. Training on "Ethics and Human Rights in Working Life" will be offered to all the company's employees, and the functions of the Ethics Hotline will be explained as part of the training. A special session of the training programme will be organised for the senior management of ENKA with the aim of increasing the awareness of the management in this area. The importance of basic principles in the Ethics Hotline process will also be shared with them.

The following table gives the planned numbers of participants for the Ethics and Human Rights in Workplace training:

2018 Ethics and Human Rights Training Plan

Trainee Group	Planned Number of Participants	Hours of Training	Planned Person-Hours
Ethics Hotline Personnel	11	14	154
Headquarters (General)	70	3.5	245
Senior Management	30	3.5	105
ENKA Sports	21	3.5	73.5
ENKA Power	185	3.5	647.5
ENKA Schools	55	3.5	192.5
ENKA Moscow	30	3.5	105
Çimtaş	60	3.5	210
Total Planned Person-Hours of Training			1,732.5



“ For 20 years now, I have been working in joint venture projects and as a consultant with ENKA, providing engineering services for energy projects. In the energy sector, ENKA is building facilities in a way that meets both the requirements of the international clients and the international environmental impact standards, supporting global development.

Bob Potocko, Bechtel Project Manager



ENKA is a qualified EPC consortium partner for GE to build full EPC power plants. Typically, GE is the main equipment suppliers for power plants, and provides equipment and associated services to ENKA, as well as long-term solutions to end clients.

As a qualified partner for GE, it is understood that ENKA administers similar levels of integrity and ethical practices as GE. We have executed several large projects together and believe the practices and programs ENKA applies are of global standard.

ENKA's approach to social responsibility, environment and community is positive and supports the on-going activities they have in the market. Giving back to the communities we are active in is a core element of GE's culture, and it is always encouraging to see that our partners apply similar practices.

Karim Khoury, General Manager Sales, Iraq & Levant Region, GE Gas Power Systems



Human Rights Assessment

ENKA respects the human rights set out in the Universal Declaration of Human Rights, abides by the provisions of the UN Global Compact, to which it is a signatory, and acts in accordance with the conventions published by the International Labour Organisation (ILO).

Comprehensive activities have been conducted by ENKA Quality and Health, Safety and Environment (HSE) Departments in order to keep track of human rights requirements and to fulfil them, keeping international standards in mind, during the course of the company's activities and project assessments. The relevant stakeholders have been informed about these activities. The actions taken by the ENKA corporate departments in this respect within the reporting period can be summed up as follows:

- The ENKA Code of Conduct was revised and employees and all other stakeholders were informed.
- The ENKA Supplier Code of Conduct was drafted and sent to employees and suppliers.
- Provisions reflecting human rights requirements and requirements of social compliance consistent with the Sustainability Strategy were included in the Company Procurement Procedures and the Supplier Evaluation Criteria were revised in accordance with these requirements.
- The Ethics Hotline project was planned, for use throughout the ENKA Group, and the personnel to work on the project were identified.
- A procedure was developed for use by group companies and by projects in all places where the company operates, explaining the requirements of Social Community Engagement, and an internal announcement was made providing information.
- The “Ethics and Human Rights in Workplace” training programme to be conducted by ENKA Academy in the year following the reporting period was planned.

The right to collective bargaining and organisation and the prevention of forced labour and child labour are among the most prominent aspects of human rights. The stance of the company regarding these matters is clearly stated in the ENKA Code of Conduct and ENKA Supplier Code of Conduct.

Child labour and forced labour are not permitted under any circumstances, whether in projects under the responsibility of ENKA, or in the activities of the subcontractors and suppliers with which it collaborates. The Health, Safety and Environment (HSE) and Legal departments using prescribed procedures and tools inspect the latter activities constantly. No supplier with a negative record with respect to the employment of informal child and youth workers or to forced labour is collaborated with. During the routine controls and inspections conducted within the reporting period, no cases of infringement were encountered in this regard.

In all places where it operates, the company abides by the rights to collective bargaining and organisation in accordance with the applicable labour laws and legislation, and respects the rights of employees and suppliers to organise and join trade unions. During the reporting period, no request or complaint was made to us in this regard, nor was any infringement of these rights encountered during internal inspections. Workers and suppliers may communicate any requests and/or complaints which they may have in this area through the Worker Safety and Health council meetings which are organised regularly in the projects or contact the ENKA Ethics Hotline, which became active in 2017. At the ENKA subsidiary Çimtaş, labour unions are organised and collective bargaining is practised.

Labour Unions and Collective Bargaining at Çimtaş

102-41

The trade union Türk Metal is the authorised labour union at the Çimtaş Steel, Cımtas Pipe and Çimtaş Precision Machining plants, while Türkiye Dok Gemi-İş is the authorised union at Çimtaş Shipyard. At Cımtas CNBO

(China), there is an NFTZ committee.

At Çimtaş Shipyard, a collective contract was signed with the trade union Türkiye Dok Gemi-İş on 27th March 2017 covering the period from 1st March 2017 to 28th February 2020. The collective contract for employees at the Çimtaş Steel, Cımtas Pipe and Çimtaş Precision Machining plants expired on 31st August 2017 and talks on a new contract are continuing with the trade union Türk Metal.

In the reporting period, 62% of the total number of employees at Çimtaş's workplaces in Turkey and 82% of the employees at its workplace in China were union members. The percentage of the total number of employees at all of Çimtaş's workplaces who were union members and were covered by collective bargaining in the reporting period was 67%.

No case was encountered in the reporting period of any risk being posed to the freedom of organisation and collective bargaining at any of the Çimtaş plants.

Numbers and Proportions of Employees who are Members of a Union and Covered by Collective Bargaining

Workplace	Total Number of Employees	Number of Employees who are Members of a Union	Percentage of Employees who are Members of a Union
Çimtaş Steel	503	316	63%
Cımtas Pipe	933	583	62%
Çimtaş Shipyard	85	36	42%
Çimtaş Precision Machining	276	173	63%
Cımtas Ningbo (China)	377	347	92%
Total	2,174	1,455	67%



Prevention of Corruption and Unfair Competition

ENKA shares are traded on the stock exchange and it operates under International Financial Reporting Standards. It expects its employees, business partners and all individuals with which it has a service relationship to act in accordance with the laws and the rules of ethics. In order to counter any risk or risks that may arise with respect to corruption, regular financial reporting is conducted, preventive mechanisms are established, and internal auditing procedures are followed. Any act that could be considered to constitute corruption is regarded as an infringement of the ethical rules. Under the ENKA Code of Conduct, bribery, the acceptance or presentation of inordinate gifts, and any actions directed towards obtaining unjust and personal benefits, are considered to constitute totally unacceptable ethical infringements. Actions of this kind, which contravene the law, are liable to cause material or moral damage to the company and/or constitute offences, are taken very seriously and followed up vigorously. No case of corruption was encountered during the reporting period, and no public lawsuit was opened against the company.

Training is organised by ENKA Academy for employees and all other stakeholders including business partners, shareholders and suppliers in order to ensure that ENKA's ethical principles are understood and adopted, and to combat corruption.

ENKA is active all over the world, mostly through overseas construction projects. It carries out all its projects and activities in conformity with the laws of the countries concerned. It avoids anti-competitive behaviour, abides by predetermined confidentiality rules and contributes to the sustainability of the free market economy by taking a firm stance against any action that could be regarded as monopolistic or conducive to the formation of trusts.

Ethics, Compliance and Anti-Corruption Training

The main training programmes which the ENKA Academy organises in the area of ethics and compliance are as follows:

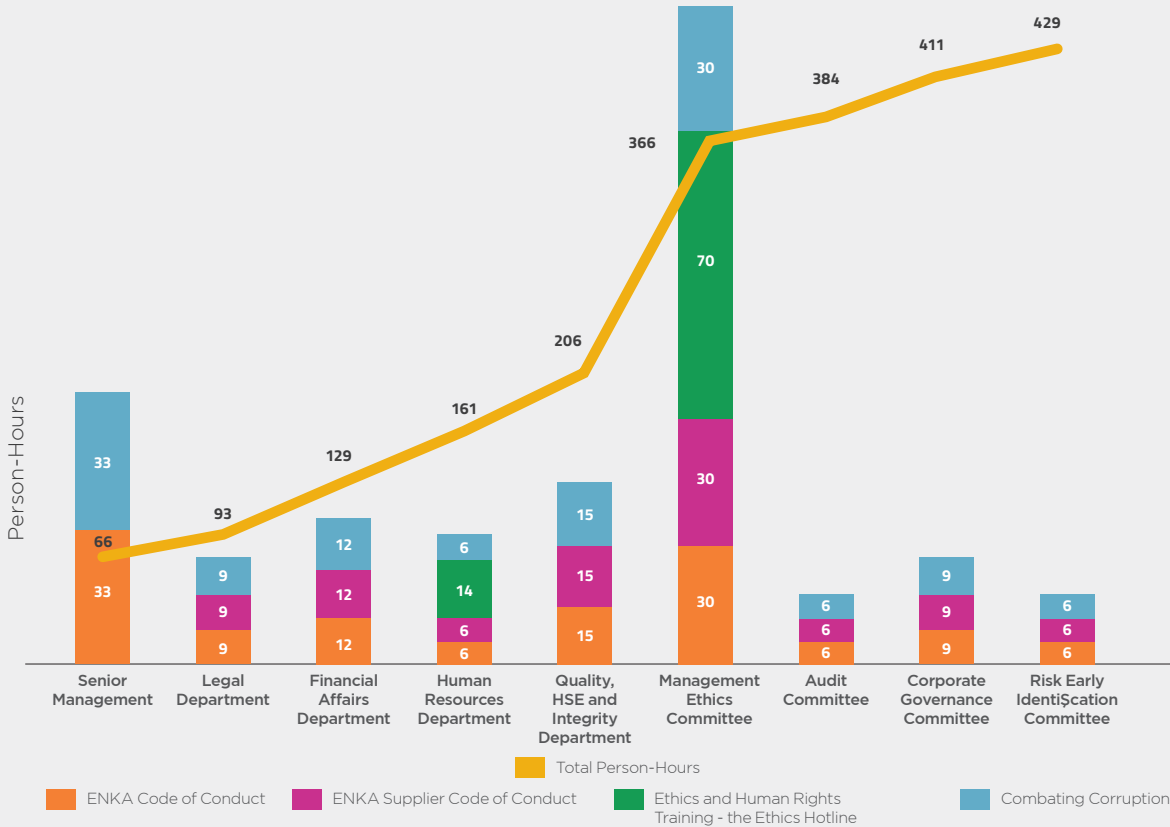
- ENKA Code of Conduct
- ENKA Supplier Code of Conduct
- Ethics and Human Rights Training - the Ethics Hotline
- Combating Corruption

Details of the training received by the senior management units of the company on combating corruption and ethical matters in 2017 are presented in the following table:

Senior Management Units	Number of Persons Receiving Training
Representatives of the Senior Management	11
Legal Department	3
Financial Affairs Department	4
Human Resources Department	2
Quality, HSE and Integrity Department	5
Executive Ethics Committee	10
Audit Committee	2
Corporate Governance Committee	3
Early Identification of Risks Committee	2

The figure below shows the breakdown of the ethics and anti-corruption training activities organised within the company, and in which a total of 42 members of the management group took part, by topic and person-hours.

Distribution of Ethics Training Provided to Company Internal Management Organs



In 2017, training on the ENKA Code of Conduct, the ENKA Supplier Code of Conduct and Combating Corruption was provided for 1,239 staff of our business partners.



Aside from the training programmes mentioned above, a total of 18,483 persons took part in training on the ENKA Code of Conduct, the ENKA Supplier Code of Conduct and Combating Corruption in the Istanbul Headquarters and in the projects during the reporting period, depending on the categories of the countries in which the company operates. The total number of person-hours of training given on these topics in 2017 was 166,347. The distribution of the participants by nationality is as follows:

Number of Turkish personnel	2,783
Number of local personnel in the countries	8,142
Number of other personnel	7,558

ENKA also organises ethics and compliance training so as to diffuse the basic principles of human rights throughout the value chain and ensure that the organisations it collaborates with act in accordance with ENKA’s ethical rules. In 2017, training on the ENKA Code of Conduct, the ENKA Supplier Code of Conduct and Combating Corruption was provided for 1,239 staff of our business partners. The distribution of the personnel who took part in these training activities which we organised by business partner is as follows:

Number of Bechtel personnel	1,020
Number of GE personnel	40
Number of Caddell personnel	54
Number of Kentz personnel	105
Number of Clean Energy Group personnel	20



Responsible Supply Chain Management

ENKA recognises that its suppliers play an important role in its achievements. As the company progresses, it also seeks to make its whole supply chain a part of this progress. Within the framework set by the principles of transparency and the rules of ethics, ENKA builds its relations with the suppliers with which it collaborates on a basis of quality, a competitive environment, conformity to international standards, sustainability and honesty.

In all of the fields in which it operates, ENKA carries out its work in accordance with the local legislation of the countries concerned and the requirements of international standards, and without compromising its ethical rules. In this context, it expects its suppliers and collaborators to act in accordance with the rules of ethics and fulfil the requirements of responsible management. With its philosophy of constant improvement and joint value creation, ENKA assesses all its suppliers depending on their fields of activity, and reviews their supply chain risks and environmental, social and economic sustainability.

As noted under the heading "Ethics and Compliance", ENKA published the ENKA Supplier Code of Conduct in four languages in 2017 – Turkish, English, Russian and Arabic. It informed its new and existing suppliers about this through various communication channels and on its own website. This requirement is included in all the contracts signed with suppliers, and these firms and their employees are expected to conduct their activities in accordance with the ENKA Supplier Code of Conduct.

In the same way, the ENKA Ethics Hotline, available in six languages, was established and went into operation in 2017. All stakeholders including local communities, suppliers, service providers, subcontractors and their workers are able to report any

complaint or infringement of the rules of business ethics to the ENKA Ethics Hotline Unit using the telephone number +90 212 376 1010.

Selection of Suppliers

Suppliers are selected by the procurement units taking into account criteria related to the business lines in which they are active, the needs and expectations of the parties and the particular requirements of the product or service which has been requested. All suppliers are treated fairly and equally during the procurement process, which is conducted in accordance with the procurement procedures, supplier selection procedures and other relevant requirements drawn up by ENKA and its subsidiaries.

Any company which wishes to enter into a business relationship with ENKA can register on the ENKA Global Vendor Portal. This portal, known as the ENKA Global Vendor Network (EGVN), contains company information for all suppliers, service providers, subcontractors and all other kinds of third party with which a business relationship has been entered into in the company's fields of activity. Information about these companies is retained within ENKA.

The ENKA Global Procurement Management System (EGPS) is a global purchasing and warehouse management software programme which has been developed to keep track of the whole procurement process from end to end, starting with procurement planning and proceeding via the receipt of offers, opening of tenders, evaluation of tenders and issue of purchase orders to shipping, warehouse acceptance and stocking and finally the issue of the goods. The programme makes it possible to record and control purchases and movements of materials and equipment at all stages of the procurement process.



All stakeholders including local communities, suppliers, service providers, subcontractors and their workers are able to report any complaint or infringement of the rules of business ethics to ENKA Ethics Hotline.

ENKA Ethics Hotline: +90 (212) 376 10 10

Before reaching an agreement with any supplier, the ENKA procurement units make a pre-qualification assessment of the company in question. The criteria for prequalification include the supplier's conduct and attitudes in matters of ethics, compliance and sustainability as well as the quantity of the product or service to be purchased, the level of risk, the supplier evaluation results, time and cost analyses, quality assessment analyses and the supplier's environmental performance and business experience.

During the reporting period, issues related to sustainability were added both to the corporate procurement procedures and to the criteria for the prequalification and evaluation of suppliers. Chief among these issues were the following criteria:

- Management systems for the Environment and Health and Safety at Work
- Measurements for water consumption, carbon footprint and waste management
- Pledges to do business in conformity with ethics and human rights
- Policies and procedures for preventing child labour and forced labour
- Policies and procedures concerning bribery and corruption
- Policies and procedures for the prevention of discrimination and harassment
- Legal compliance with employee rights and working hours
- Social responsibility projects
- Assessment of the supplier according to social and environmental compliance criteria by firms with which it is in contact

Considering the business lines in which ENKA operate, one of the topics of greatest importance among the selection and assessment

criteria is the supplier's performance in terms of the Environment and Health and Safety at Work. Suppliers with which ENKA works or is contemplating working have to meet comprehensive and detailed selection criteria in the areas of Worker Health and Safety (H&S) and the Environment. Some of these criteria are as follows:

- Existence of a pledge concerning H&S and the Environment
- H&S and Environment Management Systems
- The supplier's plans and procedures for H&S and the Environment and the related records
- The number and frequency of H&S accidents in the past five years
- The number and volumes of leaks and spills resulting from the supplier's activities in the past five years
- The number of personnel within the organisation of the supplier who are directly concerned with H&S and the Environment
- Legal penalties incurred by the supplier
- Engagement in social responsibility projects

Suppliers are classified according to the sectors in which they operate, the amounts and values of purchases made, critical materials or the services they provide, the continuity of the business relationship, the conformity of products and services to international standards, time and resource limitations and their reasons, and strategic importance and risk categorisation. This approach guarantees the procurement of outputs which are in accordance with the requirements and which provide the maximum value added and overall benefit.



Supervision of Suppliers

In line with the aims of sustainable supply chain, monitoring and evaluation of the performance of the suppliers is one of the most important conditions for the healthy operation of the supply chain.

ENKA operates an evaluation system on an electronic platform in order to measure the success of its suppliers in terms of performance, time, cost, quality, health and safety at work, and environmental and social matters.

In 2017, a number of new items related to sustainability were inserted in questionnaires used for performance evaluation. Performance evaluations were carried out for a total of **470** firms during the course of the year. These evaluations were conducted electronically via the ENKA Global Vendor Database.

In future years, sustainability audits will be a part of ENKA's cooperation with the suppliers and service providers which hold a strategic importance for the company. These audits are planned to be conducted in conjunction with independent audit institutions commissioned by ENKA, and will particularly focus on the suppliers' management of Human Rights, Social Compliance, Safety at Work, Health and the Environment, and Operations. The sustainability audits are to be held in addition to the existing worker health and safety, environmental and quality audits.

In the light of these audits, areas where improvements are needed are identified with the aim of contributing to the preparation of action plans by the suppliers containing the necessary corrective and sustainable actions, to the conduct of the suppliers'

activities in line with these plans, and hence to the suppliers making improvements in their existing systems. During the reporting period, audits were conducted at approximately 200 supplier firms.

If the supplier evaluations reveal cases of non-compliance, then the management of the supplier is informed as a matter of urgency. Depending on the nature of the failure and the provisions of the contract made with the supplier, other measures may also be taken, such as warnings, penal action and the cancellation of the contract.

ENKA evaluated 7% of the suppliers with which it was working or intending to work in 2017 from the point of view of H&S and Environmental and Social matters. As a result of these evaluations, 19 suppliers were deemed unfit to work with.

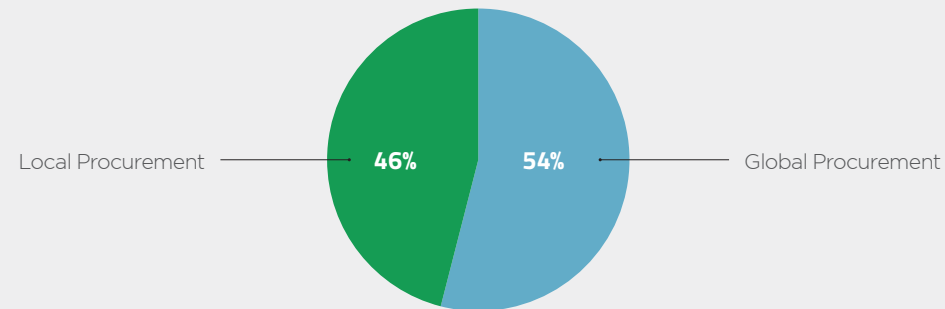
Local Procurement

ENKA does a considerable amount of local procurement for its projects in various regions of the world. In this way, it supports the economic progress and development of the local communities. ENKA uses the concept of "local suppliers" to refer to suppliers registered within the geographical borders in which it operates.

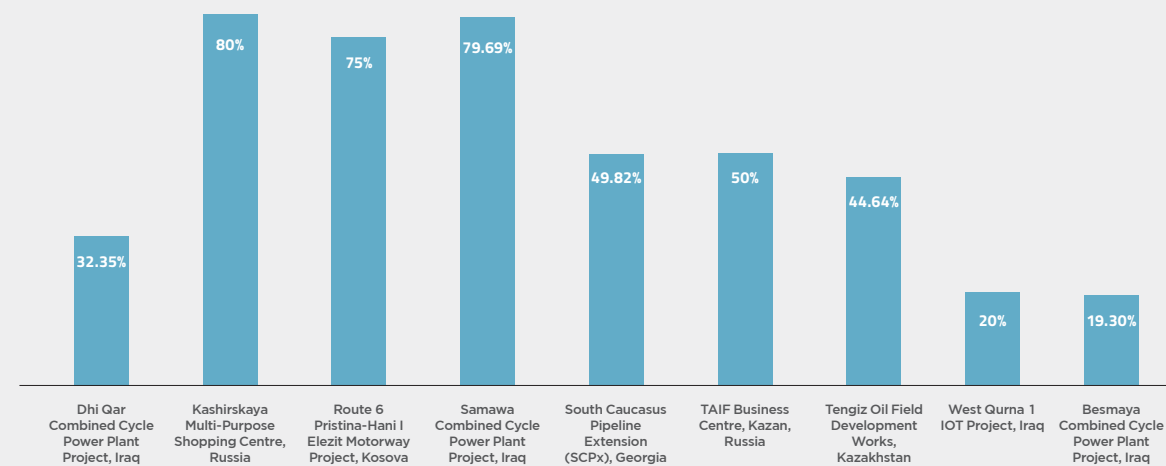
Through its local procurement strategy, ENKA does not only support the development of local communities; it also prevents the loss of the natural resources and time that would be spent on logistics in the case of an international procurement and obviates related social and environmental impacts.

The ratio of products and services ENKA İnşaat purchased from local suppliers to its total procurements within the reporting period, is at 46% on a consolidated basis.

ENKA İnşaat Local Procurement Ratio



Local Procurement Ratios By Project



These ratios have been calculated using local procurement numbers in 2017, and therefore differ from the project's overall procurement ratios.

Preference is also given to local firms at ENKA's subsidiaries, although they have not made any formal commitment in this respect, provided the firms meet the technical specifications and standards. In 2017, ENKA Power had a local procurement ratio of 36% (Purchases from BOTAŞ and GETSAŞ are

not included in this ratio for reasons of confidentiality). Cimtas Ningbo made 90% of its purchases in China, where it is located. CCI and ENKA TC, which are active in Russia, respectively conducted 90% and 80% of their procurement locally.



We at ABB offer many products to ENKA and we receive orders for some of the projects.

We are proud of ENKA's ethics and compliance programme. As you know, ABB is one of the leading companies worldwide in terms of the implementation of Rules of Conduct and Business Ethics.

ENKA has similar concepts, which makes our collaboration with them easier. ENKA carries out its work honestly and on time, and its work is of high quality. The company also ensures that a responsible and ethical approach is adopted at every level.

As a part of its responsible supply chain management, ENKA encourages, trains, monitors and develops its business partners, subcontractors and suppliers. I therefore think it is very advantageous to work with ENKA, both on behalf of myself and on behalf of my company.

Recai İnel, ABB Electric Marketing Manager, Transformers and Power Grids

ENEXIO designs and supplies air cooled condensers (ACCs) for various power plants on which ENKA is engaged as the EPC contractor.



In general, the relations between ENEXIO (formerly known as GEA Energetechnik GmbH) and ENKA are conducted in a framework of mutual trust, respect and transparency. This creates a win-win situation for both parties.

In our opinion, ENKA is a global player with significant experience in plant engineering and construction.

Steffen Schneider, ENEXIO Germany Project Manager



Risk Management

Risk Management heads the list of areas to which ENKA attaches priority in all of its processes and activities. The implementation of the risk-based thinking approach is constantly being encouraged by ENKA's senior management.

An "Early Risk Identification Committee" (the Committee) has been established under the Executive Committee, and a "Risk Management Working Group" (the Working Group) has been set up to operate in conjunction with the Committee in order to ensure that an effective risk management programme is implemented throughout the company, to determine the principles and methods on which this programme is to be based, to guarantee the continuous development of a corporate culture of risk management extending to all projects, units and individuals, and to conduct the risk management function effectively.

The Committee was established for the purposes of identifying early any risks that could endanger the existence, development and continuity of the company, implementing measures in response to the risks identified, carrying out other work related to the management of risk and reviewing the risk management systems at least once a year. The Committee convenes at least once in every two months and a minimum of six times a year. The Committee is made up of the non-executive members of the Board of Directors.

The Working Group was set up under a

decision taken at the meeting of the Early Risk Identification Committee held on 27th November 2017 with the aims of identifying ENKA's corporate risks, determining the risk reduction measures to be taken, and assessing and reviewing the risks which are identified.

In view of the characteristics of the ENKA Group companies and their fields of activity, the risks addressed also encompass sustainability issues. The risk categories have been grouped as follows:

- Strategic Risks
- Financial Risks
- Operational Risks
- Compliance Risks
- External Environment Risks
- Trade Mark Management Risks

The risks identified and the related risk management procedures are evaluated under each heading on the basis of their likelihood and impact. For the most important risks, managers are given responsibilities at the level of the company and/or group of companies. The risks identified are categorised under the risk management strategy into those which are to be avoided, transferred, reduced and retained. The most appropriate of these strategies is selected in such a way as to ensure that each risk remains below the tolerable levels specified by the Board of Directors.

Products and Service Quality

ENKA has set up and certified a reliable Quality Management System for the purpose of increasing productivity in the

projects which it undertakes, constantly developing its corporate knowledge and capabilities, and systematically meeting the

needs and expectations of its customers. The Quality Management System is based on the principle of continuous improvement. Compliant with the ISO 9001 standard, it was first certified in 2001 by the British Standards Institute (BSI).

In addition to ISO 9001 certification, the ENKA Quality Assurance Programme, required for the realisation of construction works that encompass engineering and design, quality control, contracting and manufacturing or assembly activities, is in conformity with the ASME Boiler and Pressure Vessel Code.

For each of its projects, ENKA develops a reliable quality management system that is regularly monitored based on the ENKA Corporate Quality Standards and the requirements of the project contract.

For each of its projects, ENKA develops a reliable quality management system that is monitored based on the ENKA Corporate

Standard Quality Practices



Quality Standards and the requirements of the project contract. The quality management systems developed for the projects do not concentrate on identifying problems once they have arisen, but on preventing problems from arising in the first place.

ENKA's culture of quality is founded upon ensuring that the resources necessary for the establishment, operation, continuity and constant improvement of the quality management system are available, that authorities and responsibilities with regard to quality are spelt out for duties within the company and that internal and external factors that may affect the capacity of the quality management system to achieve the intended results are identified, monitored and reviewed. This culture also brings forth the ideas that the conditions of the quality management system shall be integrated with the company's business processes, that a process approach and risk-based thinking management are encouraged and the intended and targeted outputs of the quality management system achieved, and that customer satisfaction and the principle of client-focused working is adopted by all employees, and upon the provision of support and incentives for constant improvement.

Health and Safety Effects of Products and Services

As part of quality management, the effects of products and services on health and safety are also continuously assessed. The efforts made by ENKA İnşaat in this respect can be cited as an example. The most important products of ENKA İnşaat are the infrastructure, buildings and industrial projects which for the most part it carries out in an integrated manner, encompassing both engineering activities and supply and construction works.

All of the stages of these projects, from the design stage via construction to test operation and commissioning, are assessed for their potential impacts on health and safety at work. At the design stage, analyses made by professional firms are used. During the processes of construction and commissioning, inspections are conducted using internationally accepted risk management techniques, the hazards related to each activity are identified, the risks are calculated and the measures to be taken to counter these risks are determined and included in the relevant construction procedure.

Read more...



For details: <http://www.enka.com/corporate-groups/quality-integrity/>
About the ENKA Quality Policy: http://www.enka.com/en/wp-content/uploads/media/posters/QUALITY_POLICY_ENG.pdf

Quality Management at Çimtaş

With the aim of taking the lead in its sector, Çimtaş Steel has established its own Çimtaş Management Systems and obtained a total of 19 national and international certificates – eight for its management system and eleven in technical areas. The Çimtaş

Management Systems is a complete set of systems established with a view to achieving and continuously maintaining the requirements of the ISO 9001 and the American Institute of Steel Construction (AISC) Quality Management System, the American Society of Mechanical Engineers (ASME) PP, R, S, U and U2 stamps, the ISO 10002



Customer Satisfaction Management System, the OHSAS 18001 Occupational Health and Safety Management System, the ISO 14001 Environmental Management System, the ISO 50001 Energy Management System, and the ISO 27001 Information Security Management System. The most important features of the Çimtaş Management Systems are to prevent defects, to identify any defect on the spot and prevent it from being passed on to the next station, and to meet quality requirements and ensure customer satisfaction at all stages from the production of the product to its delivery.

Çimtaş has developed a quality management system based on the ISO 9001 standard. Çimtaş Pipe manufactures in accordance with the following management systems and standards: ISO 9001; ISO 14001; OHSAS 18001; ISO 27001; API Q1, 5L and 2B; PED 2014/68/EU; EN 13480, EN 3834-2, EN 12952-5 and EN10219-1; AD 2000 HPO; the ASME U, PP and S stamps, and ISO 17025.

Çimtaş CNBO, meanwhile, renewed its quality management system at the end of 2017 and revised it in the framework of the BS/EN/ISO 9001:2015 and AS9100 standards. Product quality and customer satisfaction are assured, together with the most efficient use of resources, by scrutinising risk analyses and CTQ items. Of the 153 kaizen projects completed in 2017, 35 were related to sustainability. These projects focus on issues of safety, worker satisfaction, the environment and energy gains.

The systems which Çimtaş Shipyard has established, maintains and manages

continuously are the ISO 9001 Quality Management System, the ASME S, U, U2 and NB stamps, the OHSAS 18001 Occupational Health and Safety Management System, the ISO 14001 Environmental Management System and the ISO 27001 Information Management Security System.

Çimtaş Precision Machining conducts its activities in line with the AS9100, ISO 9001, ISO 14001, OHSAS 18001 and ISO 27001 management systems. Besides these, it assures the quality of its products and services through manufacturing standards that meet the requirements of the customer concerned..

Quality Management at ENKA Power

The Quality Management System at ENKA Power Plants has been inspected and certified by the Turkish Standards Institute in accordance with the TS EN ISO 9001 standards, and certificates have been awarded for all three plants.

Quality is one of the most fundamental values of the ENKA Power Plants Management System. The quality activities at the plants also ensure the development of the operation and maintenance services, reduce losses of time and materials, increase the effectiveness of production, planning and employees, and improve the working environment. Routine quality audits are therefore carried out at the plants with the aim of maintaining the effectiveness, efficiency and sustainability of the Quality management System.



Customer Satisfaction

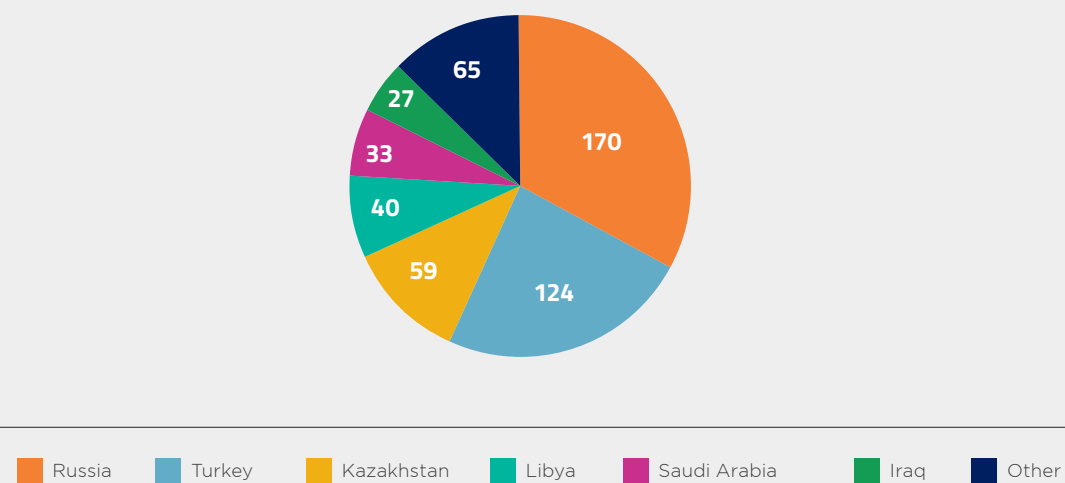
As stated in the first article of the Corporate Quality Policy, ENKA's top priority is Customer Focus and Feedback. In this spirit, ENKA seeks to ensure that customer satisfaction is lasting, and to maintain sustainable relations with its customers. ENKA values customer views at all times. It determines criteria for projects, and the indicators to be used to determine whether or not these criteria have been fulfilled, in conjunction with the customer themselves. In addition, it immediately activates its relevant units to consider concerns and ideas expressed by customer, and takes care to respond to their questions in the shortest possible time.

In line with its customer-focused way of working, ENKA has a long tradition of obtaining and analysing the feedbacks of its customers after projects are completed

by means of customer surveys and correspondence. In this way, ENKA has succeeded in creating a dynamic structure for continuously updating its corporate structure and manner of operation in accordance with customer's views and suggestions.

The figure below shows the distribution of the projects carried out by ENKA Construction by country. Countries in which ENKA has worked on less than 25 projects have been grouped together in the "others" category. As can be seen from the figure, with its customer-focused approach and quality of work, ENKA has been able to put down firm foundations in every region where it has started to work and hence to establish sustainable, long-term customer relations.

ENKA İnşaat – Distribution of Projects by Country

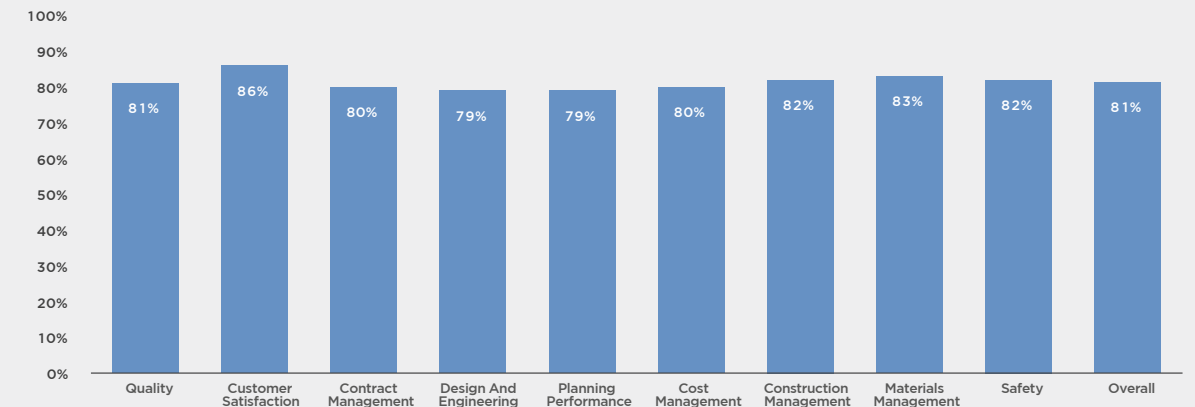


Besides requesting its clients to evaluate projects as a whole, ENKA makes use of its "Customer Satisfaction Monitoring" procedures in order to be able to evaluate more clearly their expectations and views concerning each and every aspect of the work done during the project.

Within the reporting period, ENKA İnşaat conducted customer satisfaction surveys for a total of five projects. The results of these surveys are presented below. The

feedback from customers is used both to improve existing systems so as to contribute to improvements in future performance and to carry out root-cause analysis and performance improvement efforts with a view to increasing customer satisfaction further in future projects. For the most part, this procedure is carried out when projects are at the completion stage, but there are plans to implement it at more than one stage of each project in future.

ENKA İnşaat Customer Satisfaction Survey Results - 2017



At Çimtaş, customer satisfaction and the management of complaints are based on the basic principles of accessibility, answerability, objectivity, confidentiality, client-focus, accountability and continuous improvement. In 2014, Çimtaş Steel documented that it had fulfilled all the conditions of the ISO 10002 Customer Satisfaction Management System. It thus became the first company to begin to implement this system among all the Çimtaş workplaces and within the ENKA group of companies. Çimtaş Shipyards initiated actions to adopt the ISO 10002 Customer Satisfaction Management System in 2017.

ENKA Systems implements a policy of "Unconditional Customer Satisfaction". Aware that the software sector is also a service sector, it has structured itself in such a way as to provide a seamless service to its customers to enable them to derive the maximum benefit from its products. In this context, the company supports its customers and gathers feedback from them throughout the lifetimes of its products.

Innovation and R&D

Ever since it was founded, ENKA has succeeded in supplying the highest level of design and engineering services in the projects in which it has been involved, and attached great value to innovation and research and development (R&D) activities, with a view to developing these capacities continuously. ENKA's design and engineering expertise encompasses capacities for architectural, civil, structural, electrical, instrumentation and mechanical engineering as well as piping, process and control systems engineering.

In 2016, ENKA established the ENKA Design Centre at its Headquarters with a view to maintaining its years-old culture of design and innovation and of bringing the design and engineering activities which its experienced staff were already carrying out together in a wide-ranging organisation. As a result, it became the first Turkish construction company to have a Design Centre recognised by the Ministry of Science, Industry and Technology of the Republic of Turkey.

The ENKA Design Centre has set itself the strategic goal of developing joint projects and collaborations with institutions such as the Technology Development Foundation of Turkey (TTGV), the Scientific and Technological Research Council of Turkey (TÜBİTAK) and the Ministry of Science, Industry and Technology, which provide considerable support to the private sector for R&D and Design projects.

The ENKA Design Centre hosts groups of ENKA engineers working in three different areas:

- the Energy Engineering Design Group

- the Architectural Project Design Group
- the Civil Engineering Design Group

The Design Centre has an important place in the company, with a staff of around 150, 100 of whom are designers. It is responsible for the general design, development, innovations and engineering works of all new designs to be offered in building and industrial structure projects, for managing the process stretching from the proposal of the designs to the implementation phase, and for work to improve and increase the efficiency of production processes.

The ENKA Design Centre offers internship opportunities to students studying in relevant departments of universities and vocational and technical schools. Through these internship programmes, ENKA aims to contribute to the sector, to share with the students the internal culture of engineering and innovation which it has developed, and to train up potential future personnel.

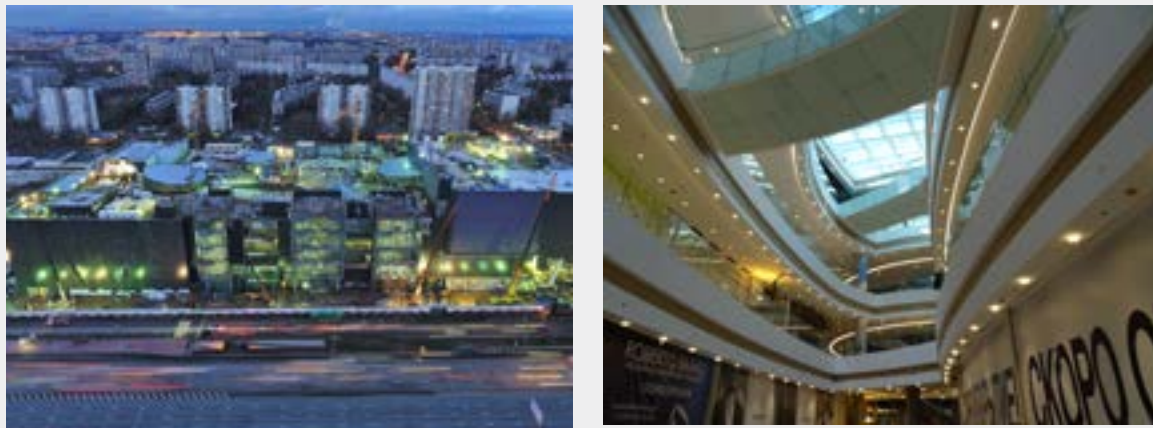
In 2017, preliminary discussions commenced with Istanbul Technical University concerning training, the development of joint projects and support for academic work on topics related to "Sustainable Buildings and Building Information Modelling (BIM)".

Under the TÜBİTAK 4005 Project, there are plans for the ENKA Design Centre to support the Science, Technology, Engineering and Mathematics (STEM) education project as well as teachers serving in the Science and Arts Education Centres (BİLSEM) throughout Turkey. This project will be carried out as a partnership between ENKA, TÜBİTAK and Marmara University in the summer of 2018.



Examples of Innovative, Environment-Friendly Practices in ENKA Projects:

Kashirskaya Multi-Functional Trade Center One aim of the project was to make the most effective possible use of natural light in the interior of the centre. Accordingly, daylight studies were carried out and use was made of Building Information Modelling (BIM) to help reach a solution whereby the interior volumes benefit most effectively from natural light.



Kashirskaya Multi-Functional Trade Center

Sadi Gülçelik Administrative Centre: This building is to be constructed at the ENKA Sadi Gülçelik Facilities in Istanbul. During its design, daylight and shadow analyses were carried out, taking the topography of the land into account, so as to make maximum use of daylight.



Sadi Gülçelik Administrative Centre

Gelendzhik Multi-Functional Medical Centre: The facade of the medical centre has been designed in an optimal manner to ensure maximum use of natural light without compromising the comfort of the patients.



Gelendzhik Multi-Functional Medical Centre

Riverside Business Centre Renovation Project: During the renovation of the frontage of this office complex in Moscow, arrangements were made to meet the needs of a modern business centre and derive maximum benefit from natural light by analysing the apertures.



Use of Natural Light for Internal Illumination (ENKA Health Centre): While renovating the health centre for the use of employees working at ENKA Headquarters, the need for natural lighting in the reception area was met with the aid of light tube lighting elements which make use of lenses to bring the sun rays into the interior volume. When there is no daylight, the sun is still used for lighting, with electricity derived from solar energy.



ENKA Health Centre



Roofing Practices: In projects designed within ENKA, every effort is made to abide by LEED green building principles. Reflective surfaces are preferred over absorptive surfaces with the aim of making savings on the cooling loads within the building.

Mechanical Heating and Cooling: In the design of mechanical heating and cooling systems in projects designed within ENKA, low energy-consumption equipment is preferred in order to save energy, provided that it is suitable for the design.

Innovation and R&D at ENKA Systems

ENKA Systems is a technology and software company which was established as an ENKA subsidiary in 2017 to develop technologies for the construction sector, turn innovative ideas into products with real-life applications, and engage in R&D activities. The basic aim of the company is to carry out technological innovations and R&D activities within the ENKA organisation.

ENKA Systems is operating in the following three main areas:

- the development of work processes providing for the emergence, management and implementation of innovative ideas in the construction sector, and particularly in large-scale projects
- the conduct of R&D activities concerning the technological solutions required to manage large-scale projects
- ensuring that the technological products generated are developed, supported and marketed

In December 2017, ENKA Systems was recognised as an R&D Centre by the Ministry of Science, Industry and Technology of the Republic of Turkey. In addition to the software programmes which it develops, its R&D projects lead both to the emergence of new products and to the addition of new features to existing software.

Innovation and R&D at Çimtaş

When Çimtaş Steel was recognised as the 274th R&D centre in 2016, following its application to the Ministry of Science, Industry and Technology, this represented a first for all of the Çimtaş companies and for the entire ENKA group. In line with its target of pioneering R&D and innovation, the centre engaged in 51 projects and three patent exercises in 2017. These projects included three TÜBİTAK projects and one “VAP” project (a state-supported efficiency-increasing project for energy management systems). Meanwhile, the work which began in 2017 on establishing an R&D centre at Çimtaş Precision Machining continues. One TÜBİTAK project was completed in 2017 and the application and approval processes for two other TÜBİTAK projects are under way.



DEVELOPING COMMUNITIES

Meeting the Needs of Communities for Infrastructure and Superstructure

ENKA contributes to the development and welfare of the countries in which it conducts operations through its main business activities, which aim to create lasting assets and leave a positive heritage. ENKA has carried out a total of more than 500 oil, gas and petrochemical, power plant, infrastructure and building projects, employing more than 400 thousand people in Turkey and abroad, and accelerating the development of local economies to this date.

Since the 1970s, ENKA has been Turkey's leading firm in the design and construction of power plants. It has engaged in long-term collaborations with global firms active in this field. ENKA's experience with power plants can be summed up as follows:

- Six thermal power plants with a total installed capacity of 4,070MW
- Thirteen natural gas combined cycle power plants with a total installed capacity of 14,296MW
- Eight simple cycle power plants with a total installed capacity of 4,166MW.

A high proportion of these projects have been constructed in developing countries. They have been designed and put into operation in order to overcome the shortages of power, which constitute as one of the greatest challenges faced by developing countries.



ENKA mainly employs locally recruited staff on the projects, which it carries out, and works with local subcontractors and business partners. By training local personnel and sharing its knowledge and experience, it contributes to the development of local workforces, sectors and economies.

Among these projects are the Adapazarı, Gebze and İzmir power plants, which are also operated by ENKA. In total, more than 7,000 persons worked in the construction of these plants at various stages. Having acquired experience of engineering and construction processes on these projects, these workers were later employed on power plants and other energy projects undertaken by ENKA in other countries, and assisted the local people in these countries to acquire experience in the energy sector.

Out of the projects which commenced in 2000, the Adapazarı and Gebze plants were completed in 2002 and the İzmir plant in 2003. With these power plants starting operation, ENKA became Turkey's largest private sector power generator. In 14 years of commercial operation, the ENKA power plants have generated 400 billion kilowatt-hours of electricity. With the capacity to generate 32 billion kilowatt-hours annually, they account for 11% of Turkey's total power output. These figures show the importance of these plants for the Turkish economy.

These plants have been regarded as exemplary investment projects by global standards on account of their performance in terms of production and environmental sensitivity, and in view of their technical infrastructure and the management systems in use.

Following these projects in Turkey, ENKA has also constructed several power plants in Iraq. These plants will contribute to the development of the country and its gradual post-war recovery. They have added more than 4,000MW of power to the Iraqi grid.

ENKA mainly employs locally recruited staff on the projects, which it carries out, and works with local subcontractors and business partners. By training local personnel and sharing its knowledge and experience, it contributes to the development of local workforces, sectors and economies.

In the engineering and construction activities, which ENKA has been carrying out in Tengiz, Kazakhstan, since 2013, the ratio of local (Kazakh) employees has reached 92%, and at no stage of the work has this ratio



fallen below 70%. Approximately 20,000 Kazakh personnel have been employed on the project directly since its inception. In addition, ENKA has worked with more than 100 local subcontractor firms, providing employment for about 10,000 more local personnel. As a result of this strategy, the local subcontractors have become more proficient at construction work and some have acquired the capacity to work directly with the owner of the project. More than 1.2 million person-hours of training have been provided to employees during the course of the project. As a result, local personnel, most of whom had no experience, have been turned into proficient and experienced workers. Many senior staff have been transferred to Kazakhstan's leading firms, where they hold important positions. More than 100 million person-hours have been worked on the Tengiz projects in Kazakhstan, which began in 2003 and are still continuing today, and there have been no fatal accidents. The longest period worked without lost time incident was around 30 million person-hours. The total value of the labour, goods and services obtained from the local market for these projects is about US\$750 million.

With respect to the building construction sector, ENKA has worked on urban development projects, hospital buildings, airport projects, factories and production facilities,

particularly in the Russian Federation, in member countries of the Community of Independent States (CIS), and in Africa. As a result, it has supplied the countries in question with essential needs and contributed to local development while acquainting these countries with quality and safe engineering practices.

ENKA's experience with motorway, bridge and tunnel projects goes back to 1958. In the 1970s, ENKA carried out the Anatolian Highway project, which formed an important part of the development of Turkey's Infrastructure Network. This motorway is of critical importance as it links Turkey's European part of Istanbul with its capital, Ankara, in the continent of Asia.

Immediately after the construction of the Gerede-Ankara Motorway, ENKA made its mark with new motorway projects in Eastern Europe, completing motorways which brought touristic and economic development in their wake in Croatia, Romania, Albania and Kosovo.

Over 60 years, ENKA has carried out all the necessary construction works for more than one thousand kilometres of motorways, bridges, tunnels and viaducts in Libya, Saudi Arabia, Croatia, Romania, Kosovo, Albania and Turkey. This work is continuing today.



20,000

Number of local employees in the engineering and construction activities undertaken in Kazakhstan

1,200,000

Training hours provided to the employees during the projects (person-hours)

Contributing to the Development of the Engineering Profession

Engineering is a profession and applied science which conducts research, prepares plans and projects, and generates products, methods, systems, innovations and technology in accordance with the principles of the basic sciences for the purposes of increasing the benefits which humanity derives from natural resources and phenomena and of providing people and communities with technical solutions to their problems.

ENKA's sustainability priorities include the training of engineers who have ethical values, think scientifically and are sensitive to social and environmental topics, who take the impact of engineering on the development of communities into account and plan for the ways in which their work will interact with other fields. These priorities also help engineers keep track of advances in their profession and teach themselves and turn their knowledge into corporate knowledge, and develop their engineering knowledge and skills in such a way as to contribute to the international community through discoveries and innovations. Furthermore, through the priorities, stakeholders are brought together to contribute to the development of the profession and to create environments in which development in the field, good practices and problems are discussed.

In the reporting period, ENKA carried out the activities detailed below in the context of its efforts to contribute to the development of the engineering profession.

Employment of Intern Engineers

A total of 79 trainee engineers and architects were employed in 2017. Throughout their internships, all of them were provided with applied training on ENKA's engineering projects and activities, and thus had the opportunity to improve themselves in terms of engineering practices and to gain work experience. In addition, ENKA's corporate knowledge, acquired as a result of 60 years of engineering activities, was passed on to the interns.

ENKA Academy

With respect to the continuous development of the engineering profession, ENKA Academy aims to develop employees' professional competencies, their technical knowledge and skills, their social skills and their leadership and management abilities. To this end, it organises various training activities, seminars, conferences and workshops. A total of 8,320 person-hours of training was provided in 2017 for the development of the engineering profession.

ENKA Design Centre

ENKA set up its design centre in 2016, which is licensed by the Ministry of Science, Industry and Technology.

With its total staff of 168 including 112 designers, ENKA Design Centre, made valuable contributions to the development of the engineering profession within the reporting

period through research and development, the design of new production technologies, innovation in project design and engineering activities and design innovations for time-cost-performance optimisation.

The Design Centre completed the design and engineering works of 7 projects in 2017, and work continued on the design and engineering works of another 11 projects. A total of approximately TRY30 million was spent on the design and engineering works of these projects.

Corporate Knowledge, Library and Memberships

ENKA has established a body of corporate knowledge for the purposes of conducting existing processes effectively, standardising the quality of its products and services across all locations, institutionalising the experience it has acquired, perpetuating its corporate culture and clarifying its working rules and methods. This knowledge is made available via an electronic library accessible to all employees. In addition, employees can access numerous international libraries and publications by way of this portal.



Local Employment

ENKA creates significant local employment opportunities both in the activities it carries out in Turkey and through the projects it undertakes in various other parts of the world, particularly in regions where employment opportunities are limited. A large proportion of the tasks, which ENKA carries out under its projects, are labour-intensive. Through its policy of recruiting the manpower needed for these tasks locally, ENKA creates considerable economic value in the locations where it carries out its activities.

ENKA plans and implements skill development programmes for its employees in

order to develop the skills required to fulfil the needs and expectations of its projects. These programmes include training in social skills as well as training in vocational skills for the construction profession. ENKA employees therefore enjoy significant opportunities to improve themselves continuously in their fields of expertise and to be considered for different fields of work and different job opportunities at a future date.

The data on local employment in 2017 are as follows:



ENKA Group



11,486

A monthly average of 11,770 local personnel were employed on the ongoing projects.



48,4%

The consolidated local staff ratio for all the projects and subsidiaries was 48.4%



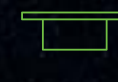
23,000

Training was given to a total of 13,500 local personnel out of a total of 23,000 staff.



1,100,000

The total person-hours spent on Occupational Health and Safety and Environmental Training reached 1,100,000 person-hours.



334

A total of 334 interns were employed.

ENKA İnşaat



35%

The ratio of local white-collar personnel working on the projects was 35%.



12,225

12,225 person-hours of training was given on technical subjects,



515

A monthly average of 515 local personnel were employed at Istanbul Headquarters.

Number of Local Employees employed in the Senior Management throughout ENKA

	Local	Foreign	Percentage
Number of Local Workers employed in the Senior Management	196	15	93%

The table below gives a breakdown of the white-collar personnel working in various positions at ENKA İnşaat. “Local personnel” is defined as the employees hired from the host countries in which the activity is being carried out. The personnel who are citizens of a third country, other than Turkish citizens and citizens of the country where the work takes place, are categorised as “other personnel”.

Category of Personnel	Ratio
Turkish Personnel	50%
Local Personnel	37 %
Subcontractor Personnel	2%
Other Personnel	11%

Compensation

Under no circumstances are ENKA employees paid less than the minimum wage set by the countries where they are working. The great majority (99.9%) of ENKA’s employees receive wages higher than the minimum wage.

	Women	Men
Percentage of employees receiving the minimum wage	0.1%	0.1%
Percentage of employees receiving more than the minimum wage	99.9%	99.9%

Examples of Local Employment from the Projects



Route 6 Motorway Project, Kosovo

This 65-kilometre two-way motorway project links Pristina, the capital of Kosovo, to Hani I Elezit on the border with Macedonia, forming part of the Southeast Europe Motorway Network. During the most intensive period of the project, a total of 2,465 personnel from 11 different countries including Kosovo, Turkey, Albania, Romania, Macedonia and the from the USA were employed. Approximately 80% of the workforce requirements of the project were met by employing citizens of Kosovo. A total of 40,000 person-hours of training was provided on the environment, safety, health, quality and other significant skills during the reporting period.

South Caucasus Pipeline Expansion (SCPx) Project, Georgia

Under the South Caucasus Pipeline Expansion (SCPx) Project, BEJV, a joint venture between Bechtel and ENKA, is responsible for the construction of two compressor stations and a pressure reduction and metering station at a total of three different locations within the borders of Georgia, together with all related earth works. A monthly average of 2,400 personnel were employed on the project, and 68% of the total manpower requirements were met through the employment of Georgian nationals. A total of 265,000 person-hours of training was provided to the local personnel in the scope of this project.

Tengiz Projects, Kazakhstan

Thanks to the local employment policy implemented since 1993, and in line with the recruitment-training-development-sustainability practices in force, the percentage of Kazakh citizens employed on the ongoing projects has reached 90%. Local employment efforts are continuing in order to maintain this success.

In 2017, a monthly average of 2,250 local staff were employed on the projects undertaken in Kazakhstan, and the ratio of local personnel to total project personnel was 85%. In all, 145,000 person-hours of training was provided to the local employees.



Kashirskaya Multi-Functional Trade Centre, Russia

A monthly average of 2,400 local personnel were employed on the Kashirskaya Multi-Functional Trade Centre project, which is due to be completed in 2018. The ratio of local personnel to the total project payroll was 92%. Approximately 280,000 person-hours of training was provided to the local personnel during the reporting period.



Çimtaş Steel Welding Training Workshop and Employment-Backed Welding Training

Welders have been trained and certified by the Çimtaş Welding Technologies Centre at the Çimtaş Steel Welding Training Workshop since 1981. A School of Welding was also established within the Welding Department at Cintas Pipe in 2006.

The welding training is organised by a team of experts including welding trainers, welding inspectors and welding engineers. To date, more than 4,500 welders have been trained. The proficiency of the welders trained is validated by independent certification companies conducting examinations in line with international standards (ASME, EN, AWS, LR etc.).

Cimtas Pipe collaborates with institutions and schools in its region, such as the public employment agency İŞKUR, the Bursa Chamber of Commerce and Industry Educational Foundation (BUTGEM), the Coşkunöz Educational Foundation, the Bursa Ovaakça Şarık Tara Vocational and Technical Anatolian High School and the Bursa Gemlik Vocational and Technical Anatolian High School to provide employment-backed welding training programmes. The welders trained are employed in the company's factories. In this way, Çimtaş acquires a qualified workforce as well as making a contribution to the national vocational training movement.

Socio-Economic Impact Assessment

The potential impacts of ENKA projects on the regions where they are to be carried out are comprehensively examined right from the investment stage – or before the work is accepted in the case of contracting activities. This analysis is conducted under the main headings of the ENKA Sustainability Policy, which also constitutes the core of its Sustainability Strategy – namely, “Doing Good Business”, “Caring for Employees”, “Developing Communities”, “Reducing Environmental Impact”.

In line with the principle ‘Doing Good Business’, and regardless of the location or nature of the work, ENKA maintains the same quality in all parts of the world and conducts its business on a basis of sound risk management, a responsible attitude to management, effective leadership, a robust supply chain and keeping its stakeholders informed and involved at every stage.

In order to reduce the environmental impact of any work it is to perform, ENKA first conducts Environmental Impact Assessments held by qualified firms and assesses them. Teams of environmental engineers are formed at the corporate and project levels for their implementation. Engineering work is done at the design stage to increase efficiency, and waste management plans are drawn up during the initial analysis of investments or during the pre-mobilisation stage of construction works.

A detailed analysis is made of the importance of the investment or contracting activity to be carried out both for the communities where the project is located and for ENKA itself. It is well known that the most important way to ensure the success of a project is to ensure

that it is accepted by the communities in the area where it is being built and satisfies these communities through the opportunities it creates. In this context, ENKA aims to achieve success by blending the principle of Caring for Employees, which is never compromised, with the principle of Developing Communities in the regions it works.

Before starting any activity, ENKA carries out environmental and social impact assessment specific to that activity. If the impacts are likely to vary by gender, then a gender impact assessment is also taken into consideration during the assessment. Based on the results of the assessment, environmental and social impact management plans are drawn up and put into effect.

ENKA’s first aim is to eliminate any negative impact. Where this is not possible, various other solutions are implemented, such as reducing the negative impact, isolating it or taking engineering precautions. Regular meetings and training activities are held in order to keep stakeholders informed and increase their awareness. Examples of these include occupational health and safety committee meetings, meetings with local school principals, meetings with the administrators of the settlements nearby, and the provision of education for schoolchildren.

To ensure stakeholder participation and maintain the process of continual improvement, a feedback/complaints procedure is established and made available for the stakeholders’ use. The feedback and complaints received are dealt with in the manner set forth in the relevant procedure.



Before starting any activity, ENKA carries out environmental and social impact assessment specific to that activity. If the impacts are likely to vary by gender, then a gender impact assessment is also taken into consideration during the assessment.

In the case of the South Caucasus Project Expansion (SCPx) project in Georgia, the impact assessments identified the main impacts that could create risks for the environment and the communities in the region, given the location of the project and the nature of the work, as the impact on wildlife, the impact on farming and bee-keeping as means of livelihood, the risk of traffic accidents, the environmental impact of dust, noise and vibrations, and the risk of fire. In 2017, five neighbouring villages were closely monitored in the framework of these potential impacts. Due to the systems implemented and the measures taken, no negative impact was observed in 2017 in any of the specific areas mentioned.

For the ongoing Kashirskaya Multi-Functional Trade Centre Project in Russia, the potential risks on surrounding communities were of a different dimension as the project is located in the city centre. The risks identified were an increase in traffic accidents, damage to citizens or public property due to falling objects, environmental dust, noise and vibration, and damage to the surrounding buildings and communities due to the outbreak of fire. As a result of the precautions taken, no situation that could create a negative impact occurred at the Kashirskaya project during 2017.

During all projects and business activities, all kinds of resettlement processes in the locations of the activity are planned and conducted by ENKA in accordance with predetermined principles drawn up in conformity with international legislation. There were no resettlement processes related to ENKA’s activities in 2017.

Social Community Engagement Manual

ENKA developed its Social Community Engagement Manual in 2017 with a view to successfully manage all of the positive and negative impacts it has on communities in the places where its projects and its various business operations are located. This manual has been made available for the use of all ENKA units. It explains the main elements of managing interaction with communities and the role of the project management in this process. Examples and reference files that are responsible for projects and other business operations can benefit during the process, which is also included in the manual.

The following three main elements need to be taken into account in activities concerning the community in all the places where ENKA operates:

Avoiding or Eliminating Negative Impacts
Increasing Positive Impacts
Social Investment

While conducting the activities in question, all units pay attention to the ENKA Code of Conduct and to the legal requirements of the country where the activity is to be carried out.



Community Investment

ENKA engages in social community investment in all the places where it operates, with the aim of enabling the local communities living in these regions to benefit from industrial development and to develop in social and cultural terms. ENKA carried out approximately TRY54 million (TRY53.87 million) worth of voluntary social investment globally in 2017.

The ENKA Foundation is making a substantial part of these investments. The following units operate under the ENKA Foundation: ENKA Sports Club; Istanbul ENKA Schools, which began operating in 1996; Adapazarı ENKA Schools, which started up immediately after the 1999 earthquake and was

established for the purpose of providing education to children affected by the earthquake; the Private ENKA Vocational and Technical Anatolia High School, which opened its doors in Kocaeli in 2008; the Private ENKA Science and Technology High School, also in Kocaeli, which has been operating since 2014, and ENKA Culture & Arts. All these units and all the individuals who belong to them are working to expand the opportunities, which this pool of institutions and experience creates, and to share them with broad sections of society.

Through the ENKA Foundation and its units, ENKA makes social community investments in the five following fields:



Education



Sport



Health



Social Support



Environment

ENKA unit	Description	Investment Value	Country	Community Investment Field				
				Education	Sport	Health	Social Support	Environment
ENKA İnşaat ve Sanayi A.Ş.	Turkish Education Foundation (TEV)	TRY23,690	Turkey					
ENKA İnşaat ve Sanayi A.Ş.	Organization that helps children in need "Children in Crisis"	USD15,000	Iraq					
ENKA İnşaat ve Sanayi A.Ş.-Route 6 Project	Grants and internships for local university students	EUR76,200	Kosovo					
ENKA İnşaat ve Sanayi A.Ş.-Route 6 Project	Church donation for river bed regulation	EUR17,613	Kosovo					
ENKA İnşaat ve Sanayi A.Ş.-Route 6 Project	Tree planting campaign with local schools	EUR1,357	Kosovo					
ENKA İnşaat ve Sanayi A.Ş.-Route 6 Project	Donations to primary schools	EUR992	Kosovo					
ENKA Foundation	Kocaeli School education expenses	TRY12,807,687	Turkey					
ENKA Foundation	Domestic and overseas study grants for students	TRY6,438,871	Turkey					
ENKA Foundation	Domestic study grants (Adapazarı School)	TRY18,160,133	Turkey					
ENKA Foundation	Assistance to the ENKA Sports Club Association	TRY11,835,000	Turkey					
ENKA Foundation	Grants to Athletes	TRY791,240	Turkey					
ENKA Foundation	Awards to Successful Athletes	TRY1,489,955	Turkey					
ENKA Foundation	Assistance for art and culture	TRY944,672	Turkey					
ENKA Foundation	General donations	TRY893,493	Turkey					

ENKA Foundation

The ENKA Foundation was established in 1983 with the core idea of maintaining the tradition of foundations in Turkey and advancing the concepts that have been the building blocks of civilisation in today's age. Accordingly, the natural mission of the Foundation is to orient Turkish youth

towards sport and make sport a part of their lives, to identify the sporting potentials of the talented among them using scientific methods and train and raise them to be champions who can achieve international success, and to strengthen education and social infrastructure.

ENKA Sports Club

ENKA Sports Club has 1,250 licensed athletes in training at its own facilities, with the support of 80 specialised coaches. The Club takes part in national and international sporting contests in those branches of sport in which it is active. Under the slogan "The Future belongs to the Young", the Club strives to equip thousands of children with superior mental and physical qualities through the top-quality training system, which is implemented within its teams and sports schools. It has provided Turkish sport with many talented young athletes. The Club draws on a rich source of potential athletes

made up of talented young people from its sports schools first and foremost, from the ENKA Schools and from its extensive social environment. About 700 candidate athletes are being trained within the Young ENKA Family to be the champions of the future. The ENKA Sports Club is one of Turkey's locomotive clubs both in terms of the talented young people whom it has won over for Turkish sport through its training activities and in terms of the successes, which its leading athletes have achieved at the international level.



About 700 candidate athletes are being trained within the Young ENKA Family to be the champions of the future.



My journey with ENKA began when I joined the ENKA Sports Club swimming team in 2009. I have now been representing ENKA Sports Club for nine years at both national and international competitions events. During this period, I have taken part in the London Olympics, 2012, won four medals in European championships, been Turkish Champion more than 50 times and broken 23 Turkish records. ENKA Sports Club has played an essential role in my successes by providing me with financial and moral support throughout my sport career. Furthermore, I am able to continue my education at Koç University with the scholarship I got from the ENKA Foundation.

Having been a part of the ENKA family, I have experienced first hand what the phrase 'It's a privilege to be a part of the ENKA family' means in every aspect of my life. Having been with ENKA for many years, I have experienced the meaning of this phrase in many areas of my life. Through ENKA's broad sources, I have had the opportunity to work with trainers with many achievements to their names in the international arena. I have pursued my sports activities in the world-class Sadi Gülçelik facilities. I have had the opportunity to attend many of the cultural activities organised by ENKA Culture & Arts, and seen many of the country's leading performers on stage. ENKA has made a significant contribution not only to my sporting career but also to my social, cultural and educational life.

It is unfortunately a challenge in this country to be a professional athlete and continue our education at the same time. In this respect, ENKA is an organisation with very few rivals anywhere in the world. Due to the value it places on sports and education, ENKA enables young athletes like me to follow their Olympic dreams while simultaneously getting a top-quality education. My expectation from ENKA is to sustain its culture while growing as a leading institution in this field.

Ediz Yıldırım, third-year student at Koç University Department of International Relations and part-time staff-member of the ENKA İnşaat ve Sanayi A.Ş.



ENKA Culture & Arts

ENKA Culture & Arts develops projects which contribute to the continuity of culture and art and introduce audiences to the artists of the future. Its programmes, which include examples of all of the arts, take place in the ENKA İbrahim Betil Auditorium, which has a capacity of 600 seats, and in the 1,000-seater ENKA Eşref Denizhan Open

Air Theatre. With its professional technical equipment and contemporary stage arrangements, ENKA Culture & Arts has welcomed innumerable artists and groups from national and international circuits, and made it possible for art-lovers to attend many different kinds of event.

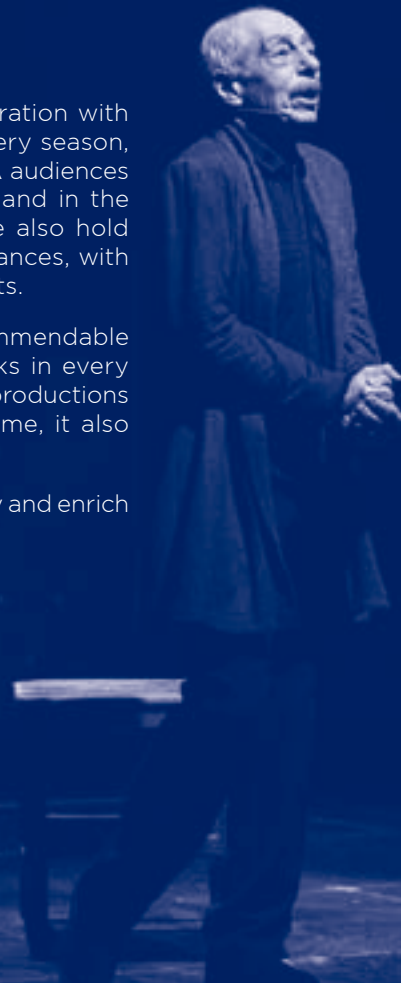
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I have been organizing events in collaboration with ENKA since 1997- a total of 21 years. Every season, we perform the plays we put on for ENKA audiences in the Open Air Theatre in the summer and in the Auditorium in the winter. Sometimes we also hold artistic conversations before the performances, with question and answer sessions with students.

For years, ENKA has been making a commendable effort to offer its audiences quality works in every branch of the arts. By hosting our artistic productions in its theatres frequently from time to time, it also brings us together with a select audience.

I hope it continues its activities and intensify and enrich them in the years to come.

Genco Erkal, Actor



“

I have had a long-term relationship with ENKA ever since I gave the opening concert at the Auditorium in 1999. Every year we organise at least two concerts - one in the open air and the other in the closed auditorium.

ENKA's concerts have a thirty year-old tradition of introducing people to music and art. I think this is very important for Turkey. In the summer, especially, we have organised concerts with ENKA that have reached wide audiences. Sometimes I have given solo concerts and sometimes I have taken part in various projects alongside young artists, actors and musicians. These concerts have attracted a lot of public interest.

What ENKA has been doing for 30 years is very important for art and especially for Turkish performers. A lot of Turkish performers have been able to find a platform for presenting their art through ENKA. With its summer and winter projects, I believe it makes a great contribution to the cultural and artistic life of Istanbul. These concerts are important occasions for putting interesting projects before the public and for the value placed on performers of the arts.

As the artistic community, we are very grateful to ENKA for everything it has done so far. Our only desire and expectation is for it to keep doing this for many more decades.

Fazıl Say, Musician



Read more...



About ENKA Foundation: <http://www.enka.com/sustainability/home/society/enka-foundation/>
 About ENKA Sports Club: <http://www.enkaspor.com/en/>
 About ENKA Sports Club's activities in 2017: <http://www.enka.com/investor-relations/annual-reports/>
 About ENKA Culture and Art: <http://www.enkasanat.org/hakkimizda/>

ENKA Schools

Adapazarı ENKA Schools, was established immediately after the 1999 Marmara earthquake to provide education and shelter for children who had been victims of the disaster. It continues its educational activities today.

Adapazarı ENKA Schools has 715 students and a staff of 111 permanent teachers and five part-time teachers. Its aim is to provide equality of opportunity in education and to bring up creative individuals who use their critical thinking and communication skills in all disciplines, ask questions, express themselves in different languages, respect difference and are internationally aware.

Istanbul ENKA Schools was founded in 1996. It has a student-centred ethos and an innovative approach to teaching and learning. Its primary, secondary and high school sections are currently providing education to a total of 1,237 pupils and students. In addition to its modern, functional classrooms, the school has three fully-equipped science laboratories, an auditorium, three libraries with a total of 40,000 volumes, a computer laboratory, two design studios and a multi-media room.



In the curriculum, as much importance is attached to clubs, community service, after-school activities and schools teams as to academic studies. These activities are intended to enable the students to develop their sense of responsibility, curiosity and self-esteem as well as to acquire leadership and communication skills.

In order to achieve these aims, the school has 103 clubs and 75 after-school activities. For example, there are International Duke of Edinburgh Awards, Round Square, Young Guru Academy, Model United Nations, European Youth Parliament, ENKA Youth Forum, International Chain of Awareness, School Magazine (Oceanus), Lego Robotics, Cookery, English Theatre, Film Production, Dance, Yoga, Ceramics, Swimming and Istanbul Exploration clubs. Through these clubs and activities, ENKA's students represent ENKA Schools in Turkey and abroad.

Kocaeli ENKA Schools, is divided into the ENKA Technical Schools and the ENKA Science and Technology High School.

The ENKA Vocational and Technical Anatolian High School is the first and only school with the status of an Anatolian Technical High School in which all students are educated with scholarships. It started up in temporary accommodation in 2008 and moved to its permanent campus in 2010. The school currently has 74 teachers and 463 students in the fields of industrial automation, machine technologies and chemistry technologies.

The ENKA Technical Schools aim to provide education in the professions required by the market using state-of-the-art machinery and equipment and up-to-date methods, to meet both the cultural and the social needs of their students and induce in them

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I am proud that ENKA has launched the ENKA Sustainable Campus Programme.

Everything begins with education... I believe that organising the educational environment in line with the principles of sustainability will ensure that the generations to follow are conscious of this issue and act according to these principles.

I am sure that our students will now take a different view of consumer goods, their waste and the energy which they use in their everyday lives, that they will put the environment-friendly habits which they are acquiring into practice wherever they live, and that they will make sure that sustainability programmes are implemented in the institutions they will be part of in future, whether as workers or as administrators. This movement that has begun in an educational environment is a seed. The seeds will grow and produce new seeds in a world that is never consumed.

Talin Bayaç, ENKA Schools - Istanbul, Technology and Design Teacher



a sense of responsibility, professional ethics and moral values and sensitivity, to bring up individuals capable of meeting the needs of the industrial sectors and of institutions of vocational and technical education, and to provide courses to personnel working in industry, young people without professions and graduates of general high schools so as to contribute to Turkish industry and to the solution of a social problem.

The **ENKA Science and Technology High School** is located in the same building as the ENKA Vocational and Technical Anatolian High School in the Specialised Organised Industrial Zone for Machinery in the province of Kocaeli and houses 250 students. All of the students being educated at the school are studying on full and unconditional grants with the support of the ENKA Foundation.

In addition to the Science High School curriculum, students in grades 10 and above are able to take part in additional educational activities in line with their goals and preferences. Genetics classes are organised in the genetics laboratory for students wishing to go on to study medicine, while workshops are held in mechatronics and computer programming languages for students interested in studying engineering.

To support the practical education of their students, both of the schools in Kocaeli have physics, chemistry and biology laboratories equipped with the latest technology. There is also a LEGO robot workshop, a model plane/drone workshop, a science centre, a visual arts workshop and an orchestra practice room. The school has signed a protocol of cooperation with Gebze Technical University with a view to developing these



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I find the ENKA Sustainable Campus Programme necessary and meaningful for creating awareness in the lives of the students. In particular the twelfth goal of the Sustainable Development Goals of UN calls on people to consume less and to consume responsibly. While it hasn't taken long for the abilities of our students to internalise this to become apparent in our lives on campus, in the long term it will emerge as something that affects their families and their lives. I find it valuable that the programme is not just a topic for a couple of lessons, but something that affects all our lives at school, because I am sure this will have positive results.

It makes me hopeful to see that the concept of sustainability is no longer just a term our students sometimes use but a goal that they are trying to achieve in their daily lives. I think we've got a good momentum going with the various ideas they come up with for projects, the way they have started to put only as much food as they can eat on their plates in the canteen, and the way they remind each other of the hidden water used to produce notebooks when they see people starting a new page before the last one is finished. It's also important for us teachers to act as role models and to share with our students the precautions we have taken and the changes we have made in our own lives for the sake of responsible consumption.

Our students have a high level of awareness and are not afraid to take responsibility. Now, starting from their own lives, they are becoming individuals who set off changes and transformations in their immediate environments. Together with the people they interact with, they will make waves that influence Turkey and the World.

Aylin Öz Kasbulat, ENKA Schools - Adapazarı, English Teacher

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Each of the ENKA Schools have developed its own strategy and identified its own sub-targets, taking into account of the sustainability priorities within the school and its local environment, in such a way as to serve the goals of the ENKA Sustainable Campus Programme, and has begun its activities under the leadership of the students.

resources further. As a result, the students are able to benefit not only from the university's physical resources, such as its laboratories and social facilities, but also from the support of its academic staff for education and advice. In addition, technical and scientific projects are also being carried out in conjunction with the university.

ENKA Schools Sustainable Campus Programme

In September 2017, the Sustainable Campus Programme was inaugurated at the ENKA Schools with a view for supporting the development of responsible individuals and citizens of the World, for reducing environmental impact, and for contributing to social development. Under this programme, a joint

Sustainability Committee has been established for Istanbul ENKA Schools, Adapazarı ENKA Schools and ENKA Technical Schools Kocaeli. Sub-committees have also been set up within each of the three schools, with the committee members made up of volunteers drawn from among the members of the Students Association, the Clubs, Administrative Affairs and the Parent-Teacher Association. Each of the ENKA Schools has developed its own strategy and identified its own sub-targets, taking account of the sustainability priorities within the school and its local environment, in such a way as to serve the goals of the ENKA Sustainable Campus Programme, and has begun its activities under the leadership of the students.

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I think the ENKA Schools Sustainable Campus Programme is useful because it has given us all hope for a healthy future. As somebody who is closely involved with technology due to my profession, and who tries to follow developments continuously, I have noticed a change in the way our students perceive technology products.

The awareness of the students and employees is growing. I have noticed that the students have quickly become much more aware about not leaving electronic devices switched on, the use of disposable products and the way we should handle electronic waste. This gives all of us grounds for hope.

I regard the ENKA Sustainable Campus Programme as an extremely important programme, especially from the point of view of preventing high carbon emissions, making conscious use of motor vehicles and electronic devices, avoiding products that can only be used once, staying away from processed foods as far as possible and increasing environmental awareness.

Umut Becan, ENKA Technical Schools-Kocaeli, Information Processing Officer



CARING FOR EMPLOYEES

Employee Demography



	Blue Collar		White Collar	
	Women	Men	Women	Men
Number of Employees	593	14,183	1,033	2,704
Percentage	3%	77%	5%	15%

Age Distribution	Blue Collar		White Collar	
	Number	Percentage	Number	Percentage
<30	4,713	25.5%	1,057	5.7%
30-50	8,162	44.1%	2,118	11.4%
>50	1,955	10.6%	508	2.7%
Total	14,830	80.2%	3,683	19.8%

	Blue Collar		White Collar	
	Number	Percentage	Number	Percentage
Number of Employees with Disabilities	60	0.25%	24	0.10%

Number of Employees According to Contract Type with Gender Breakdown

	Women	Men
Permanent	855	4,623
Temporary	731	12,304

Number of Employees According to Contract Type with Country Breakdown

	Permanent	Temporary
Turkey	3,516	0
Russian Federation	1,228	2,904
China	380	0
Afghanistan	73	582
Georgia	332	1,643
India	7	10
Netherlands	1	0
Iraq	549	1,067
Kazakhstan	276	2,768
Kosovo	388	1,611
Northern Iraq	6	10
Mexico	1	0
Mauritania	2	16
Paraguay	28	121
Romania	2	0
Sri Lanka	44	310
Saudi Arabia	31	26
Turkmenistan	37	544

Number of Full Time and Part Time Employees with Gender Breakdown

	Women	Men
Full Time	1,581	16,905
Part Time	14	13

* Values have been calculated using data that is collected as of December 31, 2017.

Gender	Number of Employees in Senior Management	Percentage
Women	34	16%
Men	177	84%
Total	211	100%

Age Distribution	Number of Employees in Senior Management	Percentage
<30	8	4%
30-50	152	72%
>50	51	24%
Total	211	100%



Number of Employees in ENKA İnşaat According to Employee Category

Category	Number of Employees	Percentage
Turkish Employees	2,036	14.3%
Local Employees	5,468	38.4%
Other Employees	6,322	44.4%
Subcontractor Employees	413	2.9%
TOTAL	14,239	100%

*Subcontractors are only employed in abroad activities within ENKA. Tasks of subcontractor employees differ according to context of the project, they include but are not limited to: mobilisation, reinforced concrete applications, basic remediation works, industrial welding operations, NDT operations, security, engineering and design works and comissioning and start-up activities.

Employee Rights and Employee Satisfaction

ENKA is a large family made up of a total of 23,733 employees from 49 nationalities in 18 different countries. ENKA regards its employees as the most important of all the assets that play a role in the success and sustainability of its companies.

ENKA respects human rights and treats diversity as a source of richness and turns it to advantage. This is a corporate culture which extends to all levels of the organisation. The ENKA Code of Conduct is the essential document that guides both the relations of employees with one another and the

attitude of the company to its employees. As stated in the ENKA Code of Conduct, employment, promotion and all similar decisions concerning human resources are taken regardless of race, national origin, religion, language, colour, age, sex, sexual tendency, disability or any other discriminatory criterion forbidden by current laws.

The Human Resources Management Policy, which has been developed with the aim of achieving ENKA's mission, vision and values, is founded on the following elements:

1. To further the strategic goals and interests of the Company,
2. To be sensitive to the needs of employees and all stakeholders ,
3. To maintain ENKA's reputation as a desirable employer,
4. To establish a workplace culture based on trust and respect, in which all employees feel valued and are able to make their best efforts to fulfil our mission successfully,
5. To employ the person most qualified for the position, and to evaluate all applications from qualified candidates equally, regardless of race, language, religion, gender difference or physical disability,
6. To give top priority to ENKA employees when filling vacant positions in the company, and to turn to external resources if there are still outstanding needs after the internal candidates have been assessed,
7. To know and abide by the laws and directives relevant to each task performed,
8. To provide all employees with opportunities for training and career planning so that they can understand their duties clearly, develop their skills and improve their performances.



ENKA respects human rights and treats diversity as a source of richness and turns it to advantage. This is a corporate culture which extends to all levels of the organisation.



Rights Provided to Employees

All ENKA employees have the pension rights and rights to maternity/paternity leave specified in the laws. The other fringe benefits provided to employees vary from company to company. For example, some ENKA group companies provide their employees with bonuses or with support for private health insurance or private pension fund contributions.

All ENKA employees have the right to a 50% discount at ENKA Sports, which is one of Turkey's leading sports clubs. In addition, all ENKA employees have the right to a 20% discount for events organised by ENKA Culture & Arts, which plays host to a variety of well-respected artistic performances.

ENKA İnşaat provides all of the employees working on its projects in various parts of the world with free insurance against emergencies, air ambulance services, and health services in clinics set up at the project sites. Depending on the conditions in the countries in which ENKA operates and in the site locations, a range of other social spaces and services are provided to enable employees to work in a comfortable, peaceful and pleasant environment. These include open-air and covered sports areas, game console areas, spaces and tables for playing various games, and the provision of wireless Internet in all working and living spaces as well as satellite channel services in accommodation rooms.

ENKA İnşaat prepares suitable menus for vegetarians and for employees needing special diets both at its project sites and at its Headquarters in Istanbul. In the projects, special kitchens are set up and separate menus are prepared by Indian cooks to accommodate the preferences of employees of Indian origin.

Throughout the Çimtaş Group, collective contracts are signed with labour unions, and unionised workers are provided with the pay and other benefits envisaged in the contracts signed with the unions that represent them. Accordingly, the personnel in the coverage of the unions are paid monthly bonuses all year round adding up to a total of four salaries per year, in addition to their gross salaries, and a social assistance package is provided. Performance-based bonus and promotion schemes are available for employees not within the coverage of the unions.

Non-unionised workers at Çimtaş benefit from private health insurance as well as being covered by the Social Security Board (SGK). If they so wish, their dependents can also be included in their private health insurance scheme. Besides private health insurance, general personal accident insurance is provided for all employees, whether or not they are unionised. Various other practices are in effect with a view to raising the quality of the employees' lives and increasing their productivity. These include birth allowances, provisions distributed at religious holidays and support for school stationery needs.



Results of the survey conducted by an independent research company indicated that the employee loyalty was at 88% in ENKA İnşaat and 90% in ENKA Group as a whole.



I have been working in the ENKA Corporate Quality Department since December 2015.

The most important difference between ENKA and other companies in this country is the priority which it attaches to its employees as its most important stakeholder. ENKA is aware of the challenging conditions that are natural parts of the sectors in which it operates, like construction and energy. Its business strategy therefore gives prominence to employee satisfaction. The organisation of ENKA Academy, which was founded with a view to supporting the personal and professional development of employees, has enabled ENKA to invest in its employees more comprehensively and effectively.

ENKA maintains high business and quality standards in every sector in which it operates. However, its business strategy is not based on this goal alone. The goals of valuing its employees, contributing to local communities in the locations where it works, and reducing its environmental impacts have also become a part of its business strategy. All of these aims constitute ENKA's culture of doing business. In 2017, it gathered them all together and published the ENKA Sustainability Strategy.

I am happy and proud to be a member of a large family like ENKA, which respects its employees and its environment and generates wealth for a better future.

**İnci Bozokluoğlu, Corporate Quality Lead Engineer,
ENKA Headquarters**



Employee Satisfaction

In 2017, an Employee Satisfaction and Loyalty Survey was conducted throughout ENKA for the first time. The survey was conducted by an independent research company. The employees were asked to give their views on numerous aspects of employee satisfaction and loyalty. Employee

loyalty was put at 88% in ENKA İnşaat and 90% in ENKA Group as a whole. The company's goals for 2018 include the implementation of a number of actions which have been found necessary to bring about improvements in the light of the survey results, and the continuation of the dialogue with employees concerning such actions.

ENKA Sailing Club

With its experienced coaches and the amateur sailors they have trained, ENKA Sailing has one of the strongest sailing teams in the sailing community. Every year, sailing programmes are organised especially for employees with and without sailing experience, at basic and advanced levels. Employees who succeed in the training programmes have the opportunity to take part in the trophy race programmes and join the ENKA Sailing Team.

In 2017, ENKA Sailing team has finished first both in the Istanbul Sailing Club (IYK) and the Bahçeşehir University (BAU) yacht trophy programmes, consisting of 9 and 4 races respectively, as well as earning two championships in the IRC-0 classification, which is considered the highest class. An overall second place finish was achieved at the TAYK / BMW Bosphorus Sailing Fest, which was held on 20 May 2017. The team was crowned another first place prize at the TAYK / Eker Olympos Regatta Cup held on August 11-13.

ENKA Sailing Team will follow the Istanbul Sailing Club and Bahçeşehir University trophy programs in 2018.





Çimtaş: “We are at the Factory with our Families” Event

One of the social activities which the Çimtaş Group conducts with its employees is called “We are at the Factory with our Families”. This is a traditional annual event during which both the employees and their families are given a technical tour of the factory, and a painting competition on the topic of Health, Safety and Environment at Work is organised for children of Çimtaş employees attending primary and middle school. The aim is to raise awareness about health, safety and environment from an early age. As always, the pictures painted by the children who won the painting competition in 2017 will feature on the Çimtaş calendar for 2018.

Employee Training And Development

ENKA believes in the need to invest in its employees, all of whom possess the knowledge and qualities needed in their own fields of work, if it is to perpetuate its existence and become even stronger. By creating a culture which promotes the achievement both of its own organisational goals and of the individual goals of its employees, the company aims to increase motivation and cooperation among its productive workforce and at the same time provide better working environments.

In this context, ENKA founded ENKA Academy in 2015 to provide ENKA personnel with opportunities to learn and develop their competencies, and to support the achievement of the company's goals. ENKA Academy is designed to develop the professional competencies of ENKA employees, their awareness of processes, their technical knowledge, and their leadership and management skills. It strengthens the professional and social skills of the employees through training opportunities prepared by its own experts and by academic institutions and leading training companies in the sector. In 2017, about 200 hours of training and about 2,250 person-hours of social skills (competencies) training were given. Over 700 hours of training has been provided by ENKA

Academy since it was established, involving more than 1,300 participants.

Aside from ENKA Academy, the training departments established under ENKA's projects, which operate in close contact with the Istanbul Headquarters, have provided a total of more than 7.5 million person-hours of training to date. This training has contributed

to the development of local communities in the countries in which ENKA has undertaken contracts.

Likewise, ENKA's subsidiaries provide a series of incentives to support employee development in line with the company's visions and goals. One of the priorities of ENKA Systems, as a technology firm, is to keep track of technologies that are changing and developing by the day, and to design and update projects in

line with these new technologies. Employees are encouraged to take part in this process, and are provided with access to the platforms they need to learn about new technologies, methods and techniques quickly and easily. In addition, as part of its R&D activities, ENKA Systems supports employees studying for higher degrees and doctorates. Employees who complete their higher degrees and doctorates are rewarded at predetermined rates.

7.5+
MILLION
PERSON-HOURS
Amount of training given
up to this day

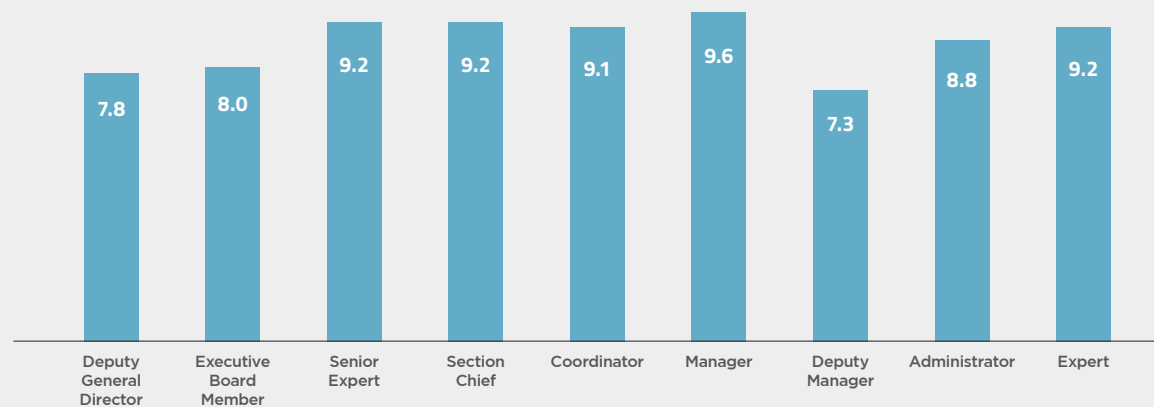
Employee Training

The total number of hours of training and the hours of training per person provided to employees at ENKA Headquarters in 2017 are shown in the tables below. ENKA provides equal training opportunities to all its employees to support the development of their professional and social skills.

Personnel Training Hours by Category of Gender at ENKA Headquarters

	Women	Men
Total Hours of Training	1,450	2,707
Training Hours Per Employee	9.06	9.08

Hours of Training Per Employee at ENKA Headquarters by Category of Employee



Training of Employees in the Field

ENKA plans and implements programmes, which develop both the professional skills and the social skills of its personnel employed on the projects it has undertaken. In this way, it seeks to meet the needs and expectations of the projects in question and develop the competencies they require. For the employees, this represents a valuable opportunity to acquire the ability to work in different areas and to benefit from a wider variety of job opportunities in the future.

In all ENKA's projects, project-specific training plans are drawn up and implemented with the aim of ensuring that members of the field team at all levels are able to receive the training they need. The training plans consist of four stages: orientation, skills development, pre-manufacture quality briefings, and health, safety and environment (HSE) training.

In addition to all ENKA personnel working in the field, these training activities are also

provided for the benefit of the employees of subcontractor and supplier firms working on ENKA worksites. In the reporting period, approximately 12,225 person-hours of skills development and pre-manufacture quality briefings and 1,025,123 person-hours of HSE training were provided to a total of 19,459 personnel working on ENKA İnşaat projects.

Employee Training at Çimtaş

In line with its goals for continuous development, Çimtaş identifies the training and development activities needed to improve the existing competencies and qualities of its employees, prepare them for the future and ensure their personal, administrative and professional development, then implements these activities and evaluates their effectiveness. An average of 50 hours of training per person was provided for white-collar staff and 53 hours for blue-collar staff across all the Çimtaş group companies in 2017.

Personnel Training Hours by Category of Employee in the Çimtaş Group

	White Collar		Blue Collar	
	Hours of Training (Person-hours)	Average Hours of Training Per Person	Hours of Training (Person-hours)	Average Hours of Training Per Person
Çimtaş Steel	6,474.8	35	16,959.2	48
Cimtas Pipe	18,444.7	50	34,595.6	48
Cimtas Ningbo	6,830.5	60	14,451.5	52
Çimtaş Precision Machining	9,599.4	93	16,693	79
Çimtaş Shipyards	31.9	1	2,332.1	65
Çimtaş Group TOTAL	41,381.3	50	85,031.4	53

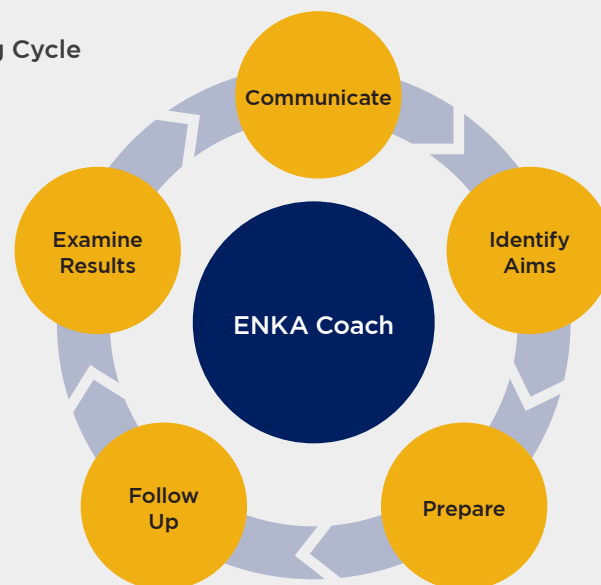
ENKA Business Coaching

ENKA is planning to train and prepare members of its senior management who are willing to share their knowledge and skills with younger employees, and who are well versed in the culture of the company, as “ENKA coaches”. After receiving this training, it is envisaged that the ENKA Coaches will provide mentoring to those staff members who are allocated to them. In this way, they will contribute to the development of the company workforce, which is its most important asset.

ENKA regards those of its employees who are nearing the ends of their working lives as valuable members of the ENKA Family. In order to facilitate the management of career endings due to retirement, and to make it possible to pass on long years of corporate experience to new generations, ENKA plans to include these employees in its internal coaching programme, and is preparing a training programme for this purpose.



ENKA Business Coaching Cycle



Occupational Health and Safety Management

The most important target of all for ENKA and its subsidiaries is that all employees should be able to get back to their homes safe, sound and healthy. Health and Safety is addressed with equal seriousness wherever the name of ENKA is visible. For this purpose, everybody within the boundaries of the worksite, including subcontractors, is considered an ENKA employee and is subject to the same standards.

ENKA İnşaat (including ENKA Headquarters, all ENKA İnşaat projects and ENKA subsidiaries ENKA Teknik and TİTAŞ), ENKA Power, Cımtaş Pipe, Çımtaş Steel, Çımtaş Shipyards and Çımtaş Precision Machining all possess OHSAS 18001 certificates and have established and operate their occupational health and safety management systems accordingly.

These management systems rest on the foundations of a strong management commitment, occupational health and safety policies and procedures drawn up in line with this commitment, training plans

developed in conformity with the procedures, and an effective audit and inspection system. Based on the results of audits and inspections, the entire management system is reviewed periodically with improvements made constantly.

ENKA believes that with the right outlook, planning and effective practices, it can prevent all accidents. Its commitment to “Zero Accident” is a strong and resolute policy that begins with the senior management and is declared to employees at all levels together with other stakeholders.

By nature, construction activities are globally considered to be high risk jobs. As ENKA's main line of business is construction, all its occupational health and safety measures and precautions are implemented with extreme cautious and sensitivity. The occupational health and safety management system at ENKA İnşaat adopts the pro-active approach as its primary approach, and all works begin with the identification, assessment and management of occupational health and safety risks. The risk assessments are carried out in line with the Risk Assessment

Procedure developed by the ENKA İnşaat HSE (Health, Safety and Environment) Department. General Risk Assessments are conducted at the start of each project, and specific risk assessments and Job Hazard Analysis carried out depending on the exact nature of the work. These steps constitute the main stages of the occupational health and safety risk management process.

Since 2010, ENKA İnşaat has been holding an HSE Workshop every year. The 2017 Workshop was held for the fifth time with the motto of “Speak Up - Stay Safe”. Participants included project HSE managers and project management teams. Training was provided by internal and external trainers, and an evaluation was made of the HSE performance of the company in 2017.

In accordance with its “Zero Accident” target,

ENKA subsidiary Çimtaş carries out training activities, drills, risk assessments and job hazard analysis, operates a change management system, a near-miss reporting system, reward and penalty schemes and a technical safety premium policy, and conducts internal and external inspections, periodical environment measurements, and health checks at hiring process and periodically thereafter. Occupational health and safety issues are also incorporated into the collective contracts signed with labour unions at Çimtaş workplaces where labour unions are organised.

Cimtas Ningbo reinforces its employees’ awareness about occupational health and safety by holding a Safety Week every year, during which training activities, drills and competitions are organised with the participation of every single employee.

Read more...



About the ENKA HSSE Policy: <http://www.enka.com/sustainability/home/health-safety-environment/hsse-policy/>

About the Çimtaş Occupational Health and Safety Policy: <http://www.cimtas.com/departments/health-safety-environment/health-safety-environment-energy-policy/>

Engagement of Employees in Occupational Health and Safety and Environment Committees

ENKA and its subsidiaries establish Health, Safety and Environment (HSE) and Health & Safety (H&S) committees which meet regularly in accordance with the laws and regulations. ENKA İnşaat has HSE committees while the ENKA Headquarters, ENKA Power and the Çimtaş companies Cimtas Pipe and Çimtaş

Precision Machining have H&S committees. These committees meet frequently to review performance in the areas of health and safety at work and environment and to decide on the necessary actions that need to be taken. The committees consist of the employer’s representative, H&S experts, the workplace doctor or nurse, a human resources expert, an administrative officer, employee representatives, representatives of the labour union if any and other relevant experts depending on the agenda.

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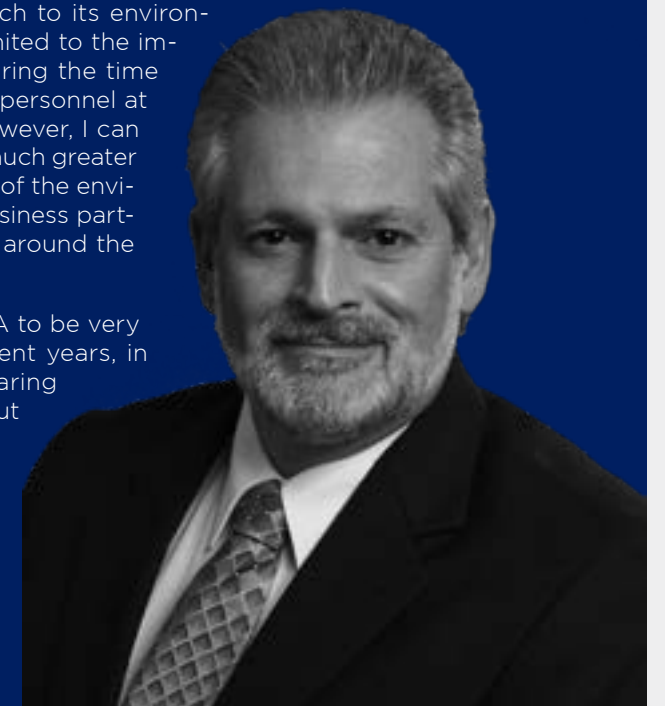
I have been working in the Health and Safety Department at Bechtel Headquarters for 17 years. Over the years, I have had the opportunity to work with ENKA HSE (Health, Safety and Environment) personnel during the many inspections, evaluations and joint projects and activities on which we have collaborated with ENKA.

During the period of almost 20 years that I have been in contact with ENKA, I have observed that it has changed very rapidly and in a positive direction. I have no doubt whatsoever that ENKA has the values and moral outlook that Bechtel looks for in a business partner. Moreover, having worked one-on-one with ENKA personnel in different countries, I can say that they definitely abide by the high standards that we look for in a business partner in terms of occupational health and safety, quality, integrity and the value which they place on employees and the community.

My views on ENKA’s approach to its environmental responsibilities are limited to the impressions I have obtained during the time that I have spent with ENKA personnel at meetings and in the field. However, I can tell you that ENKA attaches much greater importance to the protection of the environment than many of the business partners that Bechtel works with around the world.

I consider working with ENKA to be very beneficial for Bechtel. In recent years, in particular, we have been sharing our opinions and carrying out joint programmes in the area of health and safety, and it is clear that the two companies have been extremely useful to one another.

**Jeffrey Vincoli, Bechtel
ES&H Compliance
Assurance Manger**



Working in Regions with High Health and Security Risks

ENKA aimed to become a global company from the very first day it was founded. In line with this goal, it has so far engaged in activities in 45 different countries, including completed and ongoing projects. A large proportion of these projects are in the Community of Independent States, the Middle East, Europe, Africa and Turkey. Over time, ENKA has come to conduct more and more of its operations in parts of the world where it is relatively difficult to conduct business in terms of health. This reflects the weighting of ENKA's projects towards the energy sector and its involvement in the "Embassy" projects, which are known as special projects. In this context, detailed analyses are conducted before starting on the projects so as to identify the health risks in

the region where the work is to begin and obviate any and all negative consequences which employees might encounter. Recruitment conditions are determined in line with this risk assessment. Special health programmes, such as preventive vaccinations, may also be implemented. A medical facility is set up for each project, and all the employees are closely monitored under the supervision of Turkish and/or local doctors.

Meanwhile, the security risks in the regions where ENKA operates are analysed by the Corporate Security Department. Special safety plans are drawn up for each project, and project security departments are established. In places where the results of the risk analyses demonstrate high risk, agreements are also made with private security firms. These organisations operate under the Project Security Manager.



In 2017, 1,025,123 person-hours out of the total of 53,093,499 person-hours worked at ENKA İnşaat was devoted to HSE training.

HSE Training

Training activities are vitally important for communicating the company's HSE policies, and the procedures which it has put in place in accordance with these policies. For each project, ENKA prepares detailed training plans determining the specific training necessary for the employees, how they are to be conducted and with what frequency. A fully successful training strategy is known to require a regular training programme, competent trainers, and suitable learning spaces.

All ENKA İnşaat projects have training units attached to the project HSE departments. Besides the training coordinators, local trainers are employed in the training departments to deliver training to the local employees in their own languages.

HSE Training at ENKA İnşaat is made up of three main components: Orientation and On-the-Job Training, Technical Training and Systematical Training. Under the heading of Systematical Trainings; training is provided about the process of the management systems in use, headed by ENKA HSE System, Permit to Work System and OHSAS and ISO Management Systems. Technical training is given on topics like working at height, working in confined spaces and safe use of grinders, with the aim of ensuring that the activities in question are carried out safely.

In 2017, 1,025,123 person-hours out of the

total of 53,093,499 person-hours worked at ENKA İnşaat was devoted to HSE training. Within this figure, 338,774 person-hours were spent on technical and systematical training. The number of person-hours spent on HSE training every year is equivalent to the number of person-hours that would be spent on a medium-sized construction project.

The Çimtaş Group companies fall into the hazardous workplace category under the relevant legislation. Employees of Çimtaş Pipe and Çimtaş Precision Machining are provided with H&S refresher training every two years. Moreover, each employee is given at least 12 hours of on-the-job H&S training. 15-minutes talks on safety and the environment at work are held three days a week in these two enterprises. At Çimtaş Ningbo, a 15-minutes H&S information session is held for employees one day a week. In addition, on-the-spot training is given to the relevant departments about the risk situations that are identified through weekly and monthly H&S inspections.

The table below provides the distribution of 1,100,415 person-hours of HSE training in 2017, given at ENKA İnşaat, ENKA Power, Çimtaş, ENKA Real Estate (ENKA TC, CCI, MKH), ENKA Pazarlama, ENKA Foundation and ENKA Schools.

ENKA HSE Training Hours

	White Collar		Blue Collar	
	Hours of Training (Person-hours)	Average Hours of Training Per Person	Hours of Training (Person-hours)	Average Hours of Training Per Person
ENKA İnşaat	143,517	53.1	881,606	52.6
Çimtaş Group	13,447.5	16.5	39,933	29.6
ENKA Power	2,174.5	17.5	4,426.1	21.4
ENKA Real Estate	4,427	10.1	8,880	18.4
ENKA Foundation	306.6	3.7	58.4	3.7
ENKA Pazarlama	159.9	1.2	73.8	1.2
ENKA Schools	922	2	483	6.2
ENKA Group TOTAL	164,954.5	34.7	935,460.3	49.4



“

I graduated from Adapazarı ENKA High School in 2010. While I was studying at university, I did internships as an occupational health and safety and environment engineer on the Bechtel-ENKA Kosovo Motorway Project in 2013 and at Çimtaş Shipyards in 2014. Since August 2017, I have been working in the HSE Department at ENKA Headquarters.

In line with our “Zero Accident Target”, we at ENKA believe that all accidents can be prevented with the right outlook, the right planning and effective practices. We carry out our activities on this basis. Analysis of the accidents that occurred in 2017 shows that our accident frequency ratios reached their lowest levels, coming in even lower than our HSE targets.

In my opinion, a well-structured training system supported by ENKA HSE procedures is the most effective way of passing on ENKA's HSE culture and awareness to its employees. To this end, more than a million person-hours of training was given to our employees and our stakeholders in 2017.

One of the most important features that distinguish ENKA's HSE management from those of other organisations is the close and detailed monitoring of the Corporate HSE performance of the projects by the central Corporate HSE Department. The HSE performances are monitored continuously and regularly using predetermined proactive and reactive parameters. Internal and external inspections are carried out to ensure conformity with the system, and the findings are submitted to the project officials and to the upper management.

I will always be proud and honoured to be part of an organisation that is respectful of nature, cares for its employees and furthers the development of the places where it is active, with its projects in Turkey and abroad.

**Seçil Parlar, ENKA
Corporate Health, Safety
& Environment Engineer**



ENKA Lost Day and Work Incident Performance

Company Employees	Total Person-Hours in 2017			60,241,963
	Class of Incident /Indicator	Number		TOTAL
		Women	Men	
	Number of Fatalities	0	1	1
	Number of Lost Time Incident	0	13	13
	Lost Time Incident Frequency Rate	0.00	0.04	0.04
	Number of Lost Days	0	348	348
	Lost Time Incident Severity Rate	0	1.16	1.16
	Number of Restricted Work Cases	0	23	23
	Number of Medical Treatments	1	72	73
	Number of First Aid Cases	1	287	288
	Number of Recordable Incidents	1	109	110
	Recordable Incident Frequency Rate	0.003	0.36	0.37
Absentee Rate				-
Work Related Illnesses Frequency Rate				-

Subcontractors	Total Person-Hours in 2017			639,594	60,881,557
	Class of Incident /Indicator	Number		TOTAL	TOTAL (COMPANY + SUBCONTRACTOR)
		Women	Men		
	Number of Fatalities	0	0	0	1
	Number of Lost Time Incident	0	5	5	18
	Lost Time Incident Frequency Rate	0.00	1.56	1.56	0.06
	Number of Lost Days	0	70	70	418
	Lost Time Incident Severity Rate	0	21.89	21.89	1.37
	Number of Restricted Work Cases	0	0	0	23
	Number of Medical Treatments	0	2	2	75
	Number of First Aid Cases	0	2	2	290
	Number of Recordable Incidents	0	7	7	117
	Recordable Incident Frequency Rate	0	2.19	2.19	3.84
Absentee Rate				-	-
Work Related Illnesses Frequency Rate				-	-

In calculating the frequency ratios for recordable incidents, incidents requiring first aid only have discounted and excluded, whereas incidents requiring medical treatment, restricted work cases, lost time incident and fatality. The ratios of lost time incidents have been calculated by calendar days. The numbers of lost days have been calculated starting with the day following the incident.



REDUCING ENVIRONMENTAL IMPACT

Environmental Management

“Reducing Environmental Impact” is one of the four principal foundations of ENKA’s sustainability strategy. ENKA has clearly stated its commitment to the preservation of the environment and to reducing the environmental impacts of its activities in its Health, Safety, Social and Environment (HSSE) Policy. ENKA and its subsidiaries are fulfilling their commitments in this respect in accordance with ISO 14001 Environmental Management Standard. ENKA and the group companies have established their own environmental management systems and opened them up to audit by independent institutions in accordance with the ISO 14001 Environmental Management Standard. ENKA systematically identifies all environmental impacts that might arise during the course of its activities through environmental impact assessments, and takes precautions accordingly. ENKA also expects its subcontractors and suppliers to show the same sensitivity, providing them with training and carrying out inspections to this end. The ENKA Supplier Code of Conduct and the procedures laid down for the selection, evaluation and supervision of suppliers clearly indicate the environmental behaviour and performance that ENKA requires from its suppliers. More detailed information about this matter can be found in the section of this report concerning “Responsible Supply Chains”.

At all the sites where they operate, ENKA and its subsidiaries establish departments responsible for the management of environmental impact; employing environmental engineers and experts. Environmental data is collected and evaluated regularly. Achieving the desired international standards in countries with differing environmental

infrastructures and environmental legislation represents both a goal and a risk for ENKA. When working in countries where standards are inferior to ENKA’s own environmental requirements, ENKA aims to establish environmental management systems that go beyond the standards of the country, comply with ENKA’s targets and can set an example for others. By assuring this, the activities in question are constantly inspected by the Health, Safety and Environment (HSE) department at Headquarters and at the project level, and any cases of non-conformity are eliminated as swiftly as possible.

The main environmental impacts stemming from construction activities throughout the world can be listed as follows: Expenditure of natural resources, impact on soil, impact on water resources, emissions, the greenhouse effect, erosion, impact on flora and fauna, and impact on endangered species. ENKA İnşaat Environmental Management System makes it obligatory to prioritise the elimination of these impacts at source. Where this is not possible, policies envisaging replenishment, isolation and/or appropriate engineering precautions must be adopted, depending on the circumstances. ENKA is engaged in a series of activities to measure, prevent and minimise the impacts referred above. The training provided to employees and relevant stakeholders constitutes one aspect of these activities. In 2017, ENKA İnşaat provided a total of 9,684 person-hours of environmental training.

ENKA and its subsidiaries determine environmental targets annually, monitor the extent to which these targets are being achieved, and take any actions necessary



ENKA aims to establish environmental management systems that go beyond the standards of the country, comply with ENKA’s targets and can set an example for others.

to accomplish them. In 2017, concrete steps were taken in order to measure ENKA’s basic environmental impacts, including those of its subsidiaries and projects, and report on them centrally and more systematically. A broad range of impacts were included in this initiative paying due attention to ENKA’s main fields of activity and the activities which are observed to have the greatest environmental impacts. Both carbon footprint and water consumption measurements were conducted for the companies and projects

included in the scope of these efforts. Starting in 2018, this data will make it possible to set collective, long-term targets and ENKA will decide on the actions to be taken to ensure constant improvement.



Read more...



for ENKA HSSE Policy: <http://www.enka.com/sustainability/home/health-safety-environment/hsse-policy/>
for Çimtaş Energy, Environment, OHS Policies and Zero Incident Commitment: <http://www.cimtas.com/en/departments/health-safety-environment/health-safety-environment-energy-policy/>
for ENKA Power HSE Management System: <http://www.enkapower.com/cgs/>

Water Management

ENKA is aware that water is the most important natural resource for life. For this reason, it manages its use of water responsibly, efficiently and effectively.

ENKA is carrying out projects in regions that vary widely in their geographical characteristics, and access to water in these regions differ accordingly. In projects carried out in Africa and the Middle East, where access to clean water is particularly restricted, the need arises for special solutions. In some places, the solution is to transport clean water to the sites of work and accommodation; in others, drinking water is obtained through advanced purification techniques such as reverse osmosis. Since transporting water creates additional risks and increases environmental impacts, clean water wells are opened at appropriate points after obtaining the necessary permits from the local authorities. When water is not at the desired quality

standard, it is subjected to appropriate purification processes before it is used.

In ENKA projects, water is consumed mostly in irrigation to prevent dust emissions, in the production of materials such as concrete and asphalt at the worksites, and for purposes of domestic usage. Before starting work on any construction project, ENKA conducts a detailed Environmental Impact Assessment. Its first preference is to use the water resources that are found to be sufficient in quality and quantity. If the water is withdrawn from natural resources, the capacity and quality of the source are monitored regularly, and in the event of any change, discussions are held with the relevant authorities to find a solution. The proper infrastructure systems and highly efficient equipment are used in order to reduce water losses to a minimum. If an infrastructure system exists, waste water is discharged into the system in a manner

compatible with ENKA procedures and the local legislation. If there is no infrastructure system, treatment systems are established in order to be able to discharge water of an appropriate quality. Accredited laboratories test samples of water obtained and discharged regularly.

Depending on the type of activity that is being carried out, treated water can be recycled for use in the irrigation to prevent dust emissions, after concrete casting process, or re-used to irrigate green areas. In this way, the total amount of water used can be reduced. In cases where the nature of a project requires that a water course such as a river, streams or irrigation canal on the worksite needs to be crossed, pipes of appropriate dimensions are positioned at the crossing point and the necessary filling work is carried out in order to ensure that the water continues to flow and to preserve the bed of the water course and the quality of the water.

Due to its field of activity, ENKA Power, one of ENKA's subsidiaries, requires considerable quantities of water for use in the production of energy. At the Izmir plant, the need for water is particularly high as a wet cooling system is used. The water is drawn in a controlled manner, taking all necessary precautions to protect the Gulf of Izmir, and in line with a philosophy of not causing any damage to wildlife. At the Adapazarı plant, ground water is used in accordance with the permission granted. Care is taken to draw off less than the allocated amount, once again with the philosophy of protecting the basin. All drawings of water are metered and the amounts are recorded.

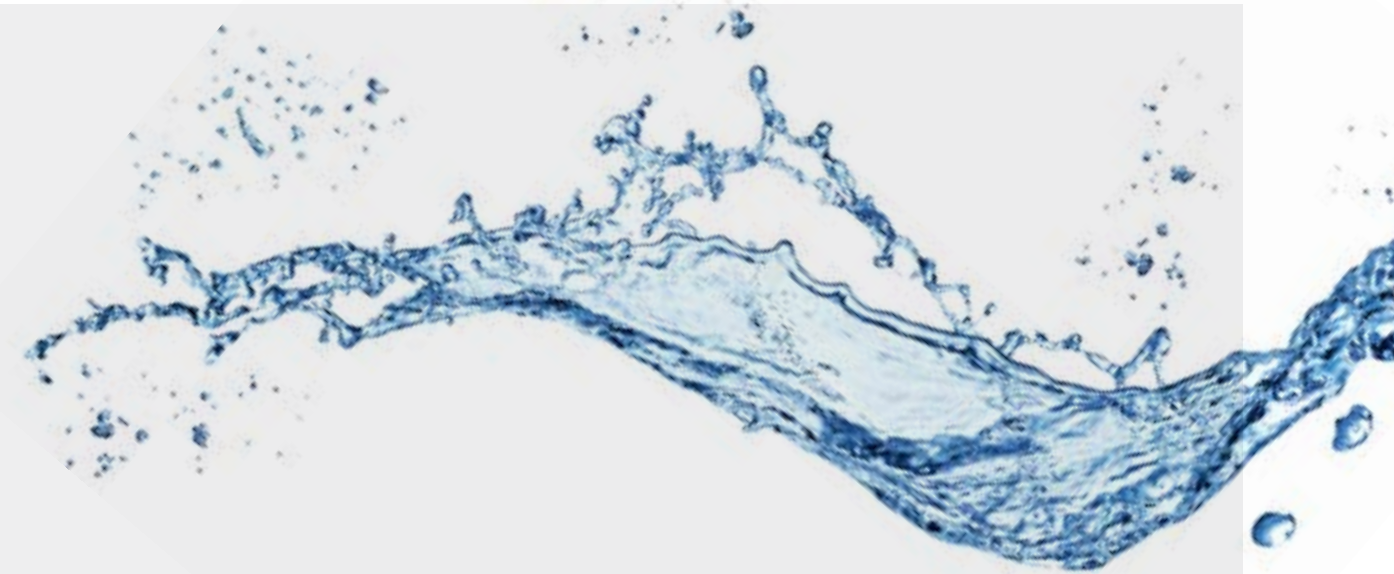
ENKA's other subsidiaries are also working to protect water resources, depending on their fields of activity. For example, ENKA TC makes use of grease traps to collect the waste oils of tenants providing services in the restaurant sections of its buildings, and has these cleansed and maintained regularly by authorised firms. Cimtas Pipe has started to make use of a siphonic rainwater collection system in order to reduce its water consumption. Çimtaş Precision Machining is aiming to put its rainwater collection system into operation in 2018, enabling it to meet 100% of its needs for water for siphons and garden watering using rainwater.

Water efficiency and conservation training is regularly held for employees throughout the ENKA group.

Amount of Water Withdrawal by Source

ENKA began work on measuring its water footprint systematically in 2017. The table next page lists the subsidiaries and sites that were included in this study in its first year.

The total amount of main water used in 2017 was 903,238m³, the amount obtained from surface waters such as rivers and lakes was 27,853,364m³, and the amount of ground-water drawn was 745,957m³. The total water consumption of the ENKA group companies and projects included in the study was 29,502,559m³, and their total discharges of waste water added up to 21,198,890m³.



		Water Withdrawal by Source				
Subsidiary/Plant/Project		Municipal Water (m³)	Surface Waters (Rivers, Lakes, etc.) (m³)	Groundwater (m³)	Total Amount of Discharged Waste Water (m³)	Point of Discharge
Cimtas Boru İmalatları vTicaret Ltd. Şti.		37,605	-	-	20,918	Municipal Waste Water Treatment Plant
Çimtaş Çelik İmalat Montaj ve Tesisat A.Ş.		-	-	21,398	7,541	Sea of Marmara
ENKA Power Plants	Adapazarı	-	-	134,264	134,264	Municipal Waste Water Treatment Plant
	Gebze	-	-	268,528	268,528	Municipal Waste Water Treatment Plant
	Izmir	-	27,853,364	30,715	19,781,418	Sea
ENKA Pazarlama İhracat İthalat A.Ş.		12,386	-	-	12,386	-
Istanbul ENKA Schools		10,887	-	-	8,710	Municipal Waste Water Treatment Plant
ENKA Sports Club		39,566	-	-	37,481	Municipal Waste Water Treatment Plant
City Center Investment (CCI)		192,780	-	-	192,780	Municipal Waste Water Treatment Plant

Subsidiary/Plant/Project		Municipal Water (m³)	Surface Waters (Rivers, Lakes, etc.) (m³)	Groundwater (m³)	Total Amount of Discharged Waste Water (m³)	Point of Discharge
ENKA TC Limited Liability Company		449,093	-	-	449,093	Municipal Waste Water Treatment Plant
Moskva Krasnye Holmy		59,217	-	-	59,217	Municipal Waste Water Treatment Plant
Hotel Moskva Krasnye Holmy		49,225	-	-	49,225	Municipal Waste Water Treatment Plant
ENKA Headquarters		13,041	-	-	12,771	Municipal Waste Water Treatment Plant
SCPX	SCPX-CSG-1	-	-	128,410	61,190	Municipal Waste Water Treatment Plant
	SCPX-CSG-2	-	-	117,270	57,996	Municipal Waste Water Treatment Plant
	SCPX-Area 81	-	-	45,372	45,372	Soil
Kashirskaya Multi-Functional Trade Center		39,438	-	-	-	Municipal Waste Water Treatment Plant
TOTAL (m³)		903,238	27,853,364	745,957	21,198,890	

Determination of Water Shortage and Water Pollution Risks

Within the context of the work on water footprint measurement and water risks assessment that ENKA embarked upon in 2017, the risks of water shortage and water pollution were identified for the facilities surveyed. For this purpose, the coordinates of the facility sites were compared with maps showing water shortages and water pollution, and those water resources that might be affected significantly by the drawing off of water were identified.

The risk of water shortage for a facility increases with the degree of water shortage. In places where water shortage is a major issue, challenges in obtaining water will increase in the short and medium term, the groundwater level will decrease, and water prices are also very likely to rise.

The degree of water shortage is high at the sites of all the companies and institutions in Turkey. This means that the risks of obtaining water for these facilities are high. In order to reduce the risk of water shortages at the facilities to a minimum, work needs to be done to reduce their blue water footprints.

Major outcomes of the water footprint studies are as follows.

- Most of the facilities included in the study use groundwater. It is important to monitor groundwater levels for the continuity of supply from these sources.
- Efforts to measure and keep track of the water consumption of the facilities need to be stepped up.
- An examination of the levels of nitrogen and phosphorus pollution in water in the regions where the facilities are located points to a high risk of water pollution at the facilities in Turkey and Russia. In these places, nitrification pollution is very noticeable. These findings signal that the level of nitrogen pollution in the groundwater will increase in the short/medium term and that clean water resources will therefore decline.

In the foreseeable future, ENKA will shape its water management actions while taking these outcomes into consideration.

Levels of Water Shortage and Water Pollution in the Regions where the Facilities are Located

Company / Institution / Project	District/City	Country	Water shortage degree	Nitrogen pollution level	Phosphorus pollution level	Water shortage risk	Water pollution risk
Adapazarı Elektrik Üretim Ltd. Şti.	Adapazarı	Turkey	High	High	High	+++	+++
Cimtas Boru İmalatları ve Ticaret Ltd. Şti.	Gemlik	Turkey	High	Medium	Medium	+++	++
City Center Investment B.V.	Moscow	Russia	Medium	High	Medium	++	+++
Çimtaş Çelik İmalat Montaj ve Tesisat A.Ş.	Moscow	Russia	Medium	High	Medium	++	+++
ENKA Headquarters	Istanbul	Turkey	High	High	Medium	+++	+++
ENKA Pazarlama İhracat İthalat A.Ş.	Istanbul	Turkey	High	High	Medium	+++	+++
ENKA TC Limited Liability Company	Moscow	Russia	Medium	Low	Low	++	+
ENKA Sports Club	Istanbul	Turkey	High	High	Medium	+++	+++
Gebze Elektrik Üretim Ltd. Şti.	Gebze	Turkey	High	High	High	+++	+++

Company / Institution / Project	District/City	Country	Water shortage degree	Nitrogen pollution level	Phosphorus pollution level	Water shortage risk	Water pollution risk
Istanbul ENKA Schools	Istanbul	Turkey	High	High	Medium	+++	+++
İzmir Elektrik Üretim Ltd. Şti.	Izmir	Turkey	High	High	High	+++	+++
Moskva Krasnye Holmy	Moscow	Russia	Medium	High	Medium	++	+++
Hotel Moskva Krasnye Holmy	Moscow	Russia	Medium	High	Medium	++	+++
Kashirskaya Multi-Functional Trade Center	Moscow	Russia	Medium	High	Medium	++	+++
SCPX-Area 81 Site	Meskhethian	Georgia	Low	Low	Low	+	+
SCPX-CSG- 1 Site	Meskhethian	Georgia	Low	Low	Low	+	+
SCPX-CSG-2 Site (main camp)	Meskhethian	Georgia	Low	Low	Low	+	+
SCPX-CSG-2 Site (route camp)	Meskhethian	Georgia	Low	Low	Low	+	+
SCPX-CSG-2 Site (crushing plant)	Meskhethian	Georgia	Low	Low	Low	+	+

+: Low Risk, ++: Medium Risk, +++: High Risk

Energy Efficiency and Climate Change

The daily growth of the urban population, rising urbanisation and changes in consumption habits, and the increasing demand for energy which they bring with them, pose important threats to our climate and planet. Realizing that climate change is a serious reality, ENKA is making efforts to fulfil its responsibilities for leaving future generations a world that can be lived in, and to reduce the negative impacts of its activities on the environment and the climate to a minimum.

Climate change is an important issue that constitutes a risk to the activities that ENKA carries out around the world, in terms of them

being sustainable. At the same time, climate change constitutes an opportunity for the construction and real estate sectors, in which ENKA is active. The design of buildings and the production of technologies that use less energy and are environmentally friendly form part of ENKA's sustainability strategy.

In 2017, ENKA embarked on an effort to measure its carbon and water footprints to make the potential impacts of its activities that might lead directly or indirectly to climate change visible, and to be able to set targets for its efforts to reduce those impacts.

Carbon footprint calculations have been calculated in the scope of ENKA Headquarters, the ENKA Power Adapazarı, Gebze and İzmir power plants; Çimtaş Steel; Cimtas Pipe; ENKA Pazarlama; ENKA Schools - Istanbul; ENKA Sports Club; ENKA TC, CCI, MKH and OMKH investments in Russia, and two of ENKA's projects - namely, the Kashirskaya Multi-Functional Trade Center in Moscow and the CSG-1, CSG-2 and Area 81 sites of the SCPx Pipeline Project in Georgia.

Another important aspect of ENKA's energy efficiency and climate change efforts is the training it provides to its employees with the intent to increase the level of awareness and increase their sensitivity on energy conservation. As part of the Environmental

Management System, environmental engineers and trainers are employed at ENKA Headquarters, in the subsidiaries and on the projects. Environmental training starts from the induction and continues throughout the project, ensuring that all employees become part of the energy and climate change efforts.

Energy Consumption

The levels of energy consumption stemming from fuel consumption, electricity consumption, consumption for heating and cooling purposes and hot water consumption in 2016 and 2017, measured in terajoules (TJ), are shared in the following table:

Annual In-House Energy Consumption

	2016	2017
Fuel Consumption (TJ)	161,468	157,873
Electricity Consumption (TJ)	858	881
Consumption for Heating and Cooling Purposes (TJ)	11.3	14.7
Hot WaterConsumption(TJ)	492	461
TOTAL (TJ)	162,829	159,230

Total energy consumption is observed to have declined from 162,829 TJ in 2017 to 159,230 TJ in 2017. This 2.2% decline is thought to have stemmed from fluctuations

in production activities. In 2018, systematic efforts will start to be made with the aim of increasing energy efficiency further.

“

Realizing that climate change is a serious reality, ENKA is making efforts to fulfil its responsibilities for leaving future generations a world that can be lived in, and to reduce the negative impacts of its activities on the environment and the climate to a minimum.



Region/Site	Fuel Consumption	Energy Consumption			Energy Sold
	Fossil Fuels (TJ)	Electricity (TJ)	Heating & Cooling Purposes (TJ)	Hot Water Consumption for Heating & Cooling Purposes (TJ)	Electricity (TJ)
ENKA İnşaat	213.10	75.61	-	-	-
Çimtaş Çelik İmalat Montaj ve Tesisat A.Ş. & Cintas Boru İmalatları ve Ticaret Ltd. Şti.	38.16	59.62	-	-	-
ENKA Power	157,532.28	4.69	14.68	-	89,884.18
ENKA Real Estate	55.59	726.08		461.21	-
Istanbul ENKA Schools	6.56	3.65	-	-	-
ENKA Sports Club	19.60	7.26	-	-	-
ENKA Pazarlama İhracat İthalat A.Ş.	8,333	4.21	-	-	-
TOTAL	157,873	881.12	14.68	461.21	89,884.18

Energy Intensity

The energy intensity of 12 ENKA Group companies and two projects has been calculated, taking into account all the energy consumed as a result of their activities. In order to report energy intensity, annual turnover in US dollars was used as an indicator. The energy intensity of the ENKA workplaces covered by the calculations was found to be 78.2 TJ per million US dollars of turnover.

Direct and Indirect Greenhouse Gas Emissions

In the scope of ENKA’s greenhouse gas emissions calculations for 2017, the greenhouse gas emissions arising from ENKA’s

activities constitute “Scope-1 direct greenhouse gas emissions”, and the greenhouse gas emissions stemming from the consumption of energy obtained from outside the organisation in the form of electricity, heat and steam were classed as “Scope-2 indirect energy greenhouse gas emissions”. As it was not possible to obtain sufficient and accurate data, emissions falling into “Scope-3 other indirect greenhouse gas emissions” were excluded from the calculations for the 2017 reporting period.

Scope-1 emissions account for about 98% of all emissions. This high ratio is due to the amount of fuel consumed by the natural gas combined cycle power plants. When the fuel used for electricity generation in the power

plants is excluded from the calculations, the share of Scope-1 emissions in total emissions falls to 12%.

The Scope-1 greenhouse gas emissions stemming from fuel consumption, cooling gases and fire extinguishers accounted for a large percentage of ENKA’s carbon footprint in 2017. In terms of CO₂ equivalent, the total amount of Scope-1 emissions in 2017 was 9,380,851 tonnes.

The greenhouse gas emissions that arise during ENKA’s construction activities stem largely from the fuel consumption of vehicles, equipment used for construction projects and the consumption of electricity on the project sites.

The Scope-2 emissions resulting from the consumption of electricity, steam and heat

energy at the workplaces in question in 2017 added up to a total of 192,502 tonnes of CO₂ equivalent.

The aggregate carbon footprint of all of the ENKA workplaces where measurements were made in 2017 worked out at 9,573,355 tonnes of CO₂ equivalent.

In the activities conducted in the 2017 reporting period, there were declines of 2.22% in direct (Scope-1) greenhouse gas emissions and 2.16% in total (Scope-1 + Scope-2) greenhouse gas emissions, by comparison with the preceding year, owing to fluctuations in production and other policies and practices. Indirect (Scope-2) greenhouse gas emissions were 0.96% higher than in 2016. Conscious and systematic work on reducing greenhouse gas emissions is planned to begin in all workplaces as of 2018.



Company/Project	2016 Scope-1 (tonnes CO ₂ e)	2017 Scope-1 (tonnes CO ₂ e)
Adapazarı Elektrik Üretim Ltd. Şti.	1,883,730	1,829,315
Cimtas Boru İmalatları ve Ticaret Ltd. Şti.	506	1,022
City Center Investment B.V.	264	303
Çimtaş Çelik İmalat Montaj ve Tesisat A.Ş.	625	1,104
ENKA Headquarters	220	202
ENKA Pazarlama İhracat İthalat A.Ş.	142	660
ENKA TC Limited Liability Company	5,047	4,162
ENKA Sports Club	161	147
Gebze Elektrik Üretim Ltd. Şti.	3,874,829	3,897,160
Istanbul ENKA Schools	84	84
İzmir Elektrik Üretim Ltd. Şti.	3,811,620	3,631,000
Moskva Krasnye Holmy	581	676
Hotel Moskva Krasnye Holmy	101	95
Kashirskaya Multi-Functional Trade Center	1,949	2,753
SCPX-Area 81 Site	3,617	2,217
SCPX-CSG- 1 Site	3,727	3,587
SCPX-CSG-2 Site	7,183	6,363
TOTAL (tonnes)	9,594,386	9,380,851

Company/Project	2016 Total (Scope-1+ Scope-2) (tonnes CO ₂ e)	2017 Total (Scope-1+ Scope-2) (tonnes CO ₂ e)
Adapazarı Elektrik Üreti Ltd. Şti.	1,883,811	1,829,478
Cimtas Boru İmalatları ve Ticaret Ltd. Şti.	5,747	5,910
City Center Investment B.V.	42,557	43,660
Çimtaş Çelik İmalat Montaj ve Tesisat A.Ş.	5,866	4,075
ENKA Headquarters	1,058	1,042
ENKA Pazarlama İhracat İthalat A.Ş.	640	1,239
ENKA TC Limited Liability Company	109,719	106,522
ENKA Sports Club	1,226	1,145
Gebze Elektrik Üretim Ltd. Şti.	3,874,991	3,897,485
Istanbul ENKA Schools	559	585
İzmir Elektrik Üretim Ltd. Şti.	3,811,766	3,631,157
Moskva Krasnye Holmy	16,668	15,821
Hotel Moskva Krasnye Holmy	9,606	8,918
Kashirskaya Multi-Functional Trade Center	3,236	8,707
SCPX-Area 81 Site	4,477	2,774
SCPX-CSG- 1 Site	5,376	5,132
SCPX-CSG-2 Site	7,734	9,702
TOTAL (tonnes)	9,785,037	9,573,355

The following policies have been put into effect within the ENKA Group with the aim to minimise the level of emissions from activities and managing environmental risks:

- At the power plants, resource efficiency and advanced emission control technologies (AGP.DLN2,+6) are in use to meet the need for power while lowering greenhouse gas emissions. This investment has reduced emissions by approximately 225,000 tonnes of CO₂.
- The food waste generated in the canteen of the SCPx project under way in Georgia is dried in a food drying unit, resulting in a lower volume of dry, hygienic food waste through waste minimisation. The dry food waste is then converted to energy in a Biomass System, and the energy produced is used to provide the camp area with hot water. This arrangement leads to fuel savings.
- When purchasing construction machinery and equipment, preference is given to

those, which are more efficient in terms of energy consumption, with the aim of achieving a reduction in the total amount of energy consumed.

- All the equipment in our machinery park is subject to regular and timely maintenance. This prevents any increase in their fuel consumption and hence in their potential emission levels.
- Speed limits introduced for vehicles on work sites serve to reduce fuel consumption and the volume of emissions stemming from vehicles.
- The materials to be used in offices and worksite buildings are chosen with a view to reducing the energy consumption that may arise due to variations in temperature.
- Posters and signs are used to increase the awareness and knowledge of employees working in our projects regarding energy conservation and environmental matters and to ensure that they integrate this approach into the work they perform.

Greenhouse Gas Emission Intensity

The intensity of the greenhouse gas emissions of the various companies and sites for which calculations have been made is reported here in relation to their annual turnovers in

US dollars. The greenhouse gases included in the intensity calculations are made up of Scope-1 and Scope-2 emissions. All kinds of greenhouse gas emissions have been concerned into their CO₂ equivalents.

ENKA Sports Club	14 tonnes CO ₂ e*per one million US dollars
ENKA Pazarlama İhracat İthalat A.Ş.	5.6 tonnes CO ₂ e per one million US dollars
İzmir Elektrik Üretim Ltd. Şti.	6,967tonnes CO ₂ e per one million US dollars
Adapazarı Elektrik Üretim Ltd. Şti.	6,900tonnes CO ₂ e per one million US dollars
Gebze Elektrik Üretim Ltd. Şti.	7,308 tonnes CO ₂ e per one million US dollars
Çimtaş Çelik İmalat Montaj veTesisat A.Ş.	65.3 tonnes CO ₂ e per one million US dollars

Cimtas Boru İmalatları ve Ticaret Ltd. Şti.	43 tonnes CO ₂ e per one million US dollars
ENKA TC Limited Liability Company	1,076 tonnes CO ₂ e per one million US dollars
Moskva Krasnye Holmy	559 tonnes CO ₂ e per one million US dollars
Hotel Moskva Krasnye Holmy	537 tonnes CO ₂ e per one million US dollars
City Center Investment B.V.	399 tonnes CO ₂ e per one million US dollars
Istanbul ENKA Schools	35 tonnes CO ₂ e per one million US dollars

*CO₂ equivalent

Greenhouse Gas Emission Intensities of ENKA Buildings

The greenhouse gas emission intensities of the buildings used in the activities of ENKA have been calculated in terms of the volume of greenhouse gas emissions, expressed in CO₂ equivalent, per square metre

of construction area. The great majority of the buildings for which these calculations have been made are used as offices. In some cases, open areas where energy consumption or other activities that lead to emissions take place have also been included in the calculations.

Emission Intensity by Total Construction Area (m²)

ENKA Sports Club	0.10 tonnes CO ₂ e/m ² /year
ENKA Pazarlama İhracat İthalat A.Ş.	0.05 tonnes CO ₂ e/m ² /year
ENKA Power (Adapazarı, Gebze, İzmir)	16.37 tonnes CO ₂ e/m ² /year
Çimtaş Çelik İmalat Montaj ve Tesisat A.Ş.	0.08 tonnes CO ₂ e/m ² /year
Cimtas Boru İmalatları ve Ticaret Ltd. Şti.	0.11 tonnes CO ₂ e/m ² /year
ENKA TC Limited Liability Company	0.16 tonnes CO ₂ e/m ² /year
City Center Investment B.V.	0.27 tonnes CO ₂ e/m ² /year
Istanbul ENKA Schools	0.03 tonnes CO ₂ e/m ² /year

Emission Intensity Per Employee

Çimtaş Çelik İmalat Montaj ve Tesisat A.Ş.	6.7 tonnes CO ₂ e per person
Cimtas Boru İmalatları ve Ticaret Ltd. Şti.	4.8 tonnes CO ₂ e per person
ENKA Headquarters	1.89 tonnes CO ₂ e per person
ENKA Pazarlama İhracat İthalat A.Ş.	6.5 tonnes CO ₂ e per person
Istanbul ENKA Schools	5.9 tonnes CO ₂ e per person
ENKA Sports Club	3.9 tonnes CO ₂ e per person
İzmir Elektrik Üretim Ltd. Şti.	25,042 tonnes CO ₂ e per person
Gebze Elektrik Üretim Ltd. Şti.	35,432 tonnes CO ₂ e per person
Adapazarı Elektrik Üretim Ltd. Şti.	33,263 tonnes CO ₂ e per person
City Center Investment B.V.	364 tonnes CO ₂ e per person
Moskva Krasnye Holmy	158 tonnes CO ₂ e per person
Hotel Moskva Krasnye Holmy	30 tonnes CO ₂ e per person
ENKA TC Limited Liability Company	324 tonnes CO ₂ e per person

Greenhouse Gas Emission Intensity in Construction Activities

Construction work is one of the most important fields of activity of ENKA İnşaat, and construction sites are responsible for a portion of the ENKA Group's greenhouse gas emissions. All of the Scope-1 and Scope-2 greenhouse gas emissions stemming

from the SCPx Project in Georgia and the Kashirskaya Multi-Functional Trade Center in Russia have been calculated in terms of CO₂ equivalent, and these have been set against the total number of person-hours worked per year on the projects in question in order to calculate the emission densities of these projects.

Kashirskaya Multi-Functional Trade Center	0.02 tonnes CO ₂ e/person-day
SCPX-CSG- 1 Site	0.04 tonnes CO ₂ e/person-day
SCPX-CSG-2 Site	0.05 tonnes CO ₂ e/person-day
SCPX-Area 81 Site	0.06 ton tonnes CO ₂ e/person-day
ENKA Headquarters	0.02 ton tonnes CO ₂ e/person-day

Waste Management

In all the regions and places it works, ENKA manages its waste in such a way as to minimise its impact on the environment, paying due attention to the waste hierarchy. All related operations are conducted in the context of waste management plans developed in accordance with the ISO 14001:2015 Waste Management System standard, and in compliance with the local legislation in the country where the activity is being carried out.

ENKA's primary approach to the management of waste is to prevent or reduce the amount of waste at source as much as possible, and to recycle and re-use those wastes which are formed in spite of this. In cases where these primary steps cannot be implemented, waste is categorised and disposed of via authorised institutions.

In addition, training and awareness raising activities aimed at employees and relevant stakeholders are carried out in all of ENKA's subsidiaries and workplaces so as to ensure

waste management is properly addressed. For instance, in the offices and shopping centres, which ENKA TC owns and manages in Moscow, awareness-raising activities are conducted even for tenants and customers, to ensure that they show the necessary sensitivity.

ENKA makes maximum efforts to prevent leaks and spills and takes all necessary precautions to prevent any leaks from reacting with the soil or water. During the reporting period, there were no major (Tier-III) leaks or spills at any ENKA workplace. During the SCPx pipeline project under way in Georgia, 17 Tier-II leaks occurred. These leaks were handled in the shortest possible time under Emergency Response Plans. Absorbent pads and granules were used, and contaminated soil was packed into special bags, which were transported to the relevant temporary storage area and subsequently disposed of in the same way as hazardous waste.





Total Amount of Waste by Type and Disposal Method

The following table encompasses data from: ENKA Headquarters, ENKA Power electricity generation plants in Adapazarı, Gebze and Izmir, Çimtaş Steel, Cimtaş Pipe, ENKA

Pazarlama, Istanbul ENKA Schools, ENKA Sports Club, ENKA TC, CCI, MKH and OMKH workplaces in Russia, and selected ENKA projects – namely, the Kashirskaya Multi-Functional Trade Center in Russia and the CSG-1, CSG-2 and Area 81 sites of the SCPx project in Georgia.

	Hazardous Waste (kg)	Hazardous Waste (m³)	Non-Hazardous Waste (kg)	Non-Hazardous Waste (m³)
Recycling	1,627	-	1,249,661	11,828
Recovery (including energy recovery)	231,463	-	-	34
Disposal by licensed waste disposal companies	254,235	466.5	9,477,610	62,167
TOTAL	487,325	466.5	10,727,271	74,029

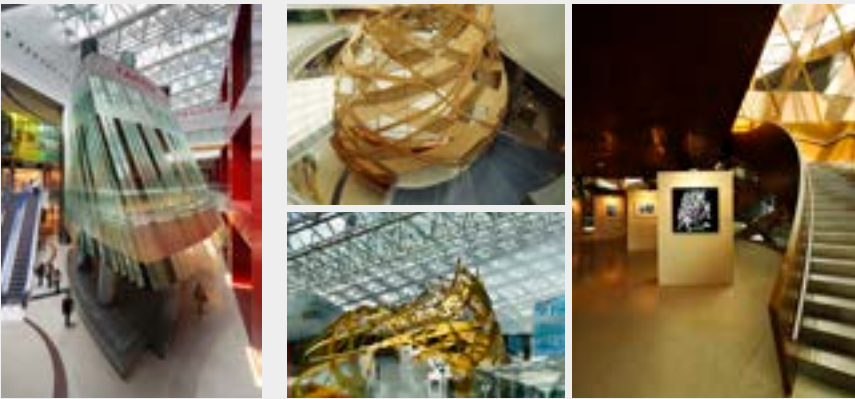
Environmentally-Friendly Buildings

Environmentally friendly buildings are known to consume less energy and water, cause lower greenhouse gas emissions, provide their users with a more comfortable and pleasant environment and generate savings due to their lower operating costs. Although the investment costs of environmentally friendly buildings are higher than those buildings constructed in the standard manner, the features they incorporate enable them to redeem the extra cost rapidly.

In recent years, ENKA TC has embarked on a process of major investments to convert its older buildings into new buildings that are capable of meeting modern requirements and more responsive to the environment. The Kuntsevo Plaza project, for instance, holds a Russian Green Building certificate and is one of 37 green investments in Russia. The Kashirskaya Multi-Functional Trade Center project, which is under construction in Moscow, has been awarded a project design certificate, which is the first step towards meeting Russia’s national Green Building Standard. It is also aiming to obtain LEED Gold certification. Also in future investments, the aim will be to control the potential negative impacts on human beings and the natural environment and keep them to a minimum through the use of the best available expertise and the latest science and technology. Fourteen of

the projects that ENKA has completed to date have been awarded LEED certificates.

Similarly, Cimtaş Pipe has completed the LEED Certification work, which it began in June 2016, and its Pipe Work plant has earned the right to LEED Gold certification. Green buildings are certified in accordance with a set of criteria that includes, in



summary, the energy efficiency of the machinery selected, and the reduction of negative impacts on the environment during all processes from the purchase of materials onwards, the quality of interior spaces, and the adoption of environmentally friendly and innovative approaches. It is the first time that this certificate has been awarded to a pipe fabrication facility anywhere in the world.

The administration building that forms part of the new Cimtaş Ningbo plant investment has also been designed in accordance with the LEED Gold certification criteria.

“

Reserves of natural resources are declining significantly as a result of global warming and environmental pollution. Research points to high levels of natural resource use, energy consumption and greenhouse gas emissions in buildings. In order to prevent this, the construction sector has started to adopt the approach of developing environmentally friendly projects that consume less energy and water and create less waste. Activities of this kind are important if natural resources are to be conserved and sustainable living environments ensured, both in Russia and all over the world.

ENKA TC's Kuntsevo Plaza project, which went into operation in 2015, received its first Russian Green Building certificate in 2013. Work is now in progress to obtain the same certification for the Kashirskaya Multi-Functional Trade Center project. The work which has been done on the Kuntsevo Plaza and Kashirskaya Multi-Functional Trade Center projects has set a precedent, since they are multi-purpose shopping centres and have been the pioneers in this sector. At the same time, ENKA TC has been a member of the US Green Building Council since 2013.

In our future investments, our goal will be to pay more attention to this issue, to score points on those criteria for which we lost points during the certification of the Kuntsevo Plaza and Kashirskaya Multi-Functional Trade Center projects, and to obtain international certificates with more stringent criteria, such as LEED. Our activities related to environmentally friendly buildings will continue and increase in the context of the ENKA Sustainability Strategy.

**Kemal Atay, ENKA TC
Project Development and
Construction Department
Manager**



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The Kuntsevo Plaza project, for instance, holds a Russian Green Building certificate and is one of 37 green investments in Russia.





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ANALYSIS
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