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SUSTAINABILITY REPORT • 2018

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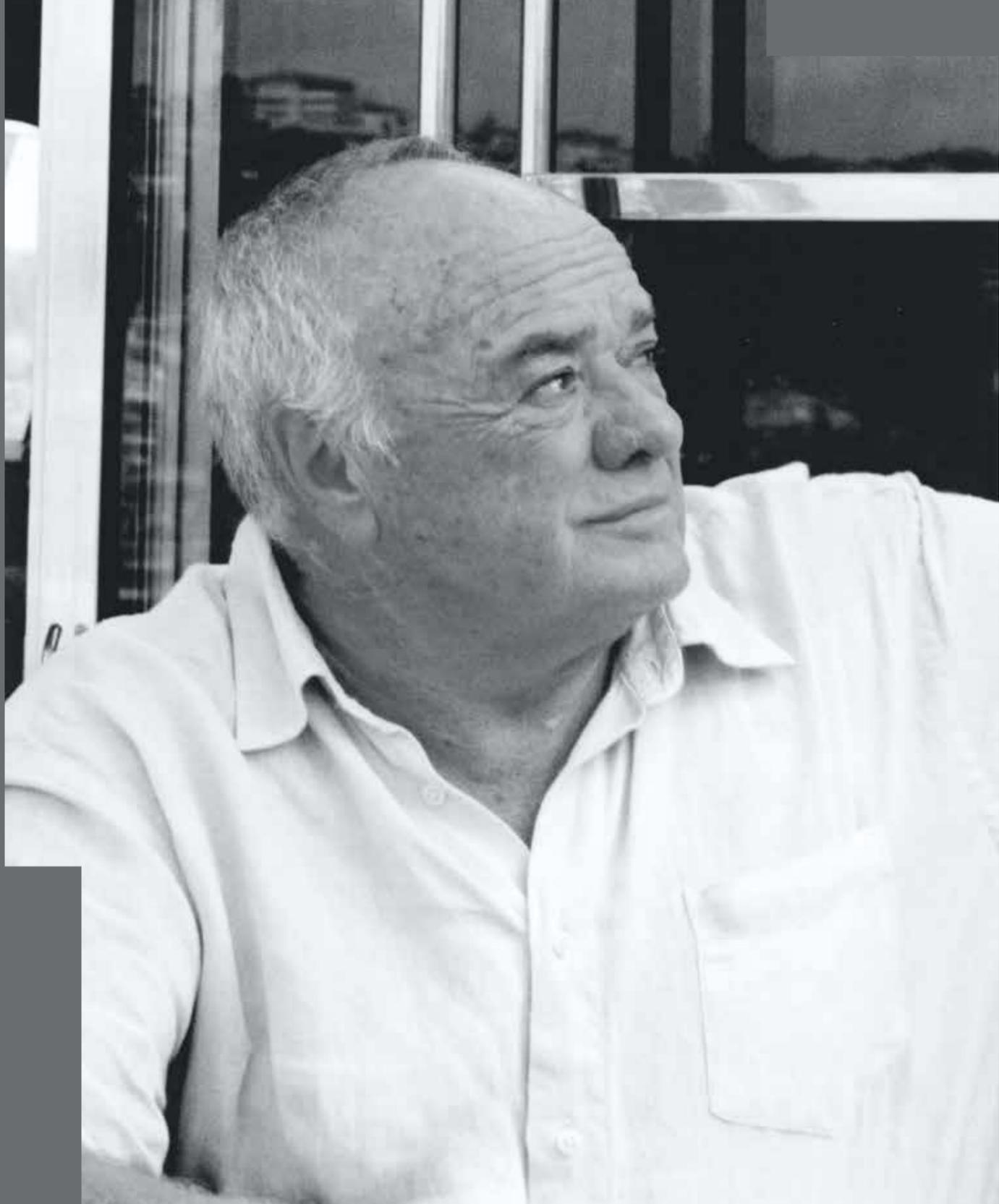
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ENKA's responsible management, strong perception of corporate structure, operation and understanding of social responsibility which lie at the core of its continual growth and development for over sixty years is also the basis of our current approach to sustainability. We are deeply saddened by the passing away of the late Şarik Tara, our founder, who inspired and allowed the means for the enduring principles and values ENKA has maintained since its establishment and continues with its current sustainability management.

Şarik Tara's leadership and firm ownership of the principles of doing good business, caring for employees, developing communities and respecting nature and the environment is what made it possible for these values to take hold in ENKA's corporate identity and become a part of how everyone at ENKA does business every day. With all of our employees, we will proudly carry on the legacy of serving the country, the world and the engineering profession which Şarik Tara has bequeathed to ENKA.

We honour his memory with the deepest respect, affection and gratitude.

A MESSAGE FROM THE PRESIDENT AND CHAIRMAN OF THE EXECUTIVE COMMITTEE



Dear Stakeholders,

Our approach to sustainability lies at the heart of all our activities. It comprises a way of doing business that is respectful of nature and people, and a mission of producing value for communities. In the era of rapid and continuous change in which we live, ENKA makes a point of following the social, climate change and economic agenda closely and keeping its strategy up to date, so as to create added value in the economic, social and environmental domains.

In 2017, we signed the United Nations (UN) Global Compact and pledged to act in accordance with its ten fundamental global principles. We forged our sustainability policy and strategy, and put them into effect, in line with this commitment and with a view to serving the UN Sustainable Development Goals. We then duly published our first Sustainability Report.

This year, we are publishing our second Sustainability Report. Our aim is to share transparently with all our shareholders the impact that we have had throughout our value chain, including the environment, society and our own employees. In 2018, we also started to respond to the Climate Change and Water Programmes of the Carbon Disclosure Project (CDP). In line with our principle of honesty and transparency, we have provided all of our stakeholders with information on our performance with respect to water security and the fight against climate change.

IN THE YEAR IN WHICH WE FIRST REPORTED ON OUR EFFORTS UNDER THE SUSTAINABILITY STRATEGY, WE ALSO DEMONSTRATED OUR DETERMINATION AND CONSISTENCY IN THIS FIELD BY EARNING THE RIGHT TO BE INCLUDED IN THE FTSE4GOOD EMERGING MARKETS INDEX. THIS INDEX IS MADE UP OF COMPANIES WITH STRONG ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES SELECTED BY FTSE RUSSELL, A PART OF THE LONDON STOCK EXCHANGE GROUP.

With the same report, we have also qualified to be assessed for inclusion in the "Emerging Markets" category of the Dow Jones Sustainability Index, which represents the highest international standard for sustainability.

ENKA is aware of the critical role of the business community in the achievement of sustainable growth and the Sustainable Development Goals. With this in mind, we have adopted our own Sustainability Goals that apply to the whole of our extensive international value chain. Under each of the four principal pillars of our sustainability strategy – “Doing good business”, “Caring for employees”, “Developing communities” and “Reducing environmental impact” – we have identified robust, comprehensive and measurable goals. We have given ourselves until 2027, the year when we will celebrate the 70th anniversary of our foundation, to make these goals a reality, and we have set to work accordingly.

Our sustainability management framework, led by our Sustainability Committee, attaches the highest priority to stakeholder participation. In 2018, we centralised the framework and made it more systematic through the establishment of the Corporate Sustainability Department. We also reinforced our corporate management structure through the establishment of the Corporate Supply Chain Management Department, thus institutionalising our relations with our suppliers, who play such an important role in our activities.

The Paris Agreement of the United Nations Framework Convention on Climate Change, which was accepted in 2015 and sets out the framework for the climate change regime after 2020, aims to realise actions to keep the rise in global temperature under 1.5°C, which brings on important responsibilities and new competitive conditions for the business world. At ENKA, we are aware of our responsibility to support Turkey’s promise to reduce emissions by 21% by 2030, as foreseen in the Intended Nationally Determined Contribution. To do our part in the transition to a low-carbon economy, we now evaluate our impact on the environment, invest to keep it at the minimum level, and report back transparently on our performance in all of the sectors in which we operate. As a corporation, we constantly seek to reduce our environmental impact and combat climate change by investing in state-of-the-art technology and maintaining the search for innovation and improvement through our R&D and Design Centres. Through the water recycling projects conducted by our

real estate companies, the Şarık Tara Memorial Forest, the Güneşten Ormanlar (Solar Forests) project and the projects carried out to reduce plastic waste in our offices and projects, we continue to invest to reduce our impact on natural resources and the volume of waste which we produce.

Integrity, ethics and trust are among the values to which ENKA has adhered ever since its establishment. In 2018, we prioritised our work on Ethics and Compliance, and our ability to preserve the honest, fair, transparent and safe working environment that we have undertaken to provide to our employees is improving by the day.

All of our activities are planned and implemented in accordance with our “zero accident” target. We are improving and strengthening our quality, occupational health, safety and environmental management systems continuously so as to provide our employees – our greatest assets – with safe working conditions, to conduct our operations successfully and to avoid damage to the environment in the regions where we operate.

We are also investing in the ENKA Academy. We established the academy in the knowledge that investing in our employees is a precondition for maintaining and building on the success we have achieved so far. Our goal here is to provide content of a higher standard to larger numbers every year. We are starting to see the results of these steady investments: within the space of a year, the total volume of training provided in the Academy has doubled on a person-hours basis, and the audiences the training activities reach have broadened.

ENKA has made it its mission to contribute to the development of the communities among whom we operate, and to increase their social and economic welfare. We carry out this mission via our projects and subsidiaries in the various regions where we operate on the one hand, and via the social investments which we make through the ENKA Foundation in Turkey on the other. Active since 1983, the ENKA Foundation brings together under its roof the ENKA Sports Club, the ENKA Schools, and ENKA Culture Arts. Through these units, we aim to contribute to accelerating Turkey’s development in terms of education, sports and arts.

A spirit of social responsibility is part of our culture and for years, we have been putting this spirit into practice via the ENKA Foundation. In 2018, we added an employee dimension into this practice by setting up the ENKA Volunteers platform. Our goal is to offer all those of our employees who wish to take part in voluntary activities the chance to participate in projects, and to present them with opportunities to use their personal experience and intellectual capabilities to generate solutions for environmental and social problems.

WE AT ENKA WILL CONTINUE TO CONSIDER SUSTAINABILITY A FUNDAMENTAL ELEMENT OF OUR WAY OF WORKING. WE WILL ALSO CONTINUE TO COMMUNICATE EFFECTIVELY ABOUT SUSTAINABILITY IN TURKEY AND INTERNATIONALLY, AND TO DEVELOP OUR COMMUNICATIONS FURTHER. WE WILL GO ON WORKING VERY HARD TO CARVE SYSTEMATIC, REPRODUCIBLE MODELS OUT OF THE EFFORTS WHICH WE HAVE EMBARKED UPON TO REACH OUR SUSTAINABILITY GOALS FOR 2027, AND WE WILL MAINTAIN OUR ENDEAVOURS TO PROVIDE LEADERSHIP IN ALL OUR VALUE CHAINS, AND COOPERATE TO IMPROVE THEM FURTHER, IN TERMS OF SUSTAINABILITY JUST AS MUCH AS IN THE SECTORAL SENSE.

It is a great pleasure for me to share this report with you, explaining how we have placed sustainability at the core of our operations, as we sign off with our customers and other stakeholders on projects which make a difference. I would like to thank our dear employees, without whom none of ENKA’s achievements would have been possible, and all our other stakeholders for the contributions which they make to our determined efforts to attain our vision of sustainability.

Mehmet Tara

President and Chairman of the Executive Committee

ENKA



Khabarovsk Refinery

ABOUT THIS REPORT

WITH ITS 2018 SUSTAINABILITY REPORT, ENKA INTENDS TO SHARE WITH ALL OF ITS STAKEHOLDERS ITS TARGETS FOR THE FUTURE, ITS APPROACH TO PRIORITY ISSUES THAT ARE SIGNIFICANT FOR ITS STAKEHOLDERS AND ITS SUSTAINABILITY WORK AND PERFORMANCE IN 2018.

The ENKA Sustainability Report is published annually. This report covers work undertaken between January 1st 2018 and December 31st 2018 and is the second sustainability report published by ENKA. ENKA's first Sustainability Report was published on June 22nd 2018 on the "Public Disclosure Platform (KAP)" and on ENKA's corporate website.

This report has been prepared in accordance with the GRI Standards: Core option. In addition, GRI's Construction and Real Estate Sector Disclosures are also referenced. The annex at the end of the report lists ENKA's activities by their place in this report according to the GRI Content Index and the 10 global principles in the United Nations Global Compact (UNGC), of which ENKA is a signatory.

The ENKA 2018 Sustainability Report covers data from and the activities of ENKA Headquarters, ENKA's subsidiaries and projects in Turkey and abroad and ENKA Foundation. All organisations that are included in ENKA's consolidated financial statements are covered by this report. The report chapters titled "Energy Efficiency and Climate Change" and "Water Management" cover the activities of ENKA Headquarters, two ENKA İnşaat Projects, Çimtaş (Çimtaş Steel and Cimtaş Pipe), ENKA Power (all plants), ENKA Pazarlama, ENKA Foundation (ENKA Schools Kocaeli, ENKA Sports Club, ENKA İstinye Campus and ENKA Culture Arts) and ENKA Real Estate (CCI, ENKA TC, MKH).

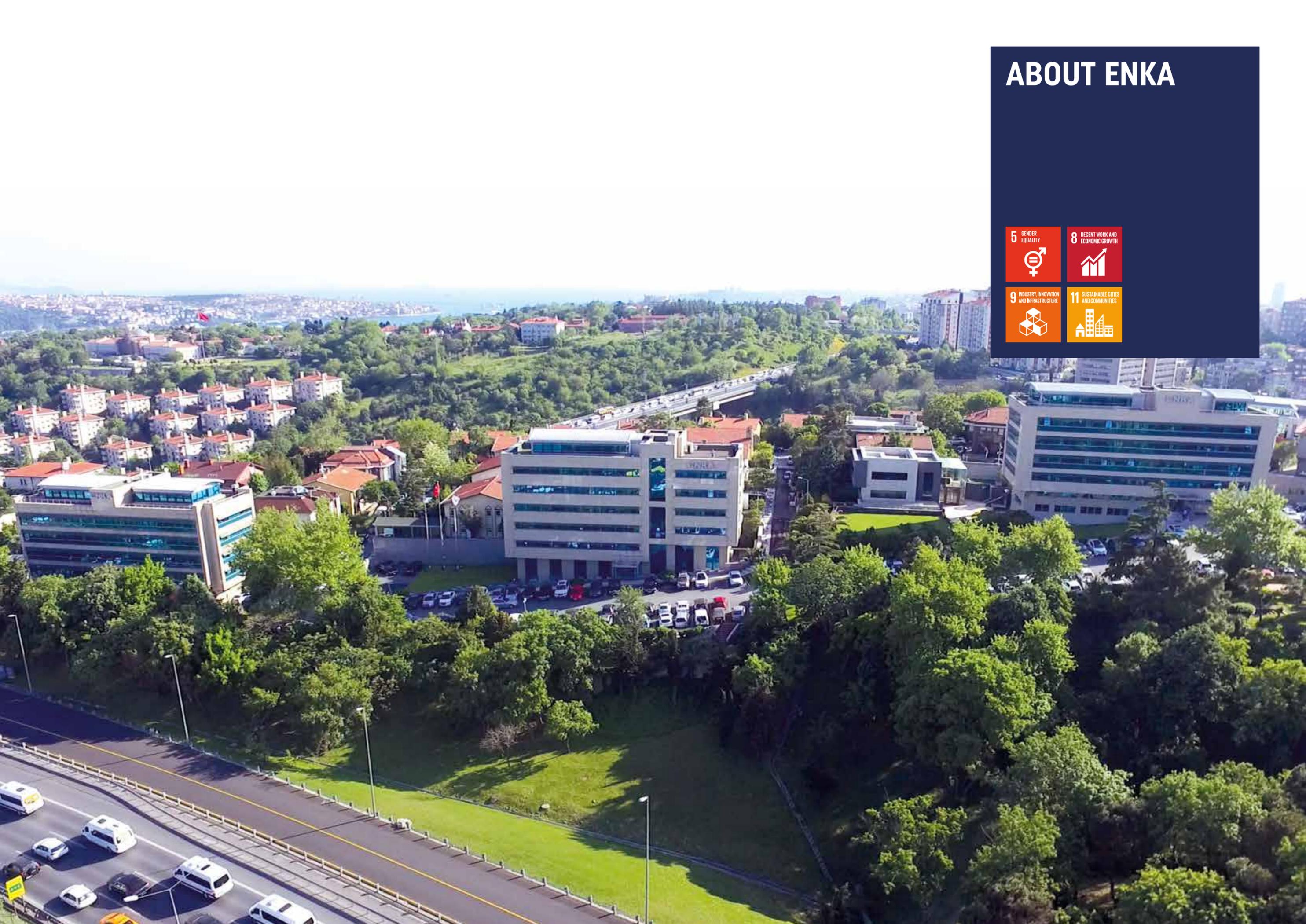
ENKA Schools İstanbul, which featured in the "Energy Efficiency", "Climate Change" and "Water Management" chapters of the 2017 report was replaced this year by ENKA Schools Kocaeli.

The collection of data for the report was realised under the leadership of the ENKA Sustainability Committee and through the contributions of all companies and organisations listed above that are active under ENKA and their relevant units. The EY Turkey Sustainability Team provided consultancy services for the preparation of the report. The report has not received external assurance.

In designing its sustainability strategy and identifying its sustainability priorities, ENKA ran a wide and comprehensive process of stakeholder participation. The process regarding the identification of priority subjects of the report has been described under the heading "Sustainability Prioritisation Process and Stakeholder Participation".

The ENKA 2018 Sustainability Report has been prepared in Turkish and English.

All inquiries, feedback and suggestions regarding the ENKA 2018 Sustainability Report may be addressed to sustainability@enka.com.

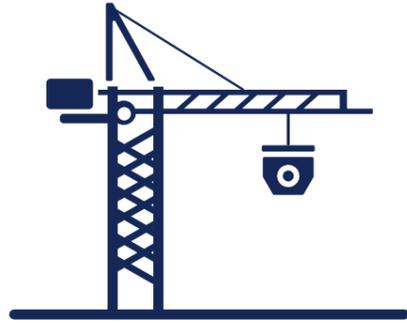


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ABOUT ENKA

ENKA İNŞAAT VE SANAYİ A.Ş. IS AN İSTANBUL, TURKEY BASED COMPANY, WITH 11.68% OF ITS SHARES TRADED ON BORSA İSTANBUL (THE STOCK EXCHANGE), THAT PROVIDES COMPREHENSIVE SERVICES AT THE DESIGN AND ENGINEERING, PROCUREMENT, CONSTRUCTION, COMMISSIONING, OPERATION, MAINTENANCE AND PROJECT MANAGEMENT STAGES OF ALL SORTS OF CONSTRUCTION PROJECTS. ENKA WITH ITS AFFILIATED COMPANIES, FOREIGN ENTERPRISE BRANCHES AND JOINTLY CONTROLLED ENTITIES, SERVES IN FOUR MAIN AREAS.



ENGINEERING AND CONSTRUCTION

35.1% OF REVENUE

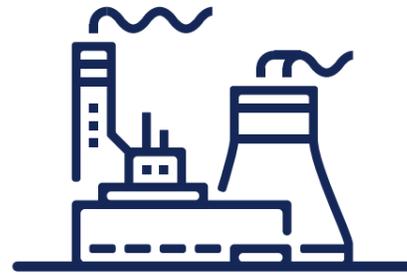
ENKA İNŞAAT (TURKEY)

ÇİMTAŞ (TURKEY)

KASKTAŞ (TURKEY)

ENKA TEKNİK (TURKEY)

TİTAŞ (TURKEY)



POWER GENERATION

51.1% OF REVENUE

GEBZE ELEKTRİK ÜRETİM LTD. ŞTİ. (TURKEY)

ADAPAZARI ELEKTRİK ÜRETİM LTD. ŞTİ. (TURKEY)

İZMİR ELEKTRİK ÜRETİM LTD. ŞTİ. (TURKEY)



REAL ESTATE

11.4% OF REVENUE

MOSENKA (RUSSIA)

MOSKVA KRASNYE HOLMY (RUSSIA)

ENKA TC (RUSSIA)

CITY CENTER INVESTMENT B.V. (RUSSIA)

ENKA INVEST (RUSSIA)



TRADE

5.7% OF REVENUE

ENKA PAZARLAMA İTHALAT İHRACAT A.Ş. (TURKEY)

ENTAŞ NAKLİYAT VE TURİZM A.Ş. (TURKEY)

AIRENKA HAVA TAŞIMACILIĞI A.Ş. (TURKEY)

ENKA SYSTEMS YAZILIM A.Ş. (TURKEY)

ENKA İnşaat ve Sanayi A.Ş. (ENKA) was founded in 1957. Initially in Turkey and later with greater focus abroad, ENKA has provided and continues to provide comprehensive services at the design and engineering, procurement, construction, commissioning, operation, maintenance and project management stages of all sorts of construction projects. Bringing together the capabilities of its group of companies, ENKA has realised more than 500 projects in over 45 countries and successfully provides services to every location around the world with its more than 20,000 employees and its machinery park worth more than USD 351 million.

For more information, please visit:
<https://www.enka.com/what-we-do/>



ENKA is the largest construction company in Turkey and has been ranked in Engineering News-Record's (ENR) Best International Contractors list since 1982. ENKA was ranked in 79th place among the 250 Top International Contractors listed by ENR in 2018.¹ ENKA is among one of the most valuable brands in Turkey and in 2018, its volume of business in its main fields of activity was worth USD 2.9 billion.

* List of companies covered by the Sustainability Report. List of all companies included in the ENKA Consolidated Financial Statement can be found on page 8 of the ENKA 2018 Annual Report.

** Revenue ratios are the values before elimination between work segments.

¹ <https://www.enr.com/toplists/2018-Top-250-International-Contractors-1>

WITH A MARKET VALUE OF OVER USD 4.5 BILLION, ENKA IS LISTED ON BORSA İSTANBUL (BIST). ENKA HAS COMPLETED 124 PROJECTS IN TURKEY WITH A TOTAL CONTRACT VALUE OF USD 7 BILLION AND 397 PROJECTS AROUND THE WORLD WITH A TOTAL CONTRACT VALUE OF USD 41.1 BILLION AS AT THE END OF THE REPORTING PERIOD.

In 2018, ENKA continued to undertake operation and management of Gebze, Adapazarı and İzmir combined cycle natural gas power plants in Turkey, manufacturing activities of Çimtaş in Turkey and China, pipeline preliminary works and facilities in Georgia, construction of an oil processing facility in Iraq, the construction of the TAIF Business Centre in Kazan, Russian Federation (RF), construction and mechanical works on oil field in Kazakhstan, Kosovo Motorway Route 6 Project and the construction of US Embassy buildings in Turkmenistan, Sri Lanka, Saudi Arabia, India, Paraguay, Kenya, Mexico and Greece.

In 2018, ENKA began working on the construction of Dhi Qar and Samawa combined cycle power plants in Iraq, the combined cycle power plant in Nizhnekamsk, Tatarstan (RF) which will have an installed capacity of 495 MW in addition to work on following activities for which contracts were signed in 2018; container terminal field quay wall and marine works for the Umm Qasr Basra multi-purpose terminal in Iraq and mechanical, electrical and instrumentation installation for the FGP 3GP project in Kazakhstan.

In the final quarter of 2018, ENKA signed contracts for the design/engineering work on the Multi-Function Medical Centre Complex in St. Petersburg, Russian Federation and US Embassy buildings project in the Bahamas.



MISSION, VISION AND VALUES

ENKA'S CORE VALUES GUIDE THE FOUNDING PRINCIPLES OF ITS EACH OPERATION. EACH ENKA EMPLOYEE KNOWS THAT INCORPORATING THESE CORE VALUES INTO THEIR DAILY WORK IS KEY TO FUTURE SUCCESS.

OUR VISION

To be one of the best and innovative engineering and construction companies serving globally.

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

Our Values define how we undertake activities and take on projects at ENKA. We know that these values should not be overlooked and we act accordingly. We believe that when we commit to work within ENKA's values, we achieve superior work in our industry. Our company values consist of:

- **Integrity:** Our conduct towards our customers, shareholders, employees, suppliers, subcontractors, governmental and regulatory authorities, competitors and towards society is a whole 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 are our priorities.
- **Commitment:** Uncompromising commitment to Quality, Health, Safety and Environment.
- **Solidarity:** Sharing success and standing together in the face of failure.

GOVERNANCE



ENKA RUNS ITS ACTIVITIES UNDER ETHICAL, TRANSPARENT, FAIR AND ACCOUNTABLE GOVERNANCE, COMPLIES FULLY WITH LAWS AND REGULATIONS AND STRUCTURES ITS CORPORATE GOVERNANCE MODEL IN ACCORDANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES OF THE CAPITAL MARKETS BOARD OF TURKEY.

With its annual Corporate Governance Principles Compliance Report, ENKA informs its stakeholders of its corporate governance practices which are based on inclusive stakeholder participation and effective regulation mechanisms.

The Tara and Gülçelik families have a controlling share of the ENKA İnşaat stock, of which 11.68% was in active circulation on Borsa İstanbul as of December 31st 2018. Details of the shareholding structure are given in the table below:

NAME-SURNAME/BUSINESS NAME OF THE PARTNER	SHARE OF CAPITAL (TL)	SHARE OF CAPITAL (%)
Tara Holding Anonim Şirketi	2,485,824,311.02	49.72%
Vildan Gülçelik	399,280,299.65	7.99%
Sevda Gülçelik	321,329,986.46	6.43%
ENKA Spor Eğitim ve Sosyal Yardım Vakfı	293,419,073.50	5.87%
Other	1,500,146,329.37	29.99%
Total	5,000,000,000.00	100.00%

For more information, please visit:

<https://www.enka.com/investor-relations/shareholding-structure/>

BOARD OF DIRECTORS

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 articles of incorporation, the Board of Directors is responsible for the administration and external representation of ENKA İnşaat ve Sanayi A.Ş. Members of the Board of Directors were approved to serve for a year by a resolution of the Ordinary General Assembly held on March 28th 2019. The names of members of the Board of Directors are given in the ENKA Board of Directors' Annual Report.²

EXECUTIVE COMMITTEE

The duties of the Chairman of the Board and President and Chairman of the Executive Committee, which head ENKA's executive organs, are undertaken by different individuals. There are no time limits to the period for which the Executive Committee of ENKA İnşaat ve Sanayi A.Ş. may serve. The names of members of the Executive Committee are given in the ENKA Board of Directors' Annual Report.

CORPORATE GOVERNANCE STRUCTURE AND COMMITTEES

There are three committees that serve under the Board of Directors of ENKA İnşaat ve Sanayi A.Ş. In addition, there are three committees and a work group under the Executive Committee which are active at various stages. Information regarding these units of governance at ENKA İnşaat ve Sanayi A.Ş. which are responsible for making decisions on economic, environmental and social impacts is given below.

Corporate Governance Committee

The purpose of the Corporate Governance Committee is to propose suggestions regarding the corporate governance of the company; to increase the quality of the corporate governance practices; to effectively monitor the regulations of the Capital Markets Board regarding corporate governance principles and any other corporate governance principles generally accepted on the international capital markets as well as to advise the Board of Directors on the implementation of any applicable ones thereof; to carry out necessary work for the nomination, assessment and training of suitable candidates for membership of the Board of Directors of the Company, and for the determination of the principles of remuneration of the Members of the Board of Directors and top managers of the Company and to propose suggestions to the Board on this issue.

Early Identification of Risks Committee

The purpose of the Committee that reports to the Board of Directors is the early identification of any potential risks that might jeopardise the existence, development and continuation of the company, the implementation of preventive actions concerning identified risks, undertaking work related to risk management and to review risk management systems in force at least once a year. The committee acts jointly with the Risk Management Work Group.

Audit Committee

The purpose of the Committee reporting to the Board of Directors is to ensure the due supervision of the independent audit of the accounting system and financial data of the company and the public disclosure of data, as well as the functioning and efficiency of the internal control system.

For more information about the duties and working principles of the committees for Corporate Governance, Early Identification of Risks and Audit, please visit: <https://www.enka.com/allfiles/pdf/Duties-and-Working-Principles-of-Committees-26-06-2014.pdf>

Executive Ethics and Compliance Committee

The Executive Ethics and Compliance Committee, which was formed under the Executive Committee to ensure that corporate values are supported by the ethics and compliance programme, helps the company maintain an effective ethics and compliance programme, to identify the principles that serve as the basis of such a program and to constantly promote an organisational culture that demands ethical business conduct and compliance with the law.

For more information on the Executive Ethics and Compliance Committee, please visit: <https://www.enka.com/sustainability/home/ethics-compliance/executive-ethics-compliance-committee/>

Risk Management Work Group

The Risk Management Work Group was established by the decision of ENKA's Early Identification of Risks Committee taken at its meeting on November 28th 2017 in order to ensure that corporate risks are identified, the means of risk reduction are specified, and that identified risks are assessed and reviewed.

For more information on the Risk Management Work Group, please visit: <https://www.enka.com/sustainability/home/ethics-compliance/risk-management-work-group/>

The Occupational Health and Safety Committee

Occupational Health and Safety Committee for ENKA's İstanbul Headquarters was formed as per the stipulations of Law 6331 on Occupational Health and Safety. The committee is responsible for assessing potential risks to Occupational Health and Safety (OHS), identifying precautions and reporting to the Executive Committee. The committee meets every three months and consists of employer representative, OHS experts, the workplace doctor/nurse, the human resources expert, the administrative affairs officer, employee representatives and experts in field relevant to agenda items.

In addition to this committee, Health, Safety and Environment Committees (HSE) are formed at every ENKA project, led by project management and HSE teams. This committee holds weekly and monthly Zero Accidents Team Meetings to review the HSE performance of the project and to decide on the main actions that need to be taken.

Sustainability Committee

The Sustainability Committee is responsible for assessing economic, social and environmental risks and opportunities that may have an impact on ENKA's assets and trading activities, to monitor and analyse relevant sustainability issues, to identify the sustainability strategy and to undertake projects to realise targets. The Committee is headed by the ENKA's President and Chairman of the Executive Committee and reports results obtained from all undertakings to ENKA's senior management.



² https://www.enka.com/allfiles/pdf/ENKA_ANNUAL_REPORT_31122018.pdf

ECONOMIC PERFORMANCE

ENKA's total assets are valued at USD 7.8 billion. In 2018, the company generated USD 2.9 billion in income from the four main sectors in which it is active and produced profits worth USD 328 million for its shareholders. 35.1% of the revenue was generated from engineering and construction, 51.1% from energy generation, 11.4% from real estate and 5.7% from trade.³ The revenue generated from the engineering and construction sector was USD 1 billion.

ENKA regularly pays its shareholders dividends from profits every year and plans to pay dividends in cash worth USD 185 million from its 2018 activities.



³ As the percentage figures are pre-elimination of double-counting between business segments, their total exceeds 100%.

TABLE OF FINANCIAL INDICATORS	
Net Sales Income	USD 2,881,442,630
Liabilities	USD 1,615,062,841
Own Resources	USD 6,181,218,250
ECONOMIC VALUE DIRECTLY PRODUCED*	
Construction	USD 1,010,508,271
Real Estate Rental	USD 328,971,218
Trade	USD 165,220,244
Energy	USD 1,473,567,012
Total	USD 2,881,442,630
ECONOMIC VALUE DISTRIBUTED	
Sales, Distribution and Marketing Costs	USD 22,926,385
General Administrative Expenses	USD 90,260,699
BENEFITS TO EMPLOYEES	
Salaries	USD 192,013,000
Social Security Expenditures	USD 36,023,000
Other Benefits	USD 7,618,000
Total	USD 235,654,000
Total Tax Expenditures	USD 99,691,686

TAX REDUCTIONS	
Income Tax	TRY 3,741,393
Social Security Premiums	TRY 839,747
Corporation Tax	TRY 12,170,872
Total	TRY 16,752,012
PAYMENTS TO CAPITAL OWNERS OF PROFIT	
To Holders of Ordinary Shares	TRY 747,240,000
To Holders of Preference Shares	TRY 32,348,000
Total	TRY 779,588,000

* Figures for business segments are pre-elimination of double-counting between segments.

IMPORTANT DEVELOPMENTS IN 2018

ENKA İNŞAAT

- Senimdi Kurylys LLP, an equal partnership venture of ENKA İnşaat and American Bechtel Inc. in Kazakhstan, has signed a contract for the mechanical, electrical and instrumental installation works at the Tengiz oilfield. Once the project is completed, the annual oil output capacity of the Tengiz oilfield will increase by 12 million tonnes and reach 39 million tonnes.
- All mechanical completion works on the Compressor Station Georgia-2 (CSG-2) of the SCPX Project were completed and all work fields were delivered to the contracting organisation.
- A contract was signed between ENKA İnşaat and Alorean Investment Ltd. (a joint subsidiary of Terminal Investment Limited Holding S.A. and Misnak International DWC – LLC) for quay wall and marine works at Container Terminal Field 5 of the Umm Qasr Basra Multi-Purpose Terminal.
- Upon the end of the year assessment in 2018, ENKA has become a constituent of the FTSE4Good Index, the responsible investment index by FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) which ranks companies with strong environmental, social and governance performance.
- ENKA reported to the CDP Climate Change and Water Programmes for the first time in 2018 and shared its climate change and water management practices, risks, targets and performance with all of its stakeholder groups.
- In 2018, ENKA published its first Sustainability Report prepared according to the Core option of GRI standards.
- As a result of the Global Sourcebook Market Survey carried out by ENR (Engineering-News Record), ENKA was ranked among the top 50 international contractors in retail, government offices, energy, fossil fuels, oil, pipelines, marine and underwater categories.

Environmental and Social Developments

- ENKA İnşaat ve Sanayi A.Ş. took the first steps towards offsetting its carbon emissions by supporting the Solar Forests project conducted by Aegean Forest Foundation, the first non-governmental organisation developed project in Turkey to be certified by Gold Standard VER in the field of solar energy. Gold Standard, an organisation that calculates and verifies reductions in carbon emissions as a result of voluntary carbon emission reduction projects in the world, confirmed that ENKA İnşaat ve Sanayi A.Ş. had offset 611 tonnes of carbon dioxide equivalent emissions with its support to the project⁴.
- An agreement was reached with the Aegean Forest Foundation for a joint project to contribute to the ecosystem in line with ENKA's sustainability policy to undertake the formation, planting and maintenance works for a forest in memory of the late Şarık Tara, founder and honorary president of ENKA İnşaat and esteemed businessperson. The Şarık Tara Memorial Forest of 5,000 saplings has been planted at the Naldöken afforestation field in Bornova, İzmir.
- As part of its work on sustainability, ENKA has become a member of the Ethics and Reputation Society (TEİD) which works towards making business ethics a cornerstone of the written culture of all companies active in Turkey and ensuring the adaptation of ethics in all business processes.
- ENKA İnşaat became a member of the Business Council for Sustainable Development Turkey, the regional network and business partner of the World Business Council for Sustainable Development (WBCSD).
- Voluntary ENKA runners from ENKA and its subsidiaries participated in the 40th İstanbul Marathon for TEMA Foundation and raised TRY 45,000 in donations for the Tree Fellowship project of the foundation.

⁴ <https://www.enka.com/sustainability/gold-standard-ver-carbon-emissions-certificate/gold-standard-certificate/>

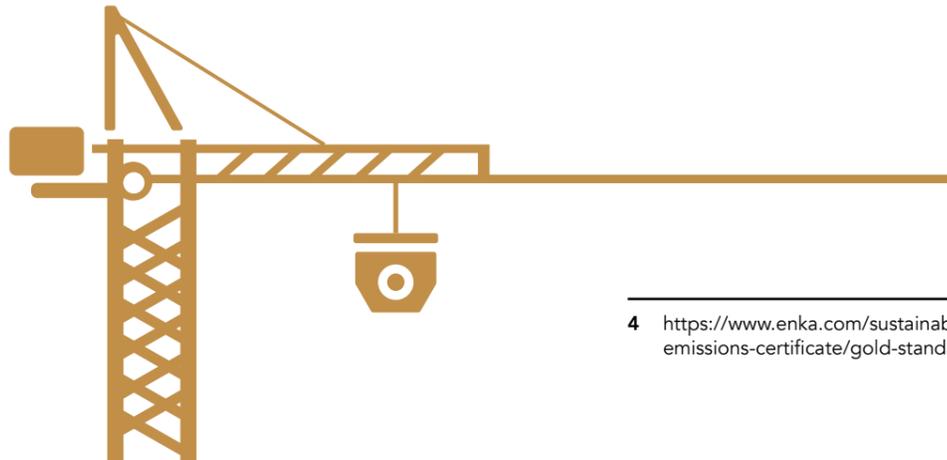
ENKA GROUP COMPANIES

- In a first of its kind in the world implementation, Cimtas Pipe has installed 3D measuring devices for the quality control of pipes at LSAW Pipe Facilities. Its Mechanics and Metallographic Laboratory was ranked among the most prestigious laboratories in Europe. Cimtas Pipe became a partner of the PIANISM Project which is financed by the European Union for Industry 4.0 and was also ranked among the top 500 companies in Turkey in 2018.
- Çimtaş Steel has completed the "Nuclear Component Certification Program" audits held by ASME with no nonconformities and received the "N-Type certificate". Çimtaş Steel became the first and only company in Turkey to be approved by the AISC (American Institute of Steel Construction) as a "Bridge Manufacturer".
- Çimtaş Steel signed a contract for steel bridge floor manufacturing and transportation for the 1915 Çanakkale Bridge Project, for which it will manufacture and transport all steel components with a total weight of 90,000 tonnes. It also received the world's longest and largest tonnage projects, 1915 Çanakkale Tower Section and Çanakkale Tower Section Deck and its first nuclear project at Orano and its first off-shore (Stinger) project.
- Çimtaş Steel has produced 92 wind turbine towers, consisting of 300 sections in total for Nordex (Germany) and Enercon (Germany) companies.
- Çimtaş Steel successfully delivered the main process columns for Tengizchevroil's Future Growth Project, including the 85 m tall Crude Stabilizer, which is the tallest column at Tengiz and among the tallest in the world.
- The construction of ENKA TC's Kashirskaya Plaza Multi-Functional Trade Centre with 70,000 m² of leasable area and 57,680 m² of carpark and a total area of 196,750 m² was completed and the centre began operating.
- ENKA Systems has developed EGIM (Investment Management System) and EHSE (HSE Management System) in cooperation with ENKA İnşaat. ENKA Systems has developed and continues to improve on ESMS (School Management System) software together with ENKA Schools. ENKA Systems' products, such as EDMS (Document Management System), EGPS (Global Procurement System) and EGVN (Global Vendor Network) were purchased by customers around the world and steps were taken towards cooperation with public institutions.

- Construction of Cimtas Ningbo's new facilities, on over 55,000 m² of land in China's Ningbo Free Zone has started. The facility is to become operational in 2019. This new investment will greatly diversify materials, diameters and varieties available for Cimtas Ningbo's plant piping, modularisation and skid products used in energy, oil, gas and processing industry as well as the pharmaceutical and aviation industries.
- Cimtas Ningbo was selected to be the regional Member Activity Base for the American Society for Quality (ASQ). In the field of engineering Cimtas Ningbo implemented 3D modelling projects for various jigs and pipes in 2018, thereby earning the right to obtain Canadian registration by the Pressure Equipment Safety Authority for Canada (ABSA).
- Cimtas Ningbo successfully delivered its first skid project which was produced for the US market and became certified to sell products to the pharmaceutical industry.
- Cimtas Ningbo, expanded its EN norms and Standards by obtaining the ISO3834 and EN1090 certificates in order to expand its technical capacity for resources.
- KASKTAŞ started excavation works for the reinforced concrete anchor block structure, which has a volume of 68,000 m³, on the European side of 1915 Çanakkale Bridge project.
- KASKTAŞ, after completing excavation and support works for the 1915 Çanakkale Bridge European Anchor Block, started excavation, support works and sub-base barrette pile production for the Asian Anchor Block.
- In 2018 Çimtaş Precision Machining acquired a high-tech manufacturing facility where it can manufacture rotating hardware for aero engine production.
- Çimtaş Module and Shipyard has successfully manufactured pipe racks for the West Qurna I - Initial Oil Train Project and started the production of the North Marmara Underground Gas StorageExpansion Project's platforms.

Environmental and Social Developments

- ENKA TC became an official partner of the Turkish Festival organised at the Krasnaya Presnya Park in Moscow on August 10th-12th with support from the Moscow Ministry of Cultural Affairs, the Republic of Turkey Ministry of Culture and Tourism and the Embassy of Turkey in the Russian Federation.
- All employees of the Çimtaş Group took part in an event to clean up the Dağyenice Lagoon, a natural beauty spot in Bursa, on September 15th World Clean Up Day.



AWARDS RECEIVED IN 2018



ENKA İnşaat

- International Safety Awards 2018 - 'Merit' Award**
 The South Caucasus Pipeline (SCPX) Project Area 81 Site – Georgia was considered worthy of the 'Merit' award in the "International Safety Awards 2018", organised by the British Safety Council.
- Most Admired Companies of Turkey / International Contractor Sector First Place Award**
 ENKA has received the First Place Award in the Construction – International Contractor Sector category of the Most Admired Companies of Turkey survey carried out by the business and the economy magazine Capital and ZENNA Research and Consulting company.
- Global Best Project Award**
 ENKA – Bechtel Joint Partnership has received the 2018 ENR Global Best Project Award for its South Caucasus Pipeline Project Area 81 site in Georgia. The project received the award under the Power and Industrial Projects category.
- ENKA Sailing Team Crowned Champions**
 The ENKA Sailing Team has won the İstanbul Sailing Club (IYK) trophy programme, which consists of six courses, for the fifth time in a row in 2018 and became the champions in the IRC-0 division, which is considered the highest class in yacht racing. The team also finished in second place in the Bahcesehir University Trophy, which was held in the spring and consisted of four courses, with the same number of points as the first placed team.



International Safety Awards 2018 - "Merit" Award



Champion ENKA Sailing Team



The Best Global Project Award

ENKA Foundation

- Best Sports Club of 2017 in Athletics**
 The ENKA Athletics Team was picked as the Best Sports Club of the Year due to its performance and records.
- Mustafa V. Koç Sports Award**
 ENKA Sports Club wrestler Yasemin Adar, World and European titleholder, received the Mustafa V. Koç Sports Award.
- Best Newcomer Player**
 ENKA Sports Club's star tennis player Yankı Erel received the Best Newcomer award at the Yearly Sports Awards of Boğaziçi University.
- World Fair Play Special Diploma**
 National wrestler Yasemin Adar was considered worthy of the World Fair Play Special Diploma given by the World Fair Play Council (CIFP).
- Athletics**
 - Second and third place in the 18th Mediterranean Games.
 - Second place in the World Youth Athletics Championship.
 - Second and third place in the European Athletics Championship.
 - U20 men's team won third place in Europe in the European Champion Club's Cup, Juniors Group A.
 - The athletics girls' team won the European Champion Club's Cup for the third time in a row and 16th time in total while the men's team completed the league in second place. With this championship, the girls' team earned the right to represent Turkey in the European Champion Club's Cup again in 2019.
 - Bronze medal in the 3rd Youth Olympics held in Buenos Aires.
 - The oldest unbeaten junior's record in Turkey in athletics, the men's marathon record, passed to Kaan Özbilen at the Amsterdam Marathon on October 21st. Özbilen came fifth with 2:06:23 and improved on the 31-year-long record of Mehmet Terzi (2:10:25) by four minutes.
 - ENKA Sportswoman Yasemin Can achieved success for the third time in a row and became the first woman to become champion for the third time at the 25th European Cross Country.
- European championship and third place in the European Deaf Indoor Athletics Championships.
 - In the European Champion Clubs Cup Group A, ENKA Sports Club's men's team became European champions and the women's team came in second place.



Mustafa V. Koç Sports Award



Team of Athletics

• Tennis

- Yankı Erel became a quarter finalist in doubles at the Roland Garros Junior Championships Grade A.
- Championship and bronze medal at the 18th Mediterranean Games.
- Yankı Erel made Turkish tennis history as doubles champion at the Wimbledon Junior Championships Grade A.
- Championship at the 57th Orange Bowl International Tennis Championships.

• Swimming

- Second place in the ISF International Swimming Championship for High Schools.
- Second and third place in the 18th Mediterranean Games.
- In the Turkcell Youth-Junior and Free-Age Interclub Short-Course Turkey Championship, Open-Age Girls' Team won the Turkish Championship for the first time.

• Water Polo

- U12 Water Polo Men's Team completed the 2018 season in second place in Turkey, U13 Water Polo Men's Team completed the 2018 season in third place in Turkey and the Water Polo A Team completed the 2018 season as the champion and earned the right to represent Turkey in the LEN Champions League.
- U15 and U17 Water Polo Men's Team completed the 2018 season as Turkish champions, U14 Men's Team came in third place at the Federation Cup and U19 Men's Team came second in Turkey.
- The Water Polo A Team won the 2018 Federation Cup without conceding a game.



Men's Water Polo Team

• Wrestling

- Championship and third place at the European Wrestling Championship.
- Second and third place in the U23 European Wrestling Championship.
- Championship in the 18th Mediterranean Games.
- Second and third place at the Juniors European Wrestling Championship.
- Second places at the World Wrestling Championship.
- Second place at the U23 World Wrestling Championship.

ENKA Schools

ENKA Schools İstanbul

- **ENKA Sustainable Campus Programme Award**
The "Sustainable Campus Programme", which was carried out by ENKA Schools as part of ENKA's sustainability works, was granted an award in the 10th Corporate Social Responsibility Summit on December 6th for its contributions to Quality Education, United Nations Sustainable Development Goal number four.
- **FRC Robotics Competition**
ENKA İstanbul High School 9203 Bosphorus Rangers robotics team won the "Creativity" award in the Turkish Off-Season FRC Robotics Competition between high-schools, held at the Ulker Sports Arena.



Corporate Social Responsibility Awards

• "King Constantine" Medal

The "King Constantine" medal is given to an individual or a group of individuals from a school who have supported and promoted the ideals of Round Square (Internationalism, Democracy, Leadership, Environmentalism, Adventure and Service) with valuable service work. This year, high school student İtir Kozikoğlu was awarded the medal on September 14th 2018 for the Voiced Library project on which she worked since last year.

• Kurt Hahn International Award

The Kurt Hahn International Award is awarded in recognition of an exceptional act of service to others, immediate or long term, either within or without the school community by the Round Square. This year, three students from the ENKA High School, İtir Kozikoğlu, Kaan Yücel and Ayça Çapanoğlu earned the right to receive special certificates from the Round Square Kurt Hahn Prize Committee for their Voiced Library project.

ENKA Schools Adapazarı

- **FRC İstanbul Regional Robotic Competition**
ENKA Schools FRC team EnkaTech completed the tournament with the highest score and were given the "Highest Rookie Seed Award" to become finalists and earned the right to enter the FRC Championship.

ENKA Schools Kocaeli

- ENKA Schools Kocaeli came second and third in the LEGO WRO World Robot Olympics Adults Regular and Open categories, organised by the Science Heroes Association.
- The school team became FRC İstanbul Regional Finalist and Highest Rookie in the FIRST Robotics Competition.
- ENKA Schools Kocaeli 11th grade students took third place in the world in the Waterloo Math Contest, organised by the University of Waterloo - Canada.
- Gold, silver and bronze medals at the American Mathematics Competitions organised by the New York Metropolitan Section of the Mathematics Association of America (MAA).

ENKA TC

- **The Best Large Shopping Centre Award**
The Kashirskaya Plaza Shopping and Entertainment Centre was deemed worthy of the Best Shopping Centre award, nominated at Project at Implementation Stage in the Large Shopping Centres category.
- **European Property Awards**
The Kashirskaya Plaza Shopping and Entertainment Centre was deemed worthy of the European Property Awards and received the Retail Architecture - Moscow, Russia and Retail Development Moscow, Russia awards, in two categories at the same time.



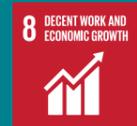
European Real-Estate Award

OMKH Awards

- World Travel Awards 2018 – World's Leading Luxury City Hotel
- World Travel Awards 2018 – World's Leading Hotel Rooftop Restaurant & Bar
- World Travel Awards 2018 – Europe's Leading Luxury Business Hotel
- International Travel Awards 2018 – Russia's Best City Hotel
- International Travel Awards 2018 – Russia's Best Five-Star Hotel
- Luxury Travel Guide Awards 2018 – City Space – Best Bar of the Year
- Russian Business Travel & MICE Award 2018 – Moscow's Best Five-Star Conference Hotel
- World Luxury Hotel Awards 2018 - Northern Europe's Leading Luxury Business Hotel
- Luxury Travel Guide Food and Drink Award 2018 – Best Bar
- Prime Traveller Award – Russia's Best City Hotel
- 2018 TripAdvisor Travelers Choice® - Russia's Best 25 Luxury Hotels



DOING GOOD BUSINESS



SUSTAINABILITY MANAGEMENT AT ENKA

ENKA MANAGES ITS SOCIAL, ENVIRONMENTAL AND ECONOMIC IMPACT, THAT IT CREATES THROUGH DIFFERENT SECTORS IT OPERATES SUCH AS ENGINEERING AND CONSTRUCTION, ENERGY, REAL ESTATE AND TRADE, AT VARIOUS LOCATIONS, THROUGH A RESPONSIBLE AND ACTIVE SUSTAINABILITY APPROACH.

ENKA Sustainability Committee was established in 2017 in order to determine sustainability strategy and goals, integrate them with ENKA's business strategies and monitor planned actions. The Committee is led by ENKA's President and Chairman of the Executive Committee with the participation of managers of different units and departments at Corporate Headquarters and subsidiaries, representing all main functions at ENKA. The ENKA Sustainability Committee continued its activities in 2018.

ENKA considers sustainability as a holistic approach which all of its employees should integrate to and practice in decision-making and operations mechanisms and carries out activities under the leadership of the Sustainability Committee for the ownership of adherence to its sustainability goals and actions at every level within the company.

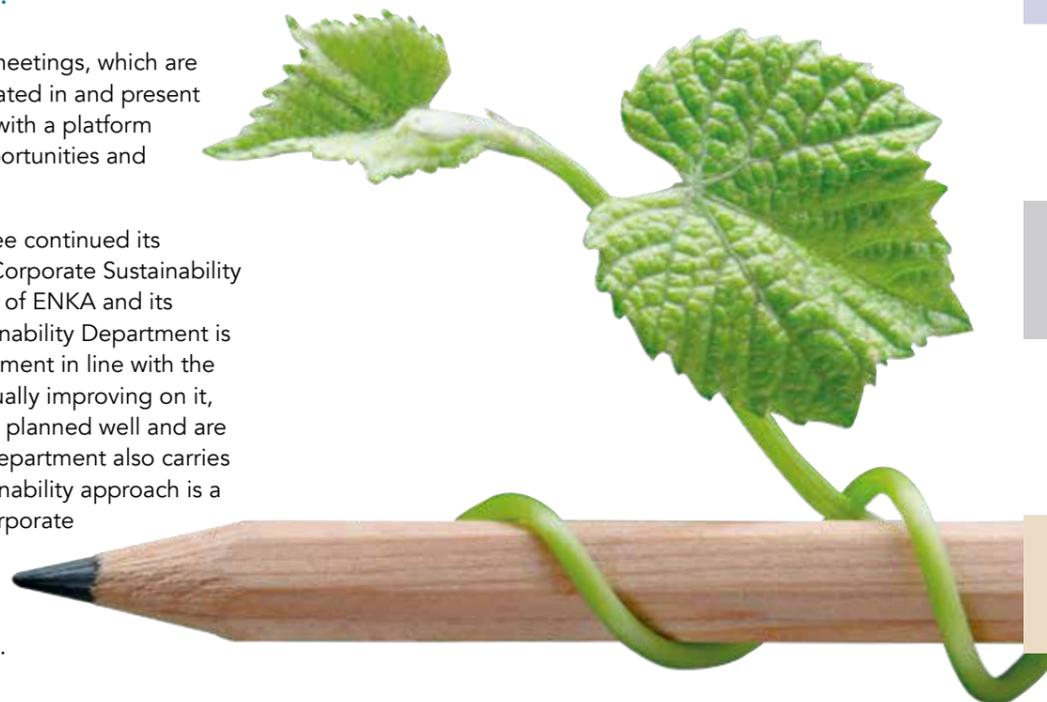
ENKA Sustainability Committee meetings, which are held regularly, are widely participated in and present all subsidiaries and departments with a platform providing equal participation opportunities and right to speak freely.

While the Sustainability Committee continued its activities, ENKA established the Corporate Sustainability Department in 2018. Covering all of ENKA and its subsidiaries, the aim of the Sustainability Department is developing sustainability management in line with the sustainability strategy and continually improving on it, ensuring sustainability actions are planned well and are coordinated. The Sustainability Department also carries out work to ensure that the sustainability approach is a part of the management style, corporate culture and business strategies of ENKA and its subsidiaries and monitors sustainability performance indicators and goals.

The Sustainability Committee's work in 2018 resulted in the formulation of ENKA 2027 Sustainability Goals, which take into account the company's sustainability priorities, risk and opportunities, influence areas and stakeholder feedback.

The ENKA Sustainability Strategy, developed in 2017 by the ENKA Sustainability Committee under the leadership of ENKA's President and Chairman of the Executive Committee, was reviewed at the last Sustainability Committee meeting of 2018 and the 2019 Sustainability Action Plan was developed accordingly.

ENKA is a signatory of the United Nations Global Compact (UNGC), which is the biggest corporate and institutional sustainability initiative which calls on companies to align their strategies and operations with the universal principles of human rights, labour, environment and anti-corruption and take actions that advance societal goals.



SUSTAINABILITY POLICY

1 As a leading global company headquartered in İstanbul, we provide high quality products and services in all the sectors we partake in.

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.

2

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

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

4

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

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 as us.

6

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.

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

8

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

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

10

SUSTAINABILITY STRATEGY

ENKA's sustainability strategy, which was prepared with ENKA's fields of impact and sustainable development goals in mind, has the following four main components:



ENKA,

DOES ITS BUSINESS HONESTLY AND IN 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 ENSURES THE SAFETY OF ITS EMPLOYEES AND ITS SUBCONTRACTORS' EMPLOYEES. WORKS TO INCREASE EMPLOYEE LOYALTY AND 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,

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. CARING FOR 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.

STAKEHOLDER ENGAGEMENT AND SURVEYS

Strong and efficient stakeholder dialogue is one of the keystones of how ENKA conducts business, and by extension, of its sustainability approach. ENKA defines its stakeholders as the individuals, groups and organisations who affect, or are affected, directly or indirectly, by its activities, goals or policies.

ENKA categorises its main stakeholders as its employees, customers, business partners, shareholders, community stakeholders and public institutions. In categorising stakeholders as such, ENKA uses criteria including the degree and potential of stakeholders affecting ENKA's activities, strategies, policies or being affected by them, their fields of influence, representation authority and relations with the company.

ENKA makes efforts to ensure that communication with its stakeholders is efficient, transparent and two-sided, and to this end forms structures to ensure stakeholder diversity in its processes and decision-making mechanisms. For this reason, ENKA establishes unique communication channels for each stakeholder group.

One of these communication channels, ENKA Newsletter platform, was developed to provide information for all employees of ENKA and its subsidiaries. ENKA Newsletter is used to share information with all employees about general developments, developments related to management systems, news and developments about sustainability, general announcements about the company, examples of best practices, lessons learned, intercompany policies and procedures and related updates and changes, technology we have developed and other topics of concern to our employees at ENKA and its subsidiaries.

The corporate website is the main channel of communications ENKA uses to communicate with external stakeholders. ENKA shares detailed information about all its fields of activity and subsidiaries through its corporate website and consistently updates the content of its website with the latest news and developments.

Some of the most tangible outcomes of the efficient stakeholder dialogue conducted by ENKA are the company's sustainability strategy and sustainability actions. ENKA's annual sustainability report details its performance towards attaining its sustainability priorities, which are determined with intensive stakeholder participation, for the benefit of stakeholders. In addition to the regularly published corporate reports, audits conducted in projects and subsidiaries, supplier audits, employee surveys, customer satisfaction surveys, trainings,

workshops and meetings held with all business partners help ENKA gather feedback which contribute to ENKA's processes and address stakeholders' concerns and questions.

ENKA Ethics Hotline was established in 2017 to provide communications with employees, local people and all parties with which the company has business relations and became one of the most efficient and practical communication channels for stakeholders to seek advice on subjects they are concerned about, get answers to their questions and convey their complaints or opinions.

ENKA operates in many different sectors together with its subsidiaries and therefore has a diverse range of stakeholders.

ENKA BELIEVES THAT BUILDING A SUSTAINABLE FUTURE IS ONLY POSSIBLE BY DEVELOPING AND IMPROVING TOGETHER WITH ALL ITS STAKEHOLDERS AND TO THIS END ESTABLISHES VARIOUS FORMS OF COOPERATION WITH DIFFERENT STAKEHOLDERS AND TAKES PART IN PROJECTS WITH THE POTENTIAL TO FORM LASTING VALUES.

ENKA's corporate values and ethical principles remain the priority criteria when it comes to choosing stakeholders. Stakeholder groups with which ENKA is in contact, communication platforms and the frequency of communications is shown in the table on the next page:

STAKEHOLDERS	COMMUNICATION PLATFORM	FREQUENCY OF COMMUNICATION
 <p>EMPLOYEES (ENKA employees and other workers performing duties for ENKA)</p>	Websites	Continuous
	Social media	Continuous
	Newsletter – Occupational Health and Safety, Environment, Quality Management Systems, Sustainability Activities, General Announcements	Monthly
	Newsletter – Lessons Learned and Best Practices within the Organisation	Continuous
	ENKA Academy	Continuous
	Employee Loyalty and Satisfaction Survey	Twice a year
	Ethics and Compliance Audits	Periodic
	Ethics Hotline	Continuous
	Employee Volunteering Programme	Continuous
	Customer Satisfaction Survey	Upon the completion of projects
 <p>CUSTOMERS (Investors, Project Owners, etc.)</p>	Websites	Continuous
	Annual Reports	Once a year
	Sustainability Reports, CDP Reports	Once a year
	ENKA Document Management System	Continuous
	Meetings	Periodic
	Ethics Hotline	Continuous
	Websites	Continuous
	ENKA Academy	In line with the Training Plan
	Evaluation Surveys	Several times a year
	ENKA Code of Business Conduct and ENKA Supplier Code of Conduct	Before starting new jobs
 <p>BUSINESS PARTNERS (Suppliers, Subcontractors, Manufacturers, Joint Ventures, Third-Party Auditing Firms, Insurance Companies, Logistics Firms, Service Providers, Consultancy Companies, Distributors, etc.)</p>	Management Systems Audits	Periodic
	ENKA Document Management System	Continuous
	Meetings	Periodic
	Ethics Hotline	Continuous
	Audits	Periodic
	Sustainability Reports, CDP Reports	Once a year
	General Assembly	At least once a year
	Websites	Continuous
	Annual Reports	Once a year
	Sustainability Reports, CDP Reports	Once a year
 <p>SHAREHOLDERS (Partners, Investors)</p>	Material Disclosures, Financial Reports, Periodic Disclosures (Public Disclosure Platform – KAP)	As required by the related disclosure
	Meetings	Continuous
	Ethics Hotline	Continuous
	Websites	Continuous
	Media, Social Media	Continuous
	Annual Reports	Once a year
	Sustainability Reports, CDP Reports	Once a year
	Meetings	Periodic
	Ethics Hotline	Continuous
	Annual Reports	Once a year
 <p>SOCIAL PARTNERS (Local Communities, NGOs, the Media)</p>	Websites	Continuous
	Periodic Disclosures (Public Disclosure Platform – KAP)	Periodic
	Sustainability Reports, CDP Reports	Once a year
	Meetings	Periodic
	Official Correspondences	Continuous
	Audits	Periodic
	Memberships	Monthly
	Career Days, Activities of University Clubs and Societies	Periodic
	Conferences and Panels	Periodic
	 <p>PUBLIC INSTITUTIONS (Governments, Local Administrations, Universities and Academic Institutions, Tax Offices)</p>	Annual Reports
Websites		Continuous
Periodic Disclosures (Public Disclosure Platform – KAP)		Periodic
Sustainability Reports, CDP Reports		Once a year
Meetings		Periodic
Official Correspondences		Continuous
Audits		Periodic
Memberships		Monthly
Career Days, Activities of University Clubs and Societies		Periodic
Conferences and Panels		Periodic

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

ENKA Schools defines teachers and other employees, students, parents, international stakeholders, public institutions, academic institutions and subcontractors as their major stakeholders. Dialogue is maintained with all these groups of stakeholders through various communication channels and methods

ENKA's Membership Affiliations

ENKA carries out initiatives at the international level in order to take responsibility as a pioneer in all sectors in which it operates. ENKA believes that development and progress in the field of sustainability can only be achieved by working together with all stakeholders with effective communication and for this reason seeks membership of various associations, institutes, unions and sectorial organisations and acts as a sectorial leader by playing an active role in work groups.

BY BECOMING A SIGNATORY OF THE UN GLOBAL COMPACT IN 2017, ENKA HAS PLEDGED TO ACT IN ACCORDANCE WITH ITS TEN FUNDAMENTAL GLOBAL PRINCIPLES AND PRIORITISED CONTRIBUTING TO THE AGENDA OF THE SUSTAINABLE GLOBAL GOALS AMONG ITS OWN COMPANY GOALS.

To this end, ENKA became a member of the Sustainable Supply Chain Workgroup and Women's Empowerment Workgroup operating under the Global Compact Network Turkey.

ENKA became member of the Business Council for Sustainable Development (BCSD Turkey) which is the regional network and business partner of the World Business Council for Sustainable Development (WBCSD) in August 2018, in addition to its other memberships. In September, ENKA's corporate membership application was approved by the Ethics and Reputation Society (TEİD) and ENKA was included among the official corporate members of the TEİD, which undertakes pioneering works regarding business ethics and compliance in Turkey.

ENKA also joined the Turkish Industry and Business Association's (TÜSİAD) Environment and Climate Change Workgroup as of 2019 in order to undertake a more active role in the extensive national and international work conducted on environment and climate change. The TÜSİAD Environment and Climate Change Workgroup contributes to process of forming environmental policies in Turkey and the development of regulations required within the framework of these policies, assesses the implementation of these regulations, carries out studies and presents its opinions to relevant institutions and organisations. For more information about the activities of TÜSİAD Environment and Climate Change Workgroup, please visit

["https://tusiad.org/en/cevre-iklim-degisikligi-cg"](https://tusiad.org/en/cevre-iklim-degisikligi-cg)

MEMBERSHIPS OF ENKA İNŞAAT AND ITS SUBSIDIARIES

Organisations ENKA İnşaat is enrolled in	KALDER
Republic of Turkey Ministry of Environment and Urbanisation Overseas and Domestic Contracting Certificates	American Society of Mechanical Engineers (ASME)
British Safety Council	Bursa Aerospace and Defence Cluster Association (BASDEC)
Organisations ENKA İnşaat has the certificate of	Human Resources Solidarity Association (İKDAY)
American Society of Mechanical Engineers	Turkish Shipbuilders' Association (GİSBİR)
British Standards Institution	Leadership in Energy and Environmental Design (LEED)
TÜV NORD	German-Turkish Chamber of Industry and Commerce
Turkish Organizations ENKA is enrolled in	İstanbul Chamber of Commerce (İTO)
Foreign Economic Relations Board of Turkey (DEİK)	İstanbul Chamber of Industry
The Turkish Contractors Association (TMB)	Gemlik Chamber of Commerce and Industry
The Turkish Employer's Association of Construction Industries (INTES)	Kocaeli Chamber of Commerce and Industry
Turkish Exporters Assembly (TIM)	American Welding Society (AWS)
Turkish Industry and Business Association (TÜSİAD)	Kocaeli Free Zone Shipyards Association (KOSTBİR)
Business Council for Sustainable Development (BCSD Turkey)	Chamber of Shipping (İMEAK)
Ethics and Reputation Society (TEİD)	Organisations Cimtas Ningbo is enrolled in
Turkish Road Association (TRA)	American Society for Quality
İstanbul Chamber of Commerce (İTO)	China Lean Enterprise
Organisations Çimtaş Steel, Pipe, Module and Shipyard, and Precision Machining are enrolled in	Turkey Lean Enterprise
Steel Construction Institute	Jishuken Association
People Management Association of Turkey (PerYön)	Ningbo Welding Association
SAHA İstanbul Defence and Aerospace Cluster Association	Liaoning Welding Association
	The Committee of Liaoyang Technical School Consultation

MEMBERSHIPS OF ENKA İNŞAAT AND ITS SUBSIDIARIES

Organisations ENKA Pazarlama is enrolled in	Organisations ENKA TC is enrolled in
Turkish Construction Equipment Distributors' and Manufacturers' Association (İMDER)	Russian Council of Shopping Centers (RCSC)
The Material Handling, Storage & Industrial Equipment Association of Turkey (İSDER)	US Green Building Council (Gold) (USGBC)
Foreign Economic Relations Board of Turkey (DEİK)	Green Building Council Russia (Premium) (RUGBC)
Statistical Institute of Turkey (TÜİK)	Moscow Investors Club
İstanbul Chamber of Commerce (İTO)	Organisations ENKA Schools Adapazarı is enrolled in
Organisations ENKA Foundation is enrolled in	Eco-Schools
Third Sector Foundation of Turkey (TUSEV)	White Flag
Turkish Marine Environment Protection Association	The International Baccalaureate Organisation (IBO)
Mediterranean Opera and Ballet Club Association (AKOB)	Organisations ENKA Schools İstanbul is enrolled in
Organisations ENKA Power is enrolled in:	Eco-Schools
İstanbul Mineral and Metals Exporters' Association	The International Baccalaureate Organisation (IBO)
Organisations CCI is enrolled in	Round Square
CRE Russia (Commercial Real Estate)	New England Association of Schools and Colleges (NEASC)
BREEAM In-Use	Council of International Schools (CIS)
Organisations ENKA Systems is enrolled in	Duke of Edinburgh Programme
Turkey Software Industrialists Association (YASAD)	World Wildlife Fund (WWF)
İstanbul Chamber of Industry	Organisations ENKA Schools Kocaeli is enrolled in
İstanbul Mineral and Metals Exporters' Association (İMMİB)	Ministry of Education School Democracy Assembly
Organisations MKH is enrolled in	
Association of European Businesses	

SUSTAINABILITY PRIORITISATION PROCESS AND STAKEHOLDER PARTICIPATION

ENKA identified its sustainability priorities through studies which took place over a three-month period in 2017 with intensive engagement of its internal and external stakeholders. In determining these priorities, ENKA made use of the dynamics of the sectors it is engaged in, economic, social and environmental impacts of these sectors and its own, sustainability risks and opportunities for ENKA and finally feedback from stakeholders which were received directly or indirectly, as described below.

DURING THE PROCESS OF IDENTIFYING PRIORITIES, FACE-TO-FACE WORKSHOPS WERE HELD WITH GROUPS OF STAKEHOLDERS, ESPECIALLY ENKA SUSTAINABILITY COMMITTEE, AND ONLINE QUESTIONNAIRES WERE PROVIDED FOR THOSE STAKEHOLDERS WHO COULD NOT BE REACHED FACE-TO-FACE.

A total of 266 stakeholder representatives, including the Sustainability Committee, senior management, ENKA employees, suppliers, non-governmental organisations and professional organisations, subsidiaries, vendors and customers participated and contributed to identifying the sustainability priorities for ENKA. Stakeholder groups which were included in the undertaking were identified together with ENKA's subsidiaries by taking into account influence and accessibility factors.

As a direct input to the development of ENKA's Sustainability Strategy, sustainability priorities were reviewed in 2018 in ENKA Sustainability Committee meetings through a review of the current activities of ENKA and its subsidiaries, stakeholders, risks, opportunities and goals and were updated with the addition of the Biodiversity topic. ENKA promises to conduct sustainability materiality surveys and detailed stakeholder participation process every two years.

WORKSHOPS AND SURVEYS CONDUCTED (2017)

Method	Stakeholder Group	Number of participants
Workshop	Senior Management	42
	Employees Group 1	27
	Employees Group 2	25
	Suppliers	10
	Non-Governmental Organisations and Professional Organisations	11
	Çimtaş	30
Total		145
Survey	Customers	15
	Sales Representatives	6
	Suppliers Group 1	3
	Suppliers Group 2	39
	Employees Group 1	10
	Employees Group 2	48
Total		121
Overall Total		266

The table on the next page lists ENKA's prioritised (material) sustainability topics and their scope which constitute the basis for sustainability works and were referenced and updated during the 2018 reporting period.

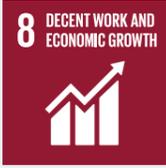
ENKA'S SUSTAINABILITY GOALS

As the result of the Sustainability Committee's work in 2018, taking the company's sustainability priorities, risk and opportunities, influence areas and stakeholder feedbacks into account, realistic and robust sustainability goals were identified for the year 2027, the year marking the 10th anniversary of ENKA's sustainability works and 70th anniversary of the company's establishment.

ENKA 70th Year Sustainability Goals are detailed on its corporate website and at the end of each chapter of this report for all stakeholders' information.

<https://www.enka.com/sustainability/home/strategy/sustainability-goals/>

ENKA'S MOST MATERIAL SUSTAINABILITY TOPICS

SUSTAINABLE DEVELOPMENT GOALS	MATERIALITY STRATEGY	MATERIAL ISSUES	GRI INDICATORS	UNGC	IMPACT (INTERNAL/EXTERNAL)
	<p>ENKA believes that the best way to social development is through quality education. ENKA Schools, which were founded in line with this purpose, provide quality education and learning opportunities to students and raise equipped individuals for society.</p> <p>As part of its principle of Care for Employees, ENKA believes in the need to invest in its employees, whom it sees as its primary stakeholders. Through ENKA Academy, it provides training opportunities prepared by industry-leading education firms and academic institutions to strengthen the professional and social abilities of its employees.</p>	<p>Employee Training and Development Socio-Economic Impact on Local Community Community Investment Programmes</p>	404-1/404-2		* / *
 	<p>During its operations, ENKA follows an approach that includes encouragement for entrepreneurship, creativity and innovation, ensures diversity and equality of opportunity, provides full and productive employment and abides by the principle of equal pay for equal work. In its operations around the world, ENKA takes the highest standards of business ethics to ensure sustainable growth.</p>	<p>Economic Performance Ethics and Compliance Employee Rights and Employee Satisfaction Occupational Health and Safety To be an Employer Brand</p>	<p>GRI 201-1/201-2/201-4 GRI 205-1 through 205-3 GRI 202-1/202-2 GRI 203-1/203-2 GRI 401-1 through 404-4 GRI 404-1 GRI CRE6 GRI 405-1 GRI 407-1/408-1 GRI 409-1 GRI 412-1 through 412-3</p>	<p>Principle 1 Principle 2 Principle 3 Principle 4 Principle 5 Principle 6</p>	* / *
	<p>With the awareness that water is the most vital resource, ENKA adopts a responsible water management approach in its projects and operations. ENKA integrates practices of sustainable and recyclable water use in its operations. In all of ENKA's operations, the uninterrupted access of employees to clean water and sanitary facilities is of the utmost importance.</p>	<p>Employee Rights and Employee Satisfaction Water Management Socio-Economic Impact on Local Community</p>	303-1 through 303-5 413-2	Principle 8	* / *
	<p>In all the fields in which it is active, ENKA is sensitive to the effective management of energy. ENKA contributes to SDG 7 by generating power as efficiently as possible in its power generation activities, which is one of ENKA's main business segments; its contributions to developing environment-friendly buildings, facilities and renewable power plants through its project and construction work and energy management which it has integrated to its operational activities.</p>	<p>Carbon Footprint and Energy Efficiency Environment Friendly Materials, Equipment and Green Buildings</p>	<p>GRI 302-1 through 302-4 GRI 305-1 through 305-5 GRI CRE3/CRE4</p>	<p>Principle 7 Principle 9</p>	* / *
	<p>With industrial and infrastructure projects to which it makes direct contributions for sustainable growth, ENKA always prioritises an innovative perspective. As the first Turkish construction company to be given the title of "Design Centre", ENKA has always provided services at the highest level in all design and engineering activities it was involved in and has always valued innovation works to constantly improve its capabilities in this field.</p>	<p>Innovation and R&D Work Community Investment Programmes Customer Satisfaction</p>	ENKA Specific topic	Principle 9	* / *

SUSTAINABLE DEVELOPMENT GOALS	MATERIALITY STRATEGY	MATERIAL ISSUES	GRI INDICATORS	UNGC	IMPACT (INTERNAL/EXTERNAL)
	With the infrastructure projects it has realised over the years, ENKA has provided dependable resources for the needs of low-income and fragile groups. Furthermore, it provides scholarship opportunities for students at ENKA Schools Adapazarı, which was founded to provide education for children affected by the 1999 Marmara Earthquake and at ENKA Schools Kocaeli.	Community Investment Programmes	ENKA Specific topic		/ *
	With the durable, sustainable and resource effective environment-friendly buildings it produces, ENKA contributes to the development of comprehensive and sustainable urbanisation.	Environment Friendly Materials, Equipment and Green Buildings	ENKA Specific topic		* / *
	ENKA has proven its commitment to responsible consumption and production with its work on the sustainable management and efficient use of natural resources and its projects for increasing efficiency. IENKA supports its commitment with responsible supply chain management and resource-efficient productivity increasing innovation works.	Responsible Supply Chain Management Product and Service Quality	GRI 308-1/308-2 GRI 414-1/414-2	Principle 10	* / *
	ENKA accepts that climate change is one of the greatest problems that humankind faces and contributes to combating climate change with works on emissions reduction, energy efficiency, impact mitigation and adaptation.	Carbon Footprint and Energy Efficiency Environment Friendly Materials, Equipment and Green Buildings Water Management Waste Management	GRI 302-1 through 302-4 GRI 305-1 through 305-5 GRI CRE3/CRE4	Principle 7	* / *
	ENKA is aware of the importance of partnerships to achieve the Sustainable Development Goals. As a signatory of the United Nations Global Compact and a member of the Business Council for Sustainable Development, ENKA supports the works carried out with NGOs to achieve the Sustainable Development Goals in national and international platforms.	-	ENKA Specific topic		/ *
 	In all its activities, ENKA takes all necessary measures to manage its impact on the nature and keeps biodiversity protection as its basis. ENKA also develops biodiversity action plans to reduce the impact on flora and fauna at locations where it operates.	Biodiversity	GRI 304-1 through 304-4		/ *

ETHICS AND COMPLIANCE

ENKA ADOPTS ETHICAL PRINCIPLES AS A CORE VALUE, AS PART OF THE PRINCIPLE OF "NOT COMPROMISING ON INTEGRITY, HONESTY AND FAIRNESS", WHICH IS AN IMMUTABLE PART OF ITS CULTURE. IN THIS REGARD, ENKA TAKES A TRANSPARENT AND ACCOUNTABLE APPROACH TO GOVERNANCE AND DOING BUSINESS IN FULL COMPLIANCE WITH LAWS AND UNIVERSAL PRINCIPLES OF HUMAN RIGHTS AS A UNIFIED WHOLE.

ENKA expects all of its employees, representatives, subsidiaries, suppliers and subcontractors to engage in fair, honest, impartial, transparent and accountable relations with their co-workers, society-at-large and rivals and to comply without fail with all relevant national and international laws and regulations throughout their activities.

ENKA communicates its ethical values, form of governance and rules to all of its employees using ENKA Code of Business Conduct. These rules apply equally to all employees at ENKA and its subsidiaries, including ENKA's senior management and managers at every level.

TEİD MEMBERSHIP

In 2017, ENKA became a member of the Ethics and Reputation Society (TEİD), which is the most active civil society organisation in Turkey that aims to form a culture of ethics and compliance at the institutional level and to combat corruption and bribery. Following the onset of cooperation with TEİD, three ENKA employees from ENKA Corporate Quality, HSE & Integrity Directorate and ENKA Corporate Legal Department took part in

the Ethics and Compliance Management Certification Programme and successfully completed 36 hours of training. The ENKA Code of Business Conduct including the anti-corruption policy was revised using gains made from the training carried out in cooperation with TEİD.

ENKA CODE OF BUSINESS CONDUCT

ENKA Code of Business Conduct, which was formed to communicate ENKA's ethical values and principles to all stakeholders consists of elements that describe the way ENKA does business. ENKA Code of Business Conduct, which is published upon approval of ENKA's President and Chairman of the Executive Committee can be accessed by all employees through ENKA's Document Management System EDMS. All stakeholders may access the Code of Business Conduct in English, Turkish, Russian and Arabic on ENKA's corporate website.⁵

To ensure that all of its employees act in compliance with ethics and human rights from day one, ENKA has made the Code of Business Conduct a part of the orientation training for new hires. As of the end of 2018, all employees at ENKA had completed the orientation program, which means they have also completed the Code of Business Conduct Training.

ENKA SUPPLIER CODE OF CONDUCT

ENKA expects all persons, groups and organisation with which it works to comply with its culture of ethics. In this regard, ENKA expects all suppliers, subcontractors, consultants and business partners (altogether referred to as "Suppliers") to comply with the ENKA Supplier Code of Conduct.

ENKA has grouped the rules for conduct it expects its suppliers to follow into five categories:

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

⁵ https://www.enka.com/allfiles/media/pdfs/ENKA_Code_of_Conduct_2018_ENG.pdf

As required by ENKA internal procurement procedures, the Supplier Code of Conduct and the procedure to be followed in case of violations are communicated to suppliers before the signing of the contract. In addition, ENKA Supplier Code of Conduct is available on ENKA's corporate website in English, Turkish, Russian and Arabic.⁶

ENKA Supplier Code of Conduct, which was published in 2017, was revised during the final quarter of 2018 to extend its scope to cover ENKA Pazarlama's dealers and to detail the procedure to be followed in case of violations.

Suppliers' performance in complying with ENKA Supplier Code of Conduct is inspected through the Supplier Sustainability Audit Programme that began in 2018. As part of its work on sustainability, ENKA plans to carry out supplier and dealer workshops that will cover ENKA Supplier Code of Conduct in 2019.

EXECUTIVE ETHICS AND COMPLIANCE COMMITTEE

The Executive Ethics and Compliance Committee was established in 2017 in order to ensure that ENKA runs an effective and robust ethics and compliance programme. In addition to the ongoing activities of the Executive Ethics and Compliance Committee, all managers at ENKA and its subsidiaries are responsible for forming a positive working environment and to encourage the continuation of a culture which treats of people with respect and dignity, which is necessary for the sustainability of a positive working environment.

For more information on the Executive Ethics and Compliance Committee, please visit:

<https://www.enka.com/sustainability/home/ethics-compliance/executive-ethics-compliance-committee/>

ENKA ETHICS HOTLINE

In 2017, ENKA introduced its Ethics Hotline to ensure that open and transparent communication is maintained, that employee, local communities and all parties engaged in a business relationship (suppliers, subcontractors, subcontractors' workers, customers, business partners etc.) can report behaviour that violates company policies and receive advice for matters that are unclear to them. Employees and all relevant stakeholders may convey concerns that they cannot alleviate by dealing with their managers or local project management to ENKA Ethics Hotline.

For more information on Ethics Hotline, please visit:

<https://www.enka.com/sustainability/home/ethics-compliance/enka-ethics-hotline/>

⁶ https://www.enka.com/allfiles/media/pdfs/ENKA_Supplier_Code_of_Conduct_2018_ENG.pdf

INTEGRITY MATTERS. DO THE RIGHT THING.
speak up!



Ethics Hotline
+90 (212) 376 10 10
Confidential

Available on Monday - Friday from 9:00 am to 6:00 pm
in Turkish, English, Russian & Kazakh languages

for more information:
<http://www.enka.com/sustainability/home/ethics-compliance/enka-ethics-hotline/>



Calls to the Ethics Hotline are categorised by Ethics Hotline personnel and are reported to the Executive Ethics and Compliance Committee. The Executive Ethics and Compliance Committee is responsible for assessing, investigating and concluding every report made to the Ethics Hotline.

In order to ensure awareness of the Ethics Hotline at ENKA Corporate Headquarters and subsidiaries, newsletters have been published and posters for the Ethics Hotline in various languages were put up where employees can see them at every location. In addition, communication details for the Ethics Hotline were included in the orientation training and placed on ENKA's website.

In order to raise awareness among employees and managers on ethics and human rights, as well as the ENKA Code of Business Conduct and ENKA Ethics Hotline, companywide Ethics and Human Rights in Working Life training was held in 2018. The 12 training sessions, which were carried out at ENKA and its subsidiaries at different locations, included a session for ENKA senior management with the aim of increasing the awareness of managers in this field.

The table below shows the number of participants in the Ethics and Human Rights in Working Life training held in 2018.

2018 DATA FOR ETHICS AND HUMAN RIGHTS IN WORKING LIFE TRAINING			
Training Group	Number of participants	Training duration (hours)	Total -person-hours
Ethics Hotline Employees	12	14	168
ENKA Headquarters (various departments)	73	3.5	255.5
Senior Management	14	3.5	49
ENKA Sports	9	3.5	31.5
ENKA Schools	43	3.5	150.5
ENKA Moscow	36	3.5	126
ENKA Power	140	3.5	490
Çimtaş	5	3.5	17.5
Total person-hours of training			1,288

In addition to this training, Occupational Health and Safety Training for all ENKA Headquarters employees was held in 2018. The training, which was delivered by Corporate HSE, Human Resources and Healthcare Office representatives as trainers, included ENKA Code of Business Conduct as a separate chapter.

In 2018, ENKA Ethics Hotline received calls on a number of subjects from ENKA and subsidiaries' employees, former employees, suppliers and subcontractors. Most of the calls were for purposes of seeking information or on subjects not relevant to the Ethics Hotline, but eight were treated

as reporting an incident. Among the reports, there was one allegation of discrimination, one allegation of mobbing, three allegations of bribery/corruption and each allegation was investigated by the Executive Ethics and Compliance Committee. As of December 2018, all reports to the Ethics Hotline had been resolved and there weren't any reports pending response.

People who file reports with the Ethics Hotline are not treated negatively in any way and their personal information remained confidential.

HUMAN RIGHTS ASSESSMENT

ENKA CONDUCTS ALL OF ITS BUSINESS ACTIVITIES IN A MANNER RESPECTFUL OF HUMAN RIGHTS OUTLINED IN THE UNIVERSAL DECLARATION OF HUMAN RIGHTS, COMPLYING WITH THE REQUIREMENTS OF UNITED NATIONS GLOBAL COMPACT OF WHICH IT IS A SIGNATORY, IN COMPLIANCE WITH THE CONVENTIONS PUBLISHED BY INTERNATIONAL LABOUR ORGANISATION AND EXPECTS ALL OF ITS STAKEHOLDERS TO ADOPT A SIMILAR ATTITUDE.

A number of activities were carried out to ensure that human rights requirements are met at the same standards by all units and employees of ENKA in all activities. In 2017, ENKA Code of Business Conduct was revised, ENKA Supplier Code of Conduct was formulated and all relevant parties were informed. In addition, internal procurement procedures were updated with the addition of sustainability requirements to the selection criteria and performance evaluation questions and the updated procurement procedure was adopted by all departments in 2018.

A procedure prepared for use at ENKA projects and group companies which details requirements for communicating with local communities in project locations for formulated and began to be used at active projects in 2018.

ENKA believes that education and training play an important role in raising the awareness of its employees on human rights. In 2018, Ethics and Human Rights in Working Life training was held with comprehensive participation. ENKA's approach to human rights is communicated at ENKA projects through the introduction of ENKA Code of Business Conduct at orientation training for new employees.

In addition, in line with human rights risks that project locations may be exposed to, location-specific trainings are also held. For example, at an ongoing project in Sri Lanka, due to the country being located in a high-risk region for human trafficking, 199 employees participated in training sessions titled "Combating Human Trafficking" and "Know Your Rights" and informative leaflets were distributed to employees after the training sessions. 89% of the participants of the training were local personnel.

ENKA constantly communicates with local administrations in countries where it operates in order to establish cooperation that will contribute to ENKA's local employees and to protect their rights. One of the most significant examples of this practice is ENKA's Industrial Working Relations Department, specifically for its employees who are Kazakh citizens in Kazakhstan, where ENKA has been active for long years. This department runs joint work for Kazakh employees with departments at Governor's Offices and especially with the Office for Employment, Social Programmes and Registration of Marital Status.

All of ENKA's operations and investments are assessed in terms of human rights. Among the diverse sectors and locations in which ENKA is active, the human rights issues that come up the most are the prevention of forced labour and child labour and respect for right to organise and collective bargaining. ENKA's stance on these issues and what it expects from its stakeholders are clearly outlined in ENKA Code of Business Conduct and Supplier Code of Conduct.

Child labour and forced labour is forbidden throughout the value chain, including the activities of ENKA and its subsidiaries and the activities of suppliers and subcontractors working with ENKA. The activities of ENKA and its subsidiaries are regularly inspected by internal audit teams to this end. With Ethics and Compliance Audits that will be carried out in addition to internal audits beginning in 2019, the compliance of projects and group companies with human rights and ENKA Code of Business Conduct will become subject to additional audits. ENKA and its group companies do not do business with any supplier that has a record of employing informal child or youth labour and forced labour. Suppliers are inspected to this end during audits by project Quality and HSE departments. Furthermore, with the Supplier Sustainability Audits that began in 2018, other firms are assessed in terms of human rights compliance.

During routine inspections and audits undertaken in the reporting period, no cases of forced labour or employment of child labour were encountered at ENKA, its subsidiaries and suppliers.



The right to organise and collective bargaining as defined by the relevant laws and regulations is abided by and employees' and suppliers' right to set up or join trade unions is respected at all activity locations. No demands or complaints were conveyed to ENKA during the reporting period regarding this matter and no violations were encountered during internal audits that were carried out. For employees and suppliers who want to convey potential demands or complaints regarding this matter, projects

regularly hold OHS Committee Meetings and ENKA Ethics Hotline, that became operational in 2017, is available.

At the Tengiz Oil Field Development Works Project in Kazakhstan where ENKA İnşaat is active, all local employees work under conditions established by collective bargaining.

The distribution of workers at the said project is shown in the table below.

	WHITE COLLAR			BLUE COLLAR			TOTAL
	Turkish National	Local National	Other National	Turkish National	Local National	Other National	
Tengiz Oil Field Development Works	206	665	75	111	1,832	48	2,937



Kashagan Oil Field Development

ÇİMTAŞ PRACTICES

At ENKA subsidiary Çimtaş, trade unions are active and collective bargaining is implemented.

At Çimtaş Steel, Cımtas Pipe and Çimtaş Precision Machining locations the Türk Metal Trade Union and at Çimtaş Module and Shipyard location Türkiye Dok Gemi-İş trade unions are authorised workers' trade unions. A NFTZ committee is active at Cımtas Ningbo (China).

At Çimtaş Module and Shipyard location, a collective bargaining agreement covering the period from March 1st 2017 to February 28th 2020 was signed with the Türkiye Dok Gemi-İş trade union on March 27th 2017. The collective bargaining agreements that apply for Çimtaş Steel, Cımtas Pipe and Çimtaş Precision Machining locations were extended to cover the period from September 1st 2017 to August 31st 2019 following negotiations with the Türk Metal trade union.

LOCATION	TOTAL NUMBER OF EMPLOYEES	EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENT	PERCENTAGE (%)
Çimtaş Steel	797	571	71.6%
Cımtas Pipe	803	477	59.4%
Çimtaş Module and Shipyard	136	71	52.2%
Çimtaş Precision Machining	209	105	50.2%
Cımtas Ningbo	347	343	98.8%
Total	2,292	1,567	68.4%

PREVENTION OF CORRUPTION AND UNFAIR COMPETITION

While ENKA strengthens its corporate management systems to meet international standards in best practices and further develops its competitiveness in the challenging locations and sectors in which it is active, it does not compromise on its ethical, fair and transparent way of doing business.

ENKA ACTS IN KEEPING WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AND EXPECTS ALL OF ITS EMPLOYEES, BUSINESS PARTNERS AND PERSONS AND INDIVIDUALS WITH WHICH IT ESTABLISHES BUSINESS RELATIONSHIPS TO ACT IN FULL COMPLIANCE OF LAWS AND REGULATIONS AND IN AN ETHICAL AND FAIR MANNER.

In all of its business activities, ENKA maintains the principle of anti-bribery and anti-corruption, which constitutes principle 10 of the United Nations Global Compact and enforces the principle of "zero tolerance" for bribery and corruption.

ENKA's approach and policy for combating bribery and corruption is clearly outlined in ENKA Code of Business Conduct and Supplier Code of Conduct.

All operations by ENKA and its subsidiaries are evaluated in terms of risks to compliance with human rights and combating corruption by the Early Identification of Risks Committee, Risk Management Work Group and project management teams. Monitoring and reporting activities are then carried out by various internal mechanisms that are established and a compliance programme that includes training activities, is implemented.

The anti-bribery and anti-corruption policy is communicated to all employees as part of the ENKA Code of Business Conduct through newsletters and orientation training activities that cover the entire company, including senior management and managers at every location. ENKA Academy and project training departments provide trainings on the ENKA Code of Business Conduct and combating corruption, especially for ENKA employees but also for business partners, shareholders, suppliers and all other stakeholders.

To make fundamental human rights widely observed throughout the value chain and for organisations engaged in business to act in keeping with ENKA's ethical rules, ENKA organises ethics and compliance training. Of the 19,500 employees who attended training on human rights, the Code of Conduct and combating corruption, 1,239 were employees of business partners. A breakdown of number of attending employees by business partner is given below:

COMPANY	NUMBER OF PERSONNEL ATTENDED
Personnel from Bechtel	1,020
Personnel from GE	40
Personnel from Caddell	54
Personnel from Kentz	105
Personnel from the Clean Energy Group	20

In 2018, 882 people employed at various positions took part in training that included ENKA Code of Business Conduct and combating bribery and corruption through either Ethics and Human Rights in Working Life training or Occupational Health and Safety training. A separate training session was held for the senior management of ENKA and its subsidiaries to raise awareness.

SENIOR MANAGEMENT UNITS TRAINED IN ANTI-CORRUPTION

As specified under 2027 ENKA Sustainability Goals, 100% of all white-collar and 90% of all blue-collar workers are expected to receive Ethics and Human Rights training by 2027. To this end, an online training programme that covers ENKA Code of Business Conduct, as well as the policy on combating bribery and corruption will be formulated in 2019.



As a result of the risk assessment carried out with the locations of ENKA's activities in mind, local supply chains were found to present risks in terms of combating corruption. ENKA shares its rules on anti-bribery and anti-corruption as part of its Supplier Code of Conduct on its website, through newsletters and workshops, and directly with all suppliers, sub-contractors and business partners before a contract is signed. ENKA assesses all suppliers and subcontractors during selection

and performance evaluation on the issue of bribery and corruption and does not work with firms which have a negative record. No cases of corruption were encountered in supplier audits carried out in 2018 and no allegations of corruption against its suppliers have been communicated to ENKA.

In all of its worldwide activities, ENKA complies with the laws of relevant countries. Any type of action that breaches the law, could cause damages to the company and/or can be defined as criminal corruption is treated with caution and monitored sensitively. All of ENKA's processes are run in accordance with corporate and project procedures and corporate headquarters departments take a part in the processes, acting as both support and control mechanisms.

In addition to control mechanisms, all ENKA projects and subsidiaries are inspected by internal audit teams at regular intervals to combat bribery and corruption. Within the scope of annual audit plan, comprehensive audits consisting of policy and performance based process control, financial tables and reports, cost control, local and international regulations and compliance and quality audits are conducted. The audits are carried out by the internal audit team of more than 30 experienced auditors and in compliance with the International Standards on Auditing. The audit results are reported to senior management and corrective actions on any nonconformities are implemented as soon as possible. No cases of corruption were identified in the internal audits that took place in 2018.

FOR CONTROL AND AUDITING PROCESS, A MULTI-STAKEHOLDER APPROACH IS PREFERRED AT ENKA AND IN COMPLIANCE WITH THIS APPROACH, MANAGEMENT SYSTEMS ARE REGULARLY AUDITED BY INDEPENDENT AUDITORS.

In addition to regular internal audits, it is planned to conduct Ethics and Compliance audits at all ENKA subsidiaries and projects from 2019 onwards to cover the issue of combating bribery and corruption.

In addition to all other control systems, Ethics Hotline has been instituted, which is available for all employees, suppliers, subcontractors and business partners to report any cases or suspicions of corruption. The hotline can be reached by all stakeholders, who can make reports anonymously should they choose to do so.

During the reporting period, no criminal cases were launched against the company on charges of corruption and no business contracts have been annulled due to corruption. Two cases of corruption or bribery were identified by ENKA's internal control mechanisms during the reporting period. Both cases were identified in procurement processes by works performed as part of ENKA's internal control procedures and the employment contracts of two ENKA employees involved in these cases were terminated. Following the identification of the cases, root cause analyses were carried out and an investigation sponsored by ENKA's senior management was launched, improvements were made to procedures and ENKA's internal softwares in order to prevent similar cases, employees were informed by newsletters and the scope of internal audits was extended in the fields of finance, accounting and financial control.

ENKA follows the principle of not adopting any political views and beliefs and not providing in cash or in kind, direct or indirect aid or support to political organisations and persons in countries where it operates. ENKA establishes transparent communications with public authorities in countries of operation, and keeps its communication level in compliance with the fair competition laws of the said country. ENKA maintains the same ethical, transparent and fair approach in relations with its competitors and avoids all forms of behaviour that may be anti-competitive, abides by established confidentiality rules and takes a stance against all actions that may constitute steps towards monopolisation or forming trusts. There were no cases of anti-competitive behaviour, monopolisation or trusts forming identified during the reporting period and no court cases were brought against the company.



STAKEHOLDER
ASPECT

“CUSTOMERS RELY ON ENKA TO HELP ADDRESS SUSTAINABILITY CHALLENGES AND ISSUES.”

Sustainability at ENKA means meeting the needs of our Customers while conducting business in a socially, economically and environmentally responsible manner to the benefit of future generations.

Our Customers expect ethical conduct; high levels of employee knowledge and expertise; excellence in health, safety and environmental matters; a proactive approach to community involvement; and an aggressive supply chain and procurement methodology.

Customers rely on ENKA to help address sustainability challenges and issues, including the need to improve energy efficiency, reduce

greenhouse gas emissions and design and build more environmentally friendly, less costly manufacturing facilities.

Our practices create fundamental value for ENKA and all of our stakeholders, Customers and their customers, employees, investors, suppliers, subcontractors and the communities in which we operate to sustain a better future.

Onur Kaya
Director of Quality, HSE & Integrity



RESPONSIBLE SUPPLY CHAIN MANAGEMENT

ENKA believes that in order for its sustainability efforts to be successful, the sustainability approach needs to be spread throughout the value chain. In this sense, ENKA views its suppliers as important parts of the value chain and intends to make the entire supply chain a part of the progress and development it seeks for itself.

IN ALL FIELDS IT IS INVOLVED IN, ENKA WORKS WITHOUT COMPROMISE FROM ETHICAL RULES AND IN KEEPING WITH THE NATIONAL AND LOCAL LAWS AND REGULATIONS AS WELL AS THE STIPULATIONS OF INTERNATIONAL STANDARDS. IN LINE WITH THIS, ENKA EXPECTS ITS SUPPLIERS AND PARTNERS TO ACT IN KEEPING WITH ETHICAL RULES AND TO MEET THE REQUIREMENTS OF RESPONSIBLE MANAGEMENT.

With its philosophy of continual improvement and creating value together, ENKA assesses all of its suppliers according to their fields of activity and reviews supply chain risks and suppliers' approach to environmental, social and economic sustainability.

ENKA's senior management decided in May 2018 to form a Corporate Supply Chain Department and the department was established and began operating in August 2018. The Corporate Supply Chain Department is responsible for the functional management and auditing of all procurement units throughout ENKA, but it does not carry out procurement itself. By focusing on the company-wide use of new generation procurement methods and e-trade applications, it ensures a widening of the supplier pool and its effective use by all procurement units.

To establish data mining infrastructure in order to carry out mass analyses of all procurement transactions and to keep statistics that will ensure future strategic decisions are taken based on data, an experienced data architect is employed full time at the department. Intensive work is being undertaken with the software team on new generation procurement applications, development of a supplier interface and data mining. As a result of the work carried out over a few months, all procurement transactions carried out at ENKA projects over the last eight years were stored on a shared platform for analysis to reveal ENKA's procurement profile for the last eight years.

ENKA Supplier Code of Conduct was published in 2017 in Turkish, English, Russian and Arabic and was communicated to new and existing suppliers by various means of communications and ENKA's website. All contracts signed with our suppliers include the terms of ENKA Supplier Code of Conduct and suppliers and their employees are asked to conduct their activities in line with ENKA Supplier Code of Conduct.

ENKA aims to expand its sustainable and responsible supply chain approach to include ENKA Pazarlama dealers, which are among its stakeholders. ENKA plans to hold a sustainability workshop for ENKA Pazarlama dealers in February 2019 to communicate the ENKA Supplier Code of Conduct, including sustainability policy and approach and anti-bribery and anti-corruption policy and to increase the awareness and consciousness of participating firms on these issues.

SELECTION OF SUPPLIERS

The selection of suppliers is carried out by procurement departments, using criteria such as line of business, the needs and expectations of parties and special requirements concerning the demanded products or services.

Procurement activities are carried out by treating every supplier fairly and as equals and in line with the procurement and supplier selections procedures prepared for ENKA and its subsidiaries and other requirements. ENKA pays utmost attention to select suppliers according to their competence and pays its suppliers by criteria established by contract.

Any firm that wants to develop a business relationship with ENKA may register to the ENKA Global Vendor Network portal. The ENKA Global Vendor Network (EGVN) contains trade information on all suppliers,

service providers, subcontractors and other third parties with which business relations have been established. All information belonging to other firms are kept confidential at ENKA.



ENKA Global Procurement System (EGPS) is a global procurement and warehouse management software that was developed to monitor the entire procurement process end-to-end, beginning with procurement planning, proceeding through receiving offers, holding a tender, evaluating tenders, issuing purchase orders, shipping, warehouse acceptance, storing and finally issuing of the goods and allows recording and control of material and equipment purchases at every stage.

With improvements made to the EGPS in 2018, it became possible for registered suppliers to be invited to put in tender offers using the EGPS. Suppliers that are invited to tenders can enter the portal with their own user information to make offers directly and can access the details of tenders they have previously participated in on their home page. Furthermore, the questions and answers and informative correspondence throughout the tender process are shared with all suppliers in full transparency. Thus the offers process, which used to be run by e-mail and on the phone, has been fully integrated with the online system and become fully observable and transparent. In 2019, work will continue on perfecting these applications in light of feedback from suppliers and procurement units.

THE TARGET FOR THE END OF 2019 IS TO HAVE CARRIED OUT MORE THAN HALF OF THE NUMBER OF PROCUREMENT TRANSACTIONS USING ELECTRONIC PROCUREMENT METHODS.

Before coming to an agreement with any firm, ENKA's procurement units run a pre-qualification assessment. Among the criteria for the pre-qualification assessment are the volume of goods and services to be purchased, risk level, supplier assessment results, time and cost analyses, quality assessment analyses, environmental performance, business experience of the supplier as well as their performance and attitude to ethics, compliance and sustainability.

Sustainability factors were included in the corporate procurement procedure and the supplier pre-qualification and performance evaluation criteria in 2017 and began to be used by all procurement units in 2018. These factors include the following main criteria:

- Health, Safety and Environment Management Systems
- Measurements for water consumption, carbon footprint and waste management
- Promises to conduct ethically and in compliance with human rights
- Policies and procedures on preventing child labour and forced labour
- Policies and procedures on bribery and corruption
- Policies and procedures on preventing discrimination and harassment
- Legal compliance with workers' rights and working hours
- Social responsibility projects
- Supplier's evaluation of its sub-suppliers on social and environmental compliance criteria

Given business lines ENKA is engaged in, among the most important selection and evaluation criteria are Occupational Health and Safety (OHS) and Environmental performance. Suppliers with which work is carried out or will be carried out as stakeholders have to meet comprehensive and detailed OHS and Environmental selection criteria.

Suppliers are categorised by their sector, amount and value of procurement, critical materials or services they offer, the continuity of the business relationship, ability to offer goods and services at international standards, strategic importance due to constraints on time or resources and risk class. The categorisation guarantees outputs that provide the highest benefit and value added in keeping with requirements.

SUPPLIER ASSESSMENT

The monitoring and evaluation of the performance of suppliers is among the most important criteria for the healthy functioning of a sustainable supply chain.

ENKA RUNS EVALUATION SYSTEMS ON ELECTRICAL PLATFORMS TO MEASURE ITS SUPPLIERS' PERFORMANCE, SCHEDULE, COST, QUALITY, OCCUPATIONAL HEALTH AND SAFETY, ENVIRONMENTAL, ETHICAL AND SOCIAL PERFORMANCE.

In 2017, additional sustainability subjects such as compliance with ethics, human rights and ENKA Supplier Code of Conduct, environmental and social compliance and combating bribery and corruption were added to the list of questions for performance evaluation.

The evaluations were carried out electronically, using the ENKA Global Vender Network (EGVN) database. Performance scores based on the assessments can be accessed by all ENKA users through the EGVN. Before any potential supplier is contracted, the former performance of the supplier is checked on EGVN and no contracts are offered to suppliers whose assessment score is under the acceptable limit, and if any human rights violations or cases of bribery and corruption have been detected.

In 2018, ENKA assessed 9.82% of the suppliers it works with in terms of ethics, human rights, combating bribery and corruption, OHS, environmental and social issues. No cases of environmental or social non-compliance were identified at the firms as a result of the evaluation. ENKA decided not to work with 14 suppliers as they did not meet the assessment criteria or performed poorly.



Moscow Public Buildings

588



COMPANIES' PERFORMANCE EVALUATION COMPLETED IN 2018

During the reporting period, ENKA TC, an ENKA real estate subsidiary active in Russian Federation, carried out an assessment of six waste disposal services firms for environmental impact and two cleaning services firms for their social impact, as the activities of these suppliers were identified as risk areas. Contracts with two of the firms assessed for environmental impact were cancelled, as it was identified that they did not practice waste sorting at their own facilities. The firms assessed for their social impact were examined especially in terms of working conditions and worker payments and no cases of non-compliance were observed.

In 2018, ENKA began to carry out sustainability audits of suppliers which are of strategic significance to ENKA. The audits carried out by Corporate Sustainability Department focused on ethics and compliance, human and workers' rights, combating bribery and corruption, social compliance, occupational health, safety and environmental management. In the audits that took place during the reporting period, no cases of child labour or forced labour, or cases of corruption, were encountered. The audits are intended to identify issues in need of improvement, leading suppliers to prepare the necessary sustainable improvement action plans and act in accordance with the plans. The audits are therefore intended to contribute to improvements in the existing systems of suppliers.

According to article 7 of section 3.2 Human Rights and Fair Working Conditions of ENKA Supplier Code of Conduct, all suppliers and service providers that work with ENKA have to respect the right of their employees to establish independent trade unions, become members of such unions and to organise at the workplace. During the reporting period, no violations of employees' right to organise and collective bargaining were encountered at supplier firms and no reports, complaints or tip-offs about such an issue were received.

Any cases of non-compliance identified during supplier assessment are officially communicated to the supplier's management as soon as possible. According to the type of non-compliance and the stipulations of the contract with the supplier, measures such as issuing a warning, punitive action or annulment of contract may be enforced.

LOCAL PROCUREMENT

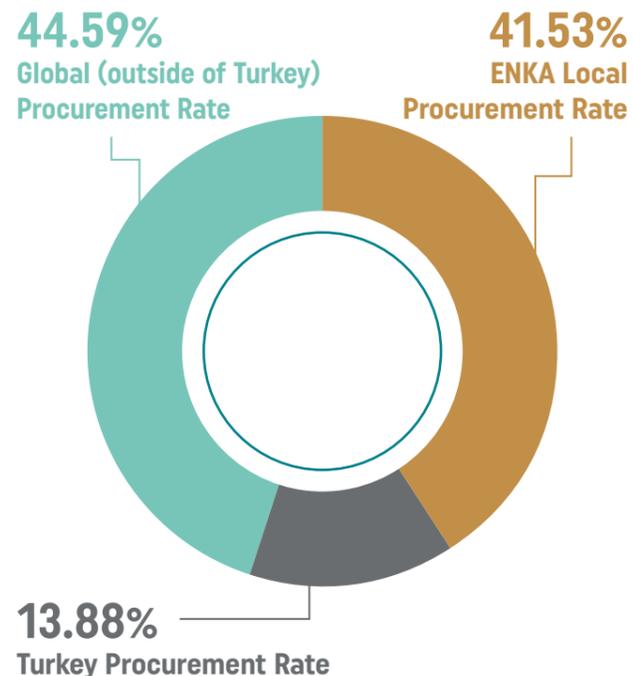
In projects it undertakes in many regions around the world, ENKA carries out considerable local procurement and thereby supports the economic development of local communities. For ENKA, the term 'local suppliers' denotes suppliers registered within the territory in which ENKA is active.

With its strategy of local procurement, ENKA not only supports the development of local communities, but also prevents loss of natural resources and time as well as negative impacts on society and the environment due to the logistics of international procurement.

During the reporting period, ENKA İnşaat's share of consolidated local procurement of goods and services stood at 41.53% of its consolidated international purchases. 13.88% of procurement was sourced from Turkey.

LOCAL PROCUREMENT RATES BY PROJECT

In line with ENKA's sustainability strategy, ENKA subsidiaries also prioritise local firms for purchases, provided that technical conditions and standards are met. In 2018, the local procurement rate was 94% at ENKA Power, 37% at ENKA Pazarlama; 95% at MKH, 100% at Mosenka, 99.4% at ENKA TC and 95% at CCI which operate in Russia; and 82% in Cimtas Ningbo which operates in China.



PROJECT NAME	LOCAL PROCUREMENT RATE (%)
Athens Embassy Project	21.96%
Dhi Qar 750 MW Combined Cycle Power Station	46.12%
FGP 3GP Project	14.99%
India Embassy Project	16.89%
Kashirskaya Project	84.22%
Kenya Embassy Project	5.75%
Kosovo Route 6 Project	54.64%
Mexico Embassy Project	14.44%
Nizhnkamskneftekhim Combined Cycle Power Station	19.74%
Paraguay Embassy Project	23.49%
Basra Umm Qasr Project	32.46%
Samawa Combined Cycle Power Plant	51.52%
SCPX Early Works and Facilities	58.13%
Sri Lanka Embassy Project	18.30%
Kazan TAIF Business Centre Project	95.53%
Tengiz Projects	66.94%
West Qurma 1 IOT Project	77.13%

RISK MANAGEMENT

BEHIND ENKA'S ABILITY TO OVERCOME CHALLENGES AND CONTINUE ITS SUCCESS IN THE DIFFICULT GEOGRAPHIES AND COMPETITIVE SECTORS IT ENGAGES IN, LIES A RISK MANAGEMENT APPROACH THAT ENCOURAGES MULTI-STAKEHOLDER PARTICIPATION, FOLLOWS CHANGES, MONITORS INTERNATIONAL STANDARDS AND DEVELOPMENTS AND AS A RESULT IS CAPABLE OF TURNING RISKS INTO OPPORTUNITIES.

Risk management is a component of all ENKA's processes and activities, and risk-based thinking is encouraged by ENKA's senior management.

During the risk management process, ENKA's present and potential activities are assessed not only in terms of financial and legal risks, but also for economic, environmental and social risks. At ENKA, the highest organ responsible for the risk management function is the Early Identification of Risks Committee, which reports to the Board of Directors. In 2017, a Risk Management Work Group was established under the Committee to ensure that an active and effective risk management programme is implemented.

The purpose of the Committee is the early identification of any potential risks that might jeopardise the existence, development and continuation of the company, the implementation of preventive actions concerning identified risks, and undertaking work related to risk management and review risks management systems in force at least once a year. The Committee meets at least six times every year with a maximum interval of two months and consists of the non-executive members of the Board of Directors.

The Risk Management Work Group was formed to ensure that corporate risks are identified, the means of risk reduction are specified, and that identified measures against risks are assessed and implemented.



Given the field of activity of the ENKA, the risks are taken up concerning sustainability issues and risk management covers ethics and compliance, human rights, anti-corruption, climate change, biodiversity and natural resources, engagement with communities as well as talent management risks in addition to strategic, financial, operational, external environment and brand management risks. Sustainability related risks are identified early by means of communications with stakeholders and the monitoring of international trends, standards and practices performed by the Sustainability Department and the Sustainability Committee and are mitigated through a proactive approach.

Risks identified during the risk management process are assessed and scored according to their probability and impact potential. For the mitigation of highest scored risks, a responsible manager is appointed at the company and/or group level. Identified risks are categorised as "to be avoided", "to be transferred", "to be mitigated" or "to be accepted" in the risk management strategy. The risk management strategy is formulated so that risks remain below the tolerance threshold identified by the Board of Directors.

ENKA's internal risk management mechanisms and procedures for the identification, monitoring and mitigation of risks are supplemented in sustainability fields such as ethics and compliance, human rights, combating corruption and the environment by the international promises and guidelines such as United Nations Global Compact (UNGC) of which ENKA is a signatory and the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD) and management standards ISO 9001, ISO 14001 and OHSAS 18001 for which ENKA is audited and certified.

In assessments that were carried out during the reporting period, emerging risks on international scale were identified as changes to legislation and regulations in countries where ENKA is active, climate change risks, information security risks that advancing technology brings along and especially financial risks caused by exchange rate fluctuations.



PRODUCT AND SERVICE QUALITY

ENKA has established a reliable Quality Management System, that is certified, implemented and continually improved in order to ensure business efficiency in projects undertaken, develop process performance, constantly improve organizational knowledge and capabilities and to systematically meet customer needs and expectations. ENKA's Quality Management System is compliant with ISO 9001 standard and accordingly certified by the British Standards Institute (BSI) since 2001. The BSI carries out compliance audits at regular intervals, ensuring that product and service quality is maintained at the best international level.

In addition to the ISO 9001 certification, ENKA's Quality Assurance Programme for the realisation of construction works, including engineering and design, procurement, quality control, contracting, fabrication and installation activities, complies with the ASME Boiler and Pressure Vessel Codes.

IN ALL PROJECTS IT UNDERTAKES, ENKA CONSIDERS ITS CUSTOMERS' AND OTHER STAKEHOLDERS' NEEDS AND EXPECTATIONS AS WELL AS PROJECT CONTRACT REQUIREMENTS AS ESSENTIAL, ESTABLISHES A DEPENDABLE AND OBSERVABLE QUALITY MANAGEMENT SYSTEM AND MAINTAINS ITS CORPORATE QUALITY STANDARDS.

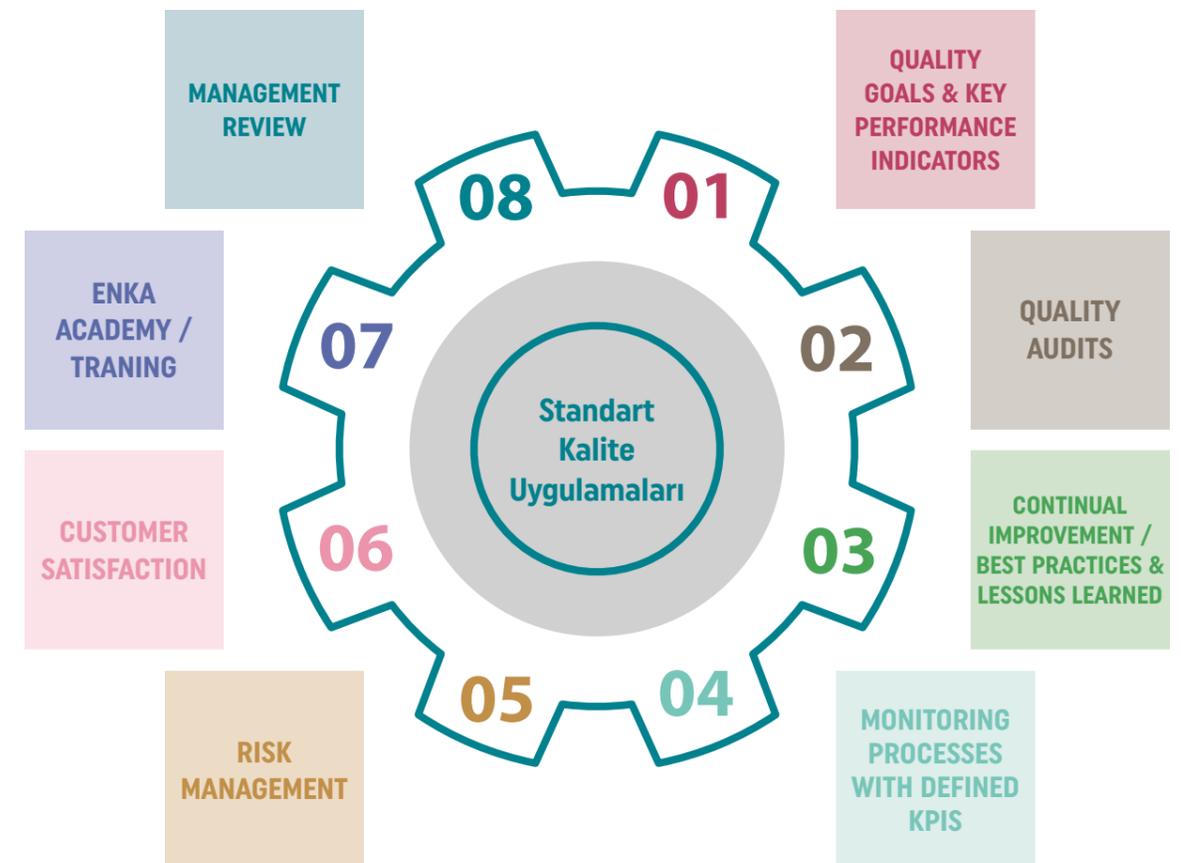
In order to maintain and update its corporate processes and activities with a stronger, more integrated and systematic structure, ENKA regularly runs audit and inspection activities and continues its work on quality standardisation under its continual improvement activities.

The quality management system established at projects acts as an effective tool for ensuring that the products and services supplied by ENKA are compliant with the requirements of the prime contract, as well as focusing on identifying and preventing potential problems.



In order to establish, run, maintain and continually improve the quality management system, the following requirements of ENKA's Culture of Quality must be met without fail:

- The assignment of necessary resources,
- Identification of authorities and responsibilities for roles within the company,
- Identifying internal and external issues that are related with the company's objectives and strategic direction and that affect the company's capability of attaining to the intended results of the quality management system,
- Identifying monitoring and measurement criteria and the monitoring, measuring and review of process performance,
- Integration of quality management system requirements with the company's business processes,
- Encouragement of a process approach and risk-based thinking management,
- The quality management system attaining the intended results of the quality management system,
- The adoption of the principles of customer satisfaction and customer-focused work by all employees,
- Encouragement and support for continual improvement.



HEALTH AND SAFETY EFFECTS OF PRODUCTS AND SERVICES

The health and safety effects of goods and services are continually assessed as part of quality management. ENKA İnşaat has undertaken some exemplary work in this field. ENKA İnşaat's most important products are infrastructure, building and industrial projects for which it carries out the entire engineering, procurement and construction work.

From the design stage of these products onwards, all processes including construction, pre-commissioning (testing) and commissioning are assessed in terms of Occupational Health and Safety impacts. Analyses carried out by industry-leading firms are used for the design phase. Assessments during the construction and commissioning phases are carried out using internationally accepted risk assessment methods, risks are identified according to activities to take place in the project and measures against risks are identified and integrated into the construction method.

For more information, please visit:
<https://www.enka.com/corporate-groups/quality-integrity/>

For ENKA Quality Policy, please visit:
http://www.enka.com/allfiles/media/posters/QUALITY_POLICY_ENG.pdf

INTEGRATED BUSINESS MANAGEMENT TOOLS

In order to run its activities more efficiently and effectively and to guarantee the quality of the goods and services its provides, ENKA uses software tools that were designed and developed in-house, including the integrated project management and execution tools that uses cloud computing and is referred to as "E-Cloud". The software tools can be used for projects of any scope, budget or schedule.



QUALITY MANAGEMENT AT ÇİMTAŞ STEEL

Çimtaş's aim of becoming the leading company in its sector has led to the formation of Çimtaş Management Systems and obtaining a total of 22 national and international certificates. Çimtaş Management System is a set of systems formed to manage the certificates and ensure the continuity of design and engineering, Occupational Health and Safety, environment, energy and information security management systems.



PREVENTING ERRORS BEFORE THEY OCCUR, IDENTIFYING ERRORS ON-SITE AND PREVENTING THEIR TRANSFER TO THE NEXT OPERATION ARE THE MOST IMPORTANT FACTORS FOR MEETING QUALITY REQUIREMENTS AND CUSTOMER SATISFACTION WITH THE APPLICATION OF ÇİMTAŞ MANAGEMENT SYSTEMS AT ALL STAGES OF PRODUCTION FROM MANUFACTURING TO DELIVERY.

Çimtaş's management system certificates may be viewed at:
<https://www.Çimtaş.com/en/about-us/certification-2-2/>

As part of the management system that focuses on continual improvement at Çimtaş Steel, lean production techniques are applied with an innovative and pro-change perspective. Lean production has been adopted as the culture of production at Çimtaş Steel. In order to expend fewer resources to create greater value and to prevent



waste, rapid kaizen and team kaizen activities are undertaken for continual improvement. In 2018, a total of 174 team kaizen projects were held. White-collar teams from different departments have participated in 44 rapid kaizen activities. Using the Individual Suggestion System which allows employees to make suggestions towards the improvement of the status quo, assesses them, puts those that are appropriate into practice and rewards suggestions, a total of 7,059 before-after kaizen activities were carried out in 2018.

The 5S Method is implemented in all manufacturing and non-manufacturing areas and an autonomous maintenance system is employed at all machines in order to ensure improvements to workplace safety, ergonomics, product flow and systematic formation with work on materials, workmanship, equipment, space and energy efficiency.

The R&D and improvement works undertaken in all fields serve the entirety of Çimtaş Steel systems, with quality, Occupational Health and Safety, environment and energy management systems benefiting in the first place.

For more information on Çimtaş Quality Policy, please visit: <https://www.Çimtaş.com/en/departments/quality/quality-and-client-satisfaction-policy/>

QUALITY MANAGEMENT AT ENKA POWER

Quality is among core values of ENKA Power Plants' Management System.

Works on quality undertaken at ENKA Power plants also serves towards developing operational and maintenance services' quality, reducing losses in time and materials, increasing the efficiency of production, planning and employees, and improving the working environment. The effectiveness, efficiency and sustainability of the quality management system is ensured through routine quality audits carried out at the plants.

ENKA POWER PLANTS' QUALITY MANAGEMENT SYSTEM HAS BEEN AUDITED AND CERTIFIED BY THE TURKISH STANDARDS INSTITUTE IN LINE WITH TS EN ISO 9001 STANDARD.

CUSTOMER SATISFACTION

As stated in the first article of its Quality Policy, focus on customers and feedback are ENKA's priorities. With this perspective, ENKA intends to attain lasting customer satisfaction and establish sustainable relations with its customers. ENKA begins to value its customers' views and expectation even before the contract is signed and identifies project requirements and the indicators that will allow for the monitoring of whether these requirements have been met in cooperation with the customer.

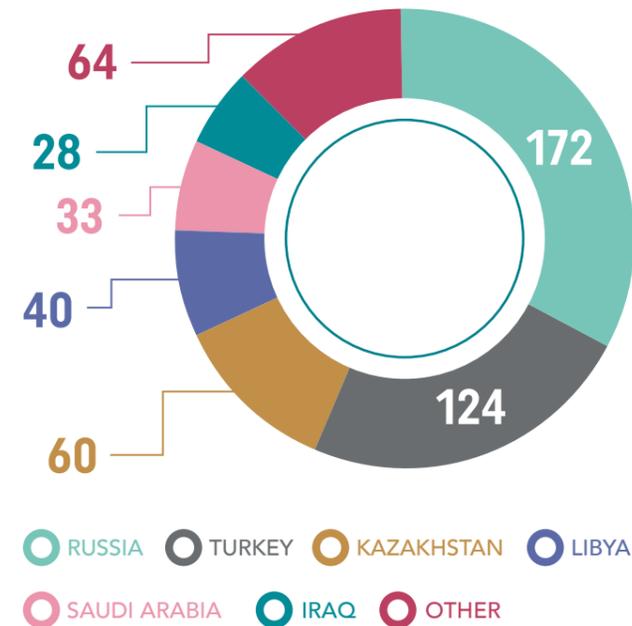
ENKA PROVIDES REGULAR FLOW OF INFORMATION TO ITS CUSTOMERS ON QUALITY PERFORMANCE THROUGHOUT THE PROCESS AND INTENDS FOR THERE TO BE NOT THE SLIGHTEST DOUBT REGARDING THE QUALITY OF THE GOODS DELIVERED.

Furthermore, ENKA mobilises relevant departments immediately to assess questions, suggestions and opinions from customers and takes care to respond as soon as possible to queries from customers.

In line with its customer-focused understanding of business, ENKA views its practice of running customer satisfaction surveys upon completion of projects as one of the most important stakeholder feedback mechanisms. Survey results are treated as important data in improving process performance, system updating work and the formation of action plans.

The next figure shows the distribution of ENKA İnşaat's completed and ongoing projects by country. Countries in which ENKA İnşaat performed less than 25 projects, have been grouped together in the "Others" category. In every region where it operates, ENKA has succeeded in laying strong foundations with its customer-focused approach and quality of work and has established long-term sustainable relations with customers.

DISTRIBUTION OF ENKA İNŞAAT PROJECTS BY COUNTRY



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

Within the reporting period, no surveys were completed by customers and customers have not reported complaints through other channels.

In general, this procedure is implemented at the completion phase of projects, in coming periods it will be implemented at more than one phase of the project and the necessary improvements will be carried out while the project is underway, ensuring that customers receive the projects with maximum satisfaction.

The security of the data of all customers and stakeholders is of great importance in stakeholder relations which rest on mutual trust. To this end, works on ISO 27001 – Information Security Management System has begun under the direction of Corporate Quality and Corporate Information Technology departments. Governance policies and procedures were prepared and the information technology infrastructure has been revised as part of the relevant standards requirements associated with this undertaking. Examinations and risk analyses have been carried out in the field of information security and improvement areas were identified.

ÇİMTAŞ

In order to define methods of measuring customer satisfaction, assessing results, defining the process to be followed in cases of complaints and expressions of satisfaction and identifying the root causes and remedial actions for complaints, Çimtaş Steel received certification of fully implementing the ISO 10002 Customer Satisfaction Management System in 2014 and became the first company in the ENKA Group of Companies to start implementing the system.

The core values for managing customer satisfaction and complaints at Çimtaş Steel are accessibility, responsiveness, objectivity, confidentiality, customer-focused approach, accountability and continuous improvement.

In addition to Çimtaş Steel; Cintas Pipe, Çimtaş Precision Machining and Cintas Ningbo companies also hold Customer Satisfaction Certificates.

ENKA SYSTEMS

ENKA Systems implements a policy of "Unconditional Customer Satisfaction". In full awareness 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.

The results of the Customer Satisfaction Surveys 2018 carried out by the ENKA subsidiaries are shown in the table below:

ENKA SUBSIDIARIES*	ENKA SUBSIDIARIES' CUSTOMER SATISFACTION RATES (%)
CCI	90
ENKA TC	96.6
ENKA Foundation	99.5
MKH	80
Mosenka	100
OMKH	90
ENKA Pazarlama	90
Cintas Ningbo	92
Cintas Pipe	95
Çimtaş Steel	86

*As ENKA Power is operated under the Law on Build-Operate, a customer satisfaction survey cannot be carried out.



"ENKA SETS AN EXAMPLE FOR CORPORATE SUSTAINABILITY MANAGEMENT FOR ALL ITS STAKEHOLDERS AND SOCIETY-AT-LARGE."

We believe that ENKA and Honeywell, which is a global leader in Industry 4.0 technologies and has been active in Turkey since 1992, have a long-lasting connection that has been augmented with many successful projects. We are proud to have added value to projects ENKA has realised with many contributions, such as industrial automation and building management systems, efficiency and security applications. The cooperation between Honeywell and ENKA is not limited to Turkey, but extends to many very successful projects around the world such as West Qurna and Najybia power plants in Iraq, the Sakhalin OPF Oil Processing Plant in Russia and Esentai Park in Kazakhstan. We believe that our cooperation will continue even stronger in the age of Industry 4.0.

We follow the steps ENKA is taking to meet its own commitment on sustainability with great interest and admiration. Taking into consideration the responsibility that we have towards the future generations and the Earth, these steps are very significant, and as in many other fields ENKA sets an example on sustainability management too for all of its stakeholders and society-at-large. That ENKA's sustainability management system supports a wide range of United Nations Sustainable Development Goals, from quality education to gender equality, clean water to climate action, makes the model even more valuable and worth observing. In addition, FTSE Russell (FTSE International Limited and Frank Russell Company) has approved that ENKA İnşaat has been independently assessed according to FTSE4Good criteria and that it earned itself a place on the FTSE4Good Index Series. The independent assessment proves how much importance ENKA attaches to the matter and how it has made it a part of its corporate culture.

I think ENKA's sustainability commitment is very important. I am of the opinion that leading companies such as ENKA have a responsibility to furnish examples for other firms and society-at-large with their attitude and practices. As a company that has great knowledge, especially on energy efficiency, and constantly produces new technologies Honeywell attaches great importance to sharing values such as sustainability with its stakeholders and maintaining high standards. As such, we are extremely pleased to be a stakeholder of ENKA and greatly admire ENKA's determined stance, especially when it comes to sustainability. We sincerely believe that best practices such as ENKA's sustainability management will expand as a virtuous circle to all stakeholders and in the end to society-at-large, for as long as all firms adopt shared values and make following high standards a rule in their business relationship, as in the case of ENKA and Honeywell.

ENKA is one of the most important global brands to emerge from Turkey, with a corporate legacy extending from 1957 to the future and its philosophy of focusing on projects with very complex design and engineering works and risks. We believe that ENKA is among the leading brands in the world, not just in its engineering and construction, power generation and real estate investment and management activities, but also with its Sustainability Management and Corporate Social Responsibility models.

Selçuk Şandan

*Honeywell Turkey and Central Asia
Corporate Communications Manager*

ENKA'S SUSTAINABILITY MANAGEMENT SYSTEM SUPPORTS A WIDE RANGE OF UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS, FROM QUALITY EDUCATION TO GENDER EQUALITY, CLEAN WATER TO CLIMATE ACTION, MAKES THE MODEL EVEN MORE VALUABLE AND WORTH OBSERVING.



INNOVATION AND R&D

ENKA acts with the mission of designing and constructing construction projects that are safe, in line with standards, high quality and at suitable cost and the vision of being one of the best and most innovative engineering and construction companies providing services globally. ENKA carries out research and development works to raise productivity to the highest level and to design projects in the most efficient way possible. This process involves providing solutions to the most complex construction design needs at its Design Centre; undertaking cooperation with universities, following the design of new manufacturing technologies and utilising the most advanced and up-to-date technology that allows different disciplines from around the world to work in cooperation on virtual platforms.

ENKA has succeeded in providing design and technology services at the highest level and quality in all projects it was a part of, and has always valued innovation work to continually improve its capabilities in this field.

In order to maintain its culture of design and innovation and to bring together the design and engineering activities it runs with its experienced team under an umbrella department, ENKA established the Design Centre at İstanbul Headquarters in 2016 and became the first Turkish construction company to be awarded the title 'Design Centre' by the Ministry of Science, Industry and Technology of Turkey.



The following three ENKA Design Groups that act in three different areas operate under the ENKA Design Centre:

- Energy Engineering Design Group
- Civil Engineering Design Group
- Architectural Project Design Group

The Design Centre holds an important position within ENKA, with 147 personnel, of which 101 are designers. The Design Centre manages the entire process from bidding to implementation for new design projects in infrastructure, building and industrial construction, including general design, development, innovation and engineering, and works to improve and increase efficiency in manufacturing processes.

ENKA follows developments around the world closely in order to ensure the sustainability of its internal innovation and R&D activities and makes considerable efforts towards the development of corporate management systems. To this end, it has carried out the following systems development activities in 2018 in order to ensure a more suitable environment for innovation and R&D work:

1- ASME R-Stamp Certification

ENKA successfully completed international certification works to show that its design, manufacturing and installation activities for boilers and pressure vessels complied with the ASME Boiler and Pressure Vessel Code in 2013. To carry its expertise a step further, ENKA decided to undertake works on the repair of boilers and pressure vessels. In order to increase the compatibility of the existing system with current design and field implementation and to form grounds suitable for the development of innovative methods, ENKA has begun the works of ASME R-Stamp certification. ENKA has revised its design, fabrication and fabrication control processes in keeping with the updated standards published by ASME in 2017. The ASME R-Stamp Certification process will be completed with the third-party certification audit to be carried out in the first quarter of 2019.

2- Personnel Incentive and Rewards System

ENKA is aware that supporting scientific research is a necessary condition for successfully running R&D work and has developed the Personnel Incentive and Rewards System to support the postgraduate studies and academic publishing works of its employees. Under this system, ENKA employees can pursue postgraduate studies with no loss of employment rights and will be supported by various means of incentives and rewards to pursue their innovation and R&D work, ideas and proposed inventions in light of current scientific developments. The incentive and rewards system will become active in the first quarter of 2019 and will start receiving applications from employees.

3- LEED Green Associate Certification

It is a fact that environment-friendly buildings consume less energy and water, cause lower greenhouse gas emissions, offer users a more comfortable and enjoyable environment and provide economic savings through lower operating costs. Of ENKA's projects until now, almost twenty have been awarded various green building certifications. In order to maintain international standards in projects in this field and to increase the number of innovative design work that meet green building standards, ENKA supports the professional development of Design Centre employees on environment-friendly buildings. In 2018, seven employees of the Design Centre were awarded the LEED GA (Green Associate) certificate of the US Green Building Council and five employees were awarded the second stage LEED AP (Accredited Professional) certificate.

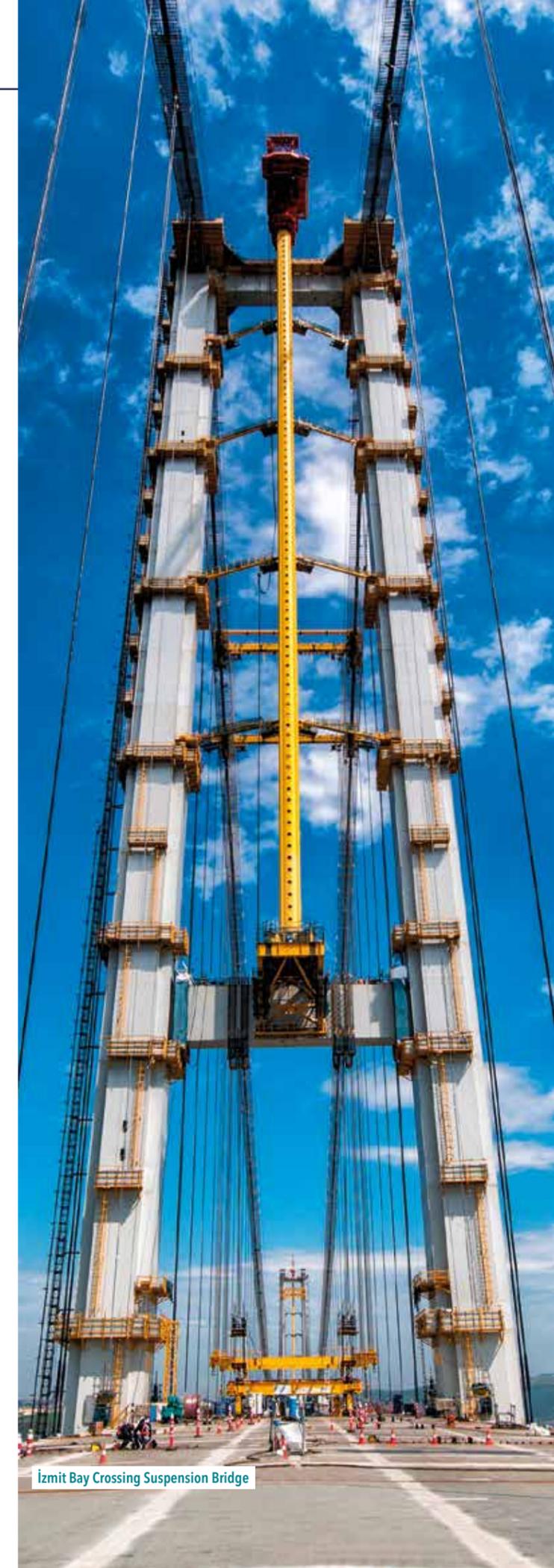
4- ISO 27001 Information Security Certification

ENKA believes that the quality of innovation and R&D work undertaken at an organisation is closely related to the institutional memory of the organisation and has started works on transitioning to the ISO 27001 Information Security Management System in order to ensure the confidentiality, integrity and accessibility of information produced in-house to furnish strong foundations for innovative ideas. A majority of the physical and software-based improvement works planned under this activity was completed in 2018, policies and procedures were formed and investment in infrastructure took place. With the completion of the improvement works underway and the third-party certification audit, transition to the Information Security Management System will be completed at the end of 2019.

INNOVATION AND R&D AT ÇİMTAŞ

Çimtaş Steel has completed its second year as an R&D centre, and with its aim of leading R&D and innovation activities, has undertaken a total of 22 projects, of which two were supported by Scientific and Technological Research Council of Turkey (TUBITAK) and three patenting activities in 2018. Çimtaş Steel completed its first year as an R&D centre in 2018, successfully completed 24 R&D projects and began work on PIANİSM⁷ the first EU-supported (ITEA3) project of Çimtaş. In 2018 Çimtaş Precision Machining developed four projects, one of which was supported by the Ministry of Development and three by TUBITAK.

⁷ <https://www.enka.com/cimtas-pipe-is-one-of-the-partners-in-the-pianism-project/>



Izmit Bay Crossing Suspension Bridge

INNOVATION AND R&D AT ENKA SYSTEMS

ENKA SYSTEMS IS A TECHNOLOGY AND SOFTWARE COMPANY THAT DEVELOPS TECHNOLOGIES FOR THE CONSTRUCTION SECTOR, TRANSFORMS INNOVATIVE IDEAS INTO PRODUCTS WITH REAL-LIFE APPLICATIONS AND RUNS R&D ACTIVITIES. ENKA SYSTEMS HAS CONTINUED TO DEVELOP NEW PRODUCTS AND ADD NEW FEATURES TO ITS EXISTING SOFTWARE WITH R&D ACTIVITIES IN 2018.



The software developed by ENKA Systems are:

- Document Management System (EDMS)
- Global Procurement System (EGPS)
- Global Equipment Management (EGEM)
- Occupational Health, Safety and Environment Management System (EHSE)
- Human Resources Management System (EGHR)
- Global Vendor Network (EGVN)

Employees at the R&D/Design Centre of ENKA Systems who are pursuing postgraduate studies are given paid leave during course hours, considering the compatibility of their studies with the activities of the R&D/Design Centre. Employees who successfully complete post-graduate or doctoral studies are rewarded.

The participation of employees at conferences and symposia to follow new technologies and trends, especially in subjects that match main areas of activity and projects, is supported at ENKA Systems, making keeping up with technological developments a part of the organizational culture. Employees are encouraged to come up with project ideas that may be realised in the next project assessment period. Employees who propose ideas that are then realised using company capital, public funds (TUBITAK etc.) and EU funds are rewarded at different rates by type of funding.

In addition, should the project be completed successfully, the project team is rewarded and rewards at different rates are offered for national, international and triadic patent applications and approvals with the intent of encouraging patenting, an auxiliary output of R&D and Design projects.



2027 SUSTAINABILITY GOALS

RESPONSIBLE COMPANY	TARGET	2018 PERFORMANCE
ENKA GROUP	We will conduct Environment, Ethics, Human Rights, Social and Occupational Health & Safety audits on 10% of supplier companies that provide project materials, and are audited by independent third party companies which ENKA also works with, by 2027.	In 2018, ENKA evaluated 9.82% of the suppliers it works with in terms of ethics, human rights, combating bribery and corruption, OHS, environmental and social issues. Sustainability audits took place at 1% of suppliers.
	We aim to provide Ethics and Human Rights training to 100% of our white collar and 90% of our blue collar employees by 2027.	The Code of Business Conduct and the Supplier Code Of Conduct which are based on international ethical rules and human rights are published in four languages for the use of all of our employees and suppliers. In addition, in 2018, special training sessions were provided on Ethics and Human Rights for 7% of our employees. 7.14% of white-collar employees (332/4648) have received training on ethics and human rights in working life.
	We aim to increase our customer satisfaction rate for all group companies to 95% by 2027.	The average customer satisfaction for all group companies increased from 81.3% in 2017 to 91.91% in 2018.
	We aim to carry out at least one audit every year at every subsidiary and project to prevent corruption and bribery.	One audit took place at each project. 7.1% of subsidiaries were audited.
ENKA SCHOOLS	We aim for all students at ENKA Schools to participate in at least one social responsibility project every year.	100%
	We aim to continue organizing "ENKA Schools Sustainability Meetings" annually while also broadening its scope.	Target met.
	We will continue undertaking joint works with teachers at ENKA Schools to increase sustainability awareness.	Target met.
ENKA FOUNDATION	We aim to win awards at national and international competitions in sports and arts with ENKA Schools.	Target met.



DEVELOPING COMMUNITIES

4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



ENKA engages in social community investments in all regions, with the aim of enabling the local communities living in these regions to benefit from industrial development and supporting their social and cultural development, attempting to create a positive and lasting presence and leave a positive legacy.

For this reason, ENKA carried out TRY 65.57 million worth of voluntary social investment globally in 2018, of which a substantial part was carried out by the ENKA Foundation.

THROUGH ENKA FOUNDATION AND OTHER ENKA UNITS, ENKA MAKES SOCIAL COMMUNITY INVESTMENTS IN FIVE FIELDS: EDUCATION, HEALTHCARE, SPORTS, SOCIAL AND THE ENVIRONMENT.

The following organisations operate under ENKA Foundation: ENKA Sports Club, ENKA Schools İstanbul, which began operating in 1996, ENKA Schools Adapazarı, which started up immediately after the 1999 earthquake and was established for the purpose of providing education to children affected by the earthquake, Private ENKA Vocational and Technical Anatolian High School, which started teaching in Kocaeli in 2008, Private ENKA Science and Technology High School, also in Kocaeli and has been operating since 2014, and ENKA Culture Arts. All these organisations and the individuals who belong to them are working to expand and share the opportunities created by this wealth of experience.

ENKA UNIT	DESCRIPTION	INVESTMENT VALUE	COUNTRY	EDUCATION	SPORT	HEALTHCARE	SOCIAL	ENVIRONMENT
ENKA Power, ENKA İnşaat and Çimtaş	Aegean Forest Foundation Şarık Tara Memorial Forest Sapling Donation	TRY 50,000	Turkey					
ENKA İnşaat	ITU, METU and Boğaziçi University Student Societies Sponsorships	TRY 44,500	Turkey					
	SEED 2018 Breaking Chains Premiere Platinum Sponsorship	USD 15,000	USA / Iraq					
	Turkish Education Foundation	TRY 10,650	Turkey					
	World Wildlife Fund (WWF)	TRY 5,000	Turkey					
	Göcek Şarık Tara – Commemoration of Atatürk May 19 th Youth and Sports Cup	EUR 5,000	Turkey					
Cimtas Pipe	Ovaakça Sarık Tara Vocational and Technical Anatolian High School	TRY 75,610	Turkey					
	Sailing Training	TRY 34,830	Turkey					
	Support for Gemlik Vocational and Technical Anatolian High School	TRY 8,202	Turkey					
Cimtas Pipe / Çimtaş Steel	Donation to Turkish Education Foundation	TRY 6,900	Turkey					
Çimtaş Steel	Donation to the Kızılay	TRY 1,500	Turkey					
ENKA Power	Various Social Supports	TRY 28,185	Turkey					
	Donation to METU Development Foundation	TRY 5,000	Turkey					
	Taşkısığı Village Sport, Education and Social Support	TRY 74,313	Turkey					
CCI	ENKA Schools International Robotics Competition	USD 5,000	Turkey					
ENKA Systems	ITU – MHK Design Together 2019 Competition Sponsorship	TRY 10,000	Turkey					
ENKA TC	Various Social Supports	USD 51,358	Russia					
	St. Mary Magdalene Foundation	USD 15,964	Russia					
	Donation to Nursery	USD 7,982	Russia					
ENKA Foundation	General Donations and Project Supports	TRY 1,873,695	Turkey					
	Kocaeli Schools Educational Expenses	TRY 14,805,824	Turkey					
	Educational Expenses / Study Grants	TRY 21,853,832	Turkey					
	School Investment Expenses	TRY 7,864,942	Turkey					
	ENKA Sports Club	TRY 17,045,616	Turkey					
	Support for Arts and Culture	TRY 1,220,026	Turkey					

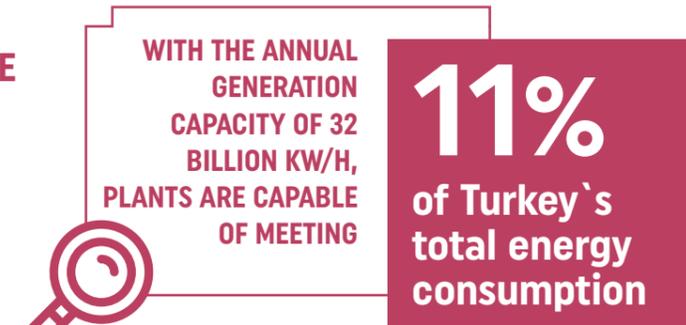
MEETING THE NEEDS OF COMMUNITIES FOR INFRASTRUCTURE AND SUPERSTRUCTURE

ENKA HAS CARRIED OUT A TOTAL OF MORE THAN 500 OIL, GAS AND PETROCHEMICALS, POWER PLANT, INFRASTRUCTURE AND BUILDING PROJECTS IN 45 DIFFERENT COUNTRIES, EMPLOYING MORE THAN 400,000 PEOPLE AND CONTRIBUTED TO THE DEVELOPMENT OF VARIOUS LOCAL COMMUNITIES MOST OF WHICH ARE LOCATED IN REGIONS FACING CHALLENGES.

Since the 1970s, ENKA has earned wide ranging experience in the design and construction of power plants and realised numerous projects, most of which were constructed in developing countries, and helped these countries overcome their power shortages, which posed one of the greatest obstacles to their development. ENKA's experience with power plants can be summed up as follows:

- Six Thermal Power Plants with a total installed capacity of 4,070 MW
- Thirteen Natural Gas Combined Cycle Power Plants with a total installed capacity of 14,296 MW
- Eight Simple Cycle Power Plants with a total installed capacity of 4,166 MW

Among these projects are the Adapazari, Gebze and İzmir power plants, which made ENKA Turkey's largest private sector power generator. Adapazari and Gebze plants were completed in 2002 and the İzmir plant in 2003 and in total, more than 7,000 people worked in the construction of these three plants at various construction stages. In 16 years of commercial operations, ENKA power plants have generated more than 430 billion kilowatt-hours of electricity and with their capacity to generate 32 billion kilowatt-hours annually, have accounted for 11% of Turkey's total electricity consumption.



These plants have been regarded as exemplary investment projects by global standards on account of their maximum production efficiency and minimal environmental impact ensured by the technological support systems used and in view of their technical infrastructure and the management systems in use.

With the experience it obtained through these projects in Turkey, ENKA has completed several power plant projects in Iraq, which is going through post-war recovery, and these plants added more than 4.000 MW of power to the Iraqi grid. While carrying out these projects, local people were recruited to offer employment opportunities to the local community and supporting local suppliers contributed to revitalising the sector and the economy in the region.



Another example of ENKA's approach of contributing to local economies is the Tengiz projects in Kazakhstan, in which ENKA has continually been active in engineering and construction operations since 1993. At the projects, the ratio of local (Kazakh) employees has reached 92% and at no stage of the works has this ratio fallen below 70%. Approximately more than 20,000 Kazakh personnel have been employed on these projects directly since its inception and they were provided with opportunities for improving their technical and administrative skills in line with their field of work. ENKA has worked with more than 100 local subcontractor firms during its operations in Kazakhstan and provided employment for approximately 10,000 additional local personnel. More than 1.2 million person-hours of training have been provided to employees during the course of these projects and as a result, local personnel, most of whom had no previous experience, have become proficient and experienced workers.



UP TO **92%**
LOCAL

EMPLOYMENT RATE
IN TENGIZ PROJECTS

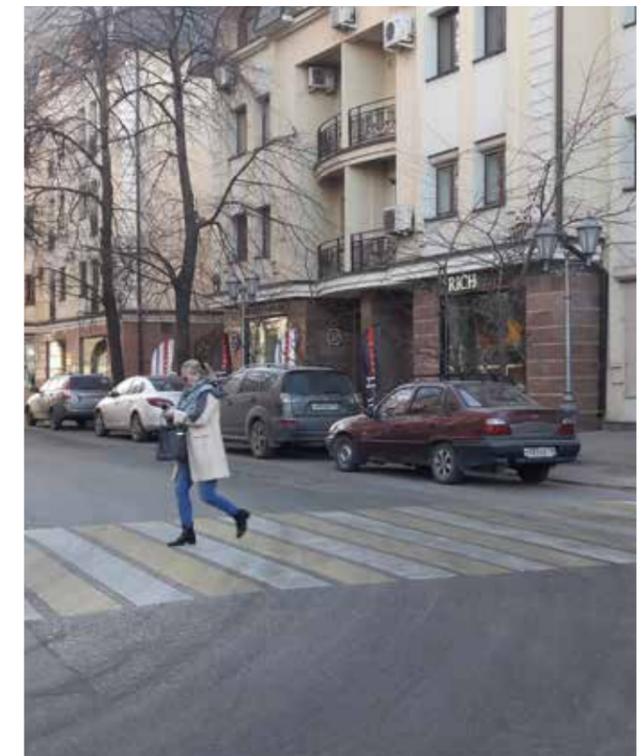


Tengiz 3GP Project

With respect to the building works business line, 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 Commonwealth of Independent States (CIS) and supplied the countries in question with essential needs. By employing local personnel and supporting local suppliers, ENKA has contributed to local development while acquainting these countries with high quality and safe engineering practices.

ENKA's experience in infrastructure projects such as motorway, bridge and tunnel projects goes back to 1958. In the 1970s, ENKA carried out the Anatolian Highway Project, which held great importance since it connected İstanbul and Ankara and following this project, ENKA completed various motorway projects in Eastern Europe, in Croatia, Romania, Albania and Kosovo respectively. Thanks to these projects ENKA has completed, these regions gained new transport channels and the resulting development in trade and tourism has supported their economies.

At all ENKA projects efforts are made to realise social responsibility and volunteering projects aimed at the infrastructural and social needs of the regions where the projects take place. For example, at the TAIF Business Centre Project ongoing in Kazan, a crosswalks improvement work was carried out in order to facilitate local residents' use of and access to the park near the building site.





“IT WAS ŞARIK TARA WHO SHOWED ME THAT WE HAVE TO DO WHAT WE DO DIFFERENTLY FROM EVERYONE ELSE, FOR OTHERWISE WE WOULD BE ORDINARY.”

For me, working at ENKA means serving the country. The years 1976 and 1977 were years of power shortages in Turkey. In those days, Turkey's installed capacity was 4,760 MW.

I worked as deputy manager at the Turkish Electricity Administration (TEK) between 1981-84, during which I was the controller of ENKA at the Hamitabat Power Plant. It was there that I met Şarik Tara. Şarik Tara used to tell his team “Let us complete the plant as soon as possible and let the power shortages in the country come to an end. If anyone is going to make a loss, I will.” It was the first time I witnessed someone from the private sector put the country's interests before their own, which got me very excited. That power plant project was the first in the history of TEK which was completed ahead of its schedule. It lighted up the darkness in Turkey. It was there that I got to know the ENKA philosophy.

When I left TEK, Şarik Tara called me on the phone and said that I could serve the country in the private sector as well. ENKA was the one company that I had seen that put the country's interests above its own and I decided to become a member of ENKA.

We began to commercially operate the ENKA Power's system in 2003. We formed a young team and trained its members. We provided various forms of trainings for employees. The young employees carried out hands-on work with Bechtel teams and achieved tremendous success. 85% of our employees were new graduates.

Şarik Tara and Sinan Tara attached great importance to engineering. They have always invested in the development of engineering. They said that we should prove the quality of our engineering with petrochemical facilities and power plants.

It was Şarik Tara who showed me that we have to do what we do differently from everyone else, for otherwise we would be ordinary. We believe that we should do business by making a difference, producing value added beyond what everyone else produces.

We realised that HSE isn't just about boots and hard hats, that it is a value in its own right, and by observing and assessing international practices, we put HSE at the centre of our work. By ensuring that our understanding of HSE has a place in the minds of all our employees, we internalised HSE into our processes. We trained the subcontractors from, which we procured services, on HSE and developed the capacity of our business partners with our policies and the training we provided.

Our aim is always doing the best work, doing it at superior quality. We want to be happy with the work we do ourselves and want this to be reflected in our output. We made efforts to complete high quality work on time and to meet the demands of people in the best possible way.

We listened to requests of employees and other stakeholders in all we did, examined the problems and acted as technical

guides in the field. We touched people's lives and increased their motivation, which reflected positively on our work.

We always cared about the environmental dimension of our business. Our philosophy is always to plant trees in empty spaces. Among our foremost duties in the environmental context are minimising waste and ensuring its disposal in line with rules established by the laws. Throughout the power plants there are the necessary collection and storage spaces for hazardous and non-hazardous waste. We ensure the disposal of waste in line with the rules established by the Ministry of Environment and Urbanization.

We have invested at the İzmir and Adapazarı power plants to minimise water consumption. We used to draw water from the facility built by Petkim for cooling water at the İzmir plant. We then realised the value of that type of water and decided to seek another solution. We began to use sea water for cooling. We used water drawn from the sea for the process. We began producing cooling water from the sea through desalination.

We invested in AGP (Advanced Gas Path) projects to minimise stack gas emissions.

ENKA Power has also contributed to education in nearby villages. It invested in schools, mosques and healthcare clinics. We have developed working relationships with universities and taught courses to share our experience. We hosted students from Sakarya University at our facilities, and likewise in İzmir.

We raised a lot of well-qualified people. We raised the young engineers whom Şarik Tara decided to employ as valuable individuals for Turkey.

As Şarik Tara wanted us to support local firms, we supported local suppliers, offered them opportunities at our projects and the means to develop themselves. Today, four of the local firms we used to support, do business on the international scale.

Today, we have a well-qualified team consists of 84 engineers and nearly 160 graduates of Vocational School of Higher Education. This team is the future of ENKA. It is a high value added team. For as long as we have this team, we will continue to be the industry leader.

Sustainability as a philosophy was always integrated to our business processes. We have implemented it for as long as we have been at ENKA and we considered working as virtue.

We have raised many engineers, we have supported the development of many firms and we are proud to have done so.

Tahsin Kösem

ENKA Power Plants Operation & Maintenance Manager



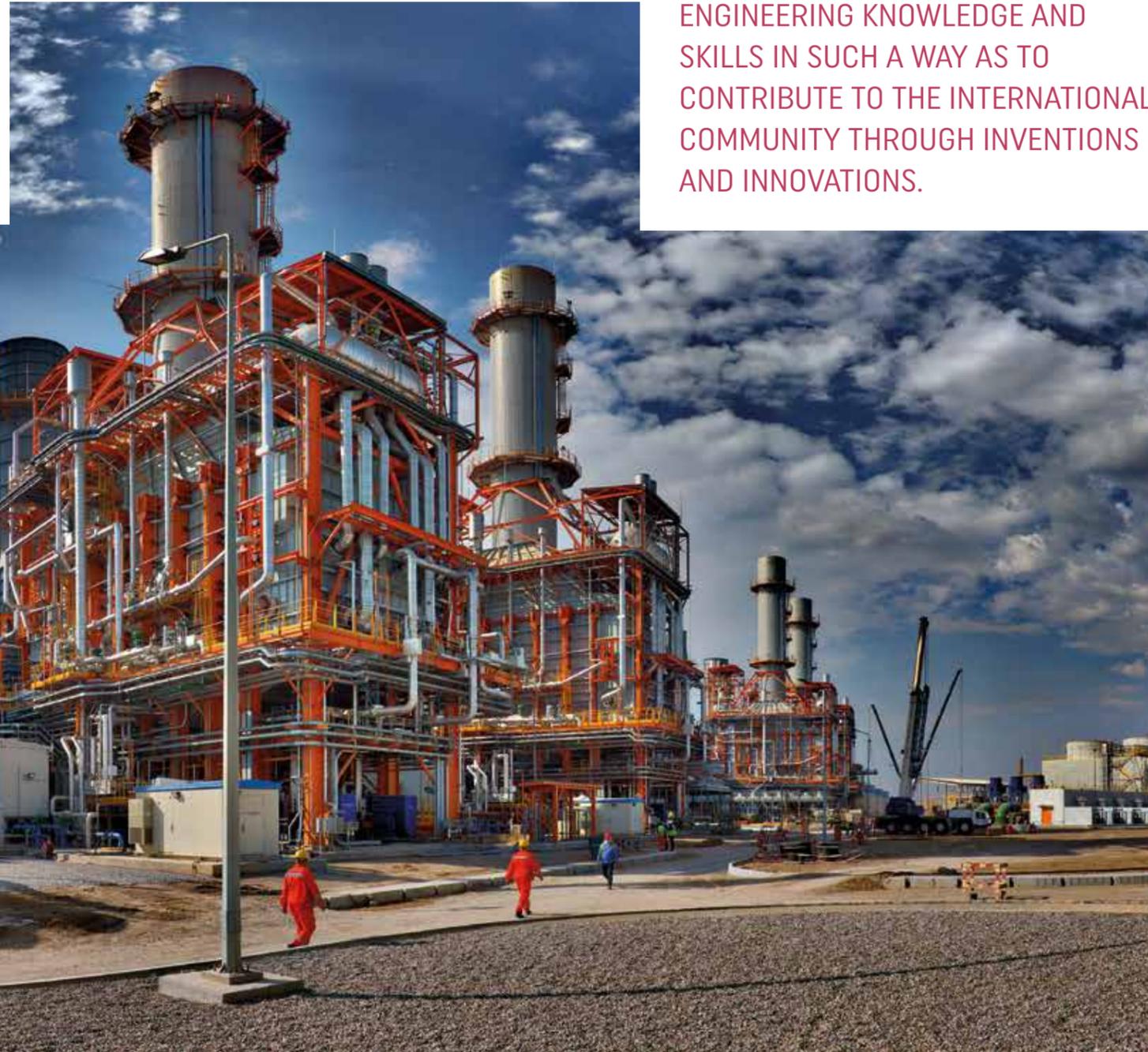
CONTRIBUTING TO THE DEVELOPMENT OF THE ENGINEERING PROFESSION

Engineering is a profession which simplifies the work of individuals and societies, while doing this, designs and manufactures all necessary components and by ensuring their sustainability, pioneers technological and economic development of societies. At the same time, 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 provides people and communities with technical solutions to their problems.

Given the characteristics and impact of the engineering profession, engineers should shape their approach to their work in line with occupational ethical values while fulfilling their responsibility to the organisation they work for, without

diverging from the principle of creating a sustainable world for future generations.

ENKA provides the necessary infrastructure and ensures that occupational training is provided within the company to improve the technical knowledge and skills of its employees, for them to constantly develop their skills and adapt to consistently changing and advancing technology.



Baghdad Besmaya Combined Cycle Power Plant

ENKA AIMS TO TRAIN ENGINEERS WHO KEEP TRACK OF ADVANCES IN THEIR PROFESSION, PUT THEIR KNOWLEDGE INTO INSTITUTIONAL FORM AND DEVELOP THEIR ENGINEERING KNOWLEDGE AND SKILLS IN SUCH A WAY AS TO CONTRIBUTE TO THE INTERNATIONAL COMMUNITY THROUGH INVENTIONS AND INNOVATIONS.

ENKA brings stakeholders who might be able to contribute to the profession's sustainability in order to create environments in which developments in the field, good practices and problems are discussed, engineers who are successful in every aspect of their work are trained and contributions are made to the development of both the company and society.

Engineers have very significant duties and responsibilities for building a better and sustainable future. There is need for works in order to eliminate very critical risks such as the natural and cultural environment being damaged, societies becoming unable to renew themselves through innovation and endangering individual and community health or even lives.

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.

ENGINEERING INTERNS

A total of 138 engineering and architecture interns were given positions during the reporting period. Throughout their internships all interns 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 and engineering knowledge and experience, acquired over 60 years of engineering activities, was passed on to the interns. ENKA group companies have accepted approximately 400 interns in the reporting period.

COLLABORATION WITH STUDENT SOCIETIES

With the purpose of promoting works on sustainability and contributing to the development of the engineering profession, ENKA supports various student societies. ENKA took on the silver sponsorship of the CivilCon Engineering Convention in 2018, which was organised by the İstanbul Technical University Engineering Preparatory Club with the aim of bringing students from ITU and other universities together.

In 2018, ENKA was the materials and prizes sponsor for the EBEC (European BEST Engineering Competition), organised by the Middle East Technical University BEST (Board of European Students of Technology) Ankara Group.

Aside from its sponsorship support, ENKA has participated in METU and Boğaziçi University career days to meet students.

ENKA DESIGN CENTRE

SINCE ITS ESTABLISHMENT, ENKA HAS CONTINUOUSLY IMPROVED ITS DESIGN AND ENGINEERING ACTIVITIES BY FOLLOWING-UP INNOVATIONS AND TECHNOLOGICAL DEVELOPMENTS IN THESE FIELDS; FOCUSED ON RESEARCH, DEVELOPMENT, INNOVATION AND INVENTION WORKS, AND TO THIS END ESTABLISHED THE ENKA DESIGN CENTRE, WHICH IS LICENSED BY TURKEY'S MINISTRY OF SCIENCE, INDUSTRY AND TECHNOLOGY, IN 2016.

ENKA, in its design and engineering works in infrastructure, construction, architecture and industrial projects, has established collaborations with the Scientific and Technological Research Council of Turkey (TUBITAK), the Technology Development Foundation of Turkey, the Ministry of Industry and Technology, local and international private design and engineering institutions and adopted the principle of making sustainable contributions to the development of engineering.

With its total staff of 147 including 101 designers, ENKA İnşaat Design Centre has 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.

ENKA continues its work efficiently and reliably with a total of 56 licenced design and engineering software, the most widely used among them being CSI SAP 2000, ETABS, AutoCad, Navisworks, Aveva and Tekla. The Design Centre has completed design and engineering works on nine projects in the reporting period and continues with design and engineering work on 10 other projects. A total of approximately TRY 12 million was spent on the design and engineering of these projects.

ENKA ACADEMY

ENKA Academy aims to improve employees' professional competencies, technical knowledge and skills, social skills and their leadership and management abilities through various training activities, seminars, conferences and workshops. In addition, ENKA Academy aims for continuous development by supporting various activities organised by third-party organisations such as fairs, symposia, seminars and trainings. To this end, a total of 11,508 person-hours of training was provided in 2018 for the development of the engineering profession.

CORPORATE KNOWLEDGE, LIBRARY AND SUBSCRIPTIONS

ENKA offers its corporate knowledge as an internal electronic library accessible by all employees 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 since its establishment, perpetuating its corporate culture and determining its working rules and methods. All employees can access numerous international scientific publications, magazines and libraries via this platform.

ÇİMTAŞ

In 2018, Çimtaş once more attended the Career Days held by ENKA Schools annually in order to inform students about different professions. Cimtaş Pipe MIS (Management Information Systems) Application Development Chief Yalçın Özkan attended the event organised at Private ENKA Technical Schools and informed students about computer engineering, business processes and job opportunities.

ENKA SYSTEMS

As part of its efforts to contribute to the development of the engineering profession, ENKA Systems participated in an ITU Informatics in Construction Management course "Building Information Modelling & Integrated Projects Production" class and provided information to students about BIM integrated Document Management System (EDMS) software and its areas of use in the sector. In addition, ENKA Systems sponsored the Design Together 2019 Competition organised by ITU –Engineering Preparatory Club which started in November 2018 and continued until March 2019. In December 2018, ENKA Systems participated in ITU Construction Management postgraduate class on Cost Control and informed students about EGFS, EGPS and EGVN software and their application in the sector.

ENKA SCHOOLS KOCAELİ

In 2018, ENKA Schools Kocaeli Industrial Automation Department teachers taught a Mechatronics course for 2 weeks (80 hours) at Kocaeli University's Mechatronic Engineering Department.



**"OUR MAIN GOAL IS TO
CARRY OUT WORK SAFELY."**



STAKEHOLDER
ASPECT

ENKA, which mainly carries out construction work, has the main aim of carrying out work safely. Working safely is paramount in all our undertakings. Thanks to the safe working environment at ENKA, we have been working here for years.

ENKA offers trainings to develop the skills of its employees. ENKA also holds examinations to measure knowledge and add to the experience of its employees. The experience and knowledge gained this way will definitely help in the future.

ENKA has been contributing to the development of Kazakhstan for over 26 years. It provides employment opportunities for the local population at construction projects. This contributes greatly to the economy of Kazakhstan.

Nurbergen Kanturiyev, *Electricity Foreman*

Ferudun Mert, *Electrical Works Supervisor*

Khamidulla Nuraliyev, *Welder*



LOCAL EMPLOYMENT

ENKA supports local economies in Turkey and every country it operates in through its wide supply chain, the added value it creates and employment opportunities it provides both directly and indirectly.

SINCE MANY OF THE PROJECTS ENKA UNDERTAKES ARE LOCATED IN DEVELOPING COUNTRIES AND CONSEQUENTLY IN REGIONS WHERE EMPLOYMENT OPPORTUNITIES ARE LIMITED, EMPLOYMENT OPPORTUNITIES CREATED BY ENKA FOR LOCAL COMMUNITIES DIRECTLY INFLUENCE THE ECONOMIC AND SOCIAL DEVELOPMENT OF THESE REGIONS.

ENKA follows a policy of recruiting labour needed for its activities from the local pool of labour. These employees are supported with technical, administrative and social skills training programmes and many employees obtain new vocational skills through these programmes. All ENKA employees are provided with opportunities to improve themselves continuously both in their fields of expertise and in other fields in which they may gain valuable experience.

During the most intensive period of ENKA's Kosovo Motorway Project Route 6, approximately 3,000 personnel from 11 different countries were employed. Approximately 82% of the workforce requirements of the project were met by local employees and a total of more than 57,000 person-hours of training was provided for all employees on technical and social skills as well as on subjects such as environment, safety and health.

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



Kosovo Route 6 Motorway Project

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

Cimtas Ningbo, which successfully manufactures piping, skid, module and rapid-attachment flange installation

parts and has delivered them to more than 50 countries since its establishment, continues its activities in China with 92% of its workforce consisting of local employees.

ENKA never pays its employees salaries lower than the minimum wage set in the countries it operates in. 99.9% of ENKA employees receive salaries higher than the minimum wage.



Tengiz Spool Shop

Çimtaş Steel Welding Training Workshop and Employment-Backed Welding Training:



Welders have been trained and certified by Çimtaş Welding Technologies Centre at Çimtaş Steel Welding Training Workshop since 1981. A School of Welding was also established within the Welding Department at Cintas Pipe in 2006. The proficiency of the welders trained here is validated by independent certification companies conducting examinations in line with international standards (ASME, EN, AWS, LR etc.).

To date, more than 4,500 welders have been trained at welders' training sessions organised by a team of experts including welding trainers, welding inspectors and welding engineers. In 2018, 276 individuals attended welders' training and 132 of these individuals were then employed at Çimtaş Steel and 144 were employed at Cintas Pipe.

The table on the right hand side shows the distribution of employees who work at various positions in ENKA İnşaat by place of origin. Personnel from regions where ENKA operates are categorised as "local employees". Personnel who are citizens of a third country, other than Turkey and countries where ENKA operates categorised as "other employees".

	NUMBER OF EMPLOYEES	RATIO %
Turkish Employees	2, 261	21.53%
Local Employees	7,141	68%
Subcontractor Employees	203	1.93%
Other Employees	897	8.54%
TOTAL	10,502	100%

Number of Local Employees employed in Senior Management throughout ENKA

NUMBER OF LOCAL EMPLOYEES EMPLOYED IN SENIOR MANAGEMENT ⁸	LOCAL	FOREIGN	PERCENTAGE (%)
ENKA İnşaat and Subsidiaries	116	27	81%

ENKA GROUP



11,237

At ENKA Group 11,237 local personnel were employed.



59.8%

The consolidated local staff ratio for all the projects and subsidiaries was 59.8%



856,209

The total person-hours spent on Occupational Health and Safety and Environmental Training reached 856,209 person-hours.



400

A total of 400 interns were employed.

⁸ For ENKA İnşaat: Board of Directors, Executive Committee and Vice Presidents





“WORKING AT ENKA IS A FORM OF IDENTITY. PEOPLE AT ENKA FEELS PRIVILEGED. THIS GOES FAR BEYOND A SENSE OF BELONGING TO AN INSTITUTION.”

I started to work at ENKA when I graduated in 1996 and as of this moment I have spent half of my life, 22 years, at ENKA.

Working at ENKA is a form of identity. ENKA employees feel privileged. This goes far beyond a sense of belonging to an institution. There is a corporate culture here that is predominantly human-centred. The elders are well respected and the younger people are embraced and looked after. Youth and dynamism are adored. Heartfelt sincerity prevails. There are no masters or superiors, there are only elder brothers / sisters. There is great respect and enthusiasm for the engineering profession. In a professional sense, I think ENKA is a heaven for engineers. I think this has had a great role in the constant success ENKA has enjoyed for over 60 years.

At ENKA, we take the greatest pride in the works we do and want to see ENKA quality achieved in every job we take on, wherever it may be in the world and under whichever conditions it may be carried out. There is no room for excuses at ENKA, where promises to customers are fulfilled no matter what. This is what makes us who we are. We are aware that we operate in a sector in which the capital is people and that requires labour at a large scale and that efficiency can only be assured by educated, competent, aware, happy and motivated employees.

While our work may be summarised as project management, given the scale of the projects we undertake, we inevitably find ourselves in continual interaction with the environment and societies we operate in. For ENKA, what matters is minimising negative impacts on the environment and providing socio-economic benefits to communities while undertaking projects for the good and welfare of society.

Through the SCPX pipeline project which we undertook recently and which will supply natural gas to Turkey and Europe, we have constructed

pressure reduction and metering stations in three different regions in Georgia. This project, which is very important for Turkey, for our customer (BP) and other stakeholders, was awarded the Global Best Project Award in the Industry/Power category by ENR, the world's most respected publication for the construction sector. The project also received other prestigious awards, such as from the British Safety Council. Our customer was very satisfied with working with us and the experience they gained, while the state of Georgia was happy with the standards and value-added we created in the region. That we have become one of the most sought after employers in Georgia in terms of developing villages in the region, keeping residents happy and providing employment supports our sustainable success.

ENKA carries out projects in many parts of the world, some of which suffer from unemployment. ENKA makes a significant contribution to alleviating the problem of employment in regions where its projects are located. At the same time, ENKA believes that training and vocational development as the firmest legacy it can impart to a region. To give a recent example, at the 3GP project we have just begun in Kazakhstan, we plan to train and certify 3,000 local employees, for which we have completed the investment phase and began training in two professional disciplines.

Under ENKA's local procurement strategy, we consider contributing to the local economy as a responsibility and are setting high targets. We conduct programmes to ensure suppliers can meet project specifications, and regularly widen our supplier pool by adding new local suppliers.

Hakan Kozan
Member of the Executive Committee (Oil & Gas and Petrochemicals Projects)

SOCIO-ECONOMIC IMPACT ASSESSMENT

ENKA assesses all its projects with regard to their potential impacts on the regions where they are to be carried out. These evaluations are carried out under the main components of ENKA sustainability approach - namely, "Doing Good Business", "Caring for Employees", "Developing Communities" and "Reducing Environmental Impact" – during project's decision stage in investment projects and before accepting the project in contracting activities.

In line with the "Doing Good Business" principle 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 the 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 conduct its business ethically, transparently and in compliance with human rights, ENKA evaluates all its projects in terms of potential risks and forms its project progress plans according to the results of this evaluations.

In order to minimise the environmental impacts of all its projects, ENKA conducts its Environmental Impact Assessments with the help of qualified companies. Teams of environmental and social experts are formed at the corporate and project levels for the implementation and monitoring of these assessments before and during operations. Waste management plans are drawn up during the pre-mobilisation stage and construction sites are set up accordingly.

In line with the principle of Reducing Environmental Impact, ENKA's design and engineering teams, carry out all design work to maximise material and energy efficiency and prefer materials which have the lowest negative impact on the environment and employee health, to the extent permitted by project specifications and regulations.

ENKA believes that the most important way to ensure the success of a project is to ensure its ownership by the communities in the area where it is undertaken. It therefore aims to satisfy these communities through the opportunities it creates and aims to achieve success by bringing together the principle of Caring for Employees, on which ENKA never compromises, with the principle of Developing Communities in the regions where it is active.

Before starting any activity, ENKA carries out an 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 these assessments, environmental and social impact management plans are drawn up and implemented.

ENKA's priority in terms of environmental and social impact management plans is to eliminate any negative impact before it takes effect. When this is not possible, various other solutions are implemented, such as reducing the negative impact, isolating it or taking engineering precautions or implementing relevant mitigation measures. 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 training for schoolchildren.

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

A DETAILED ANALYSIS IS CARRIED OUT TO ESTABLISH THE POSITIVE AND NEGATIVE IMPACTS ON LOCAL COMMUNITIES OF THE CONTRACTING ACTIVITY TO BE CARRIED OUT AND HOW ENKA CAN MANAGE THE IMPACT.

ENKA developed a Social Community Engagement Manual in 2017 in order to successfully manage all positive and negative impacts on communities located in the same region as its projects and various operations and made the document available for the use of all ENKA units. The manual explains the main elements of managing interaction with communities and the role of project management in this process and includes examples and reference files from which projects and other business operations may draw.

In this context, the following three main elements are to be taken into account in activities concerning the community at all locations where ENKA operates:

- Avoiding or Eliminating Negative Impacts
- Increasing Positive Impacts
- Social Investment

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

During all projects or business activities, all kinds of possible resettlement processes in the regions where activities take place are planned and conducted in accordance with the principles drawn up by ENKA in line with international regulations. There was no resettlement process related to ENKA activities in 2018.



The Namakhvani Cascade HEPP Project, for which ENKA signed a contract in 2018, consists of two separate hydroelectric power plants to be built over the Rioni River in Georgia. There is a potential risk that settlements in the region designated by the investor for the construction of the dam might be submerged and there is a possibility that these settlements will be relocated to a suitable location designated by the Government of Georgia. ENKA has started working on designing the new proposed settlements. The Architectural Projects Group, which operates at ENKA Design Centre has designed country houses which will be able to meet daily and traditional living conditions and needs; with floor areas ranging from 65 m² to 161 m² and with one, two, three or four bedrooms plus living room options.

During the design of these houses, climate conditions were taken into consideration and since the region receives frequent and heavy rainfall, plinth levels were considered in placing the houses on the terrain. Frontal movements and window sizing were paid attention in order to maximise the utilisation of natural light and ventilation. The designs aim at energy conservation by consolidating roofs on southern and western facing sides according to position on the terrain, in order to ensure active protection from the sun in the summer months with a passive energy implementation, and by using 10 cm of heat insulation on outward walls to prevent energy loss. While creating the designs for these houses, the daily living conditions and practices of local communities were taken into consideration. As a result, an open living area with many functions was placed at the entrance, with other living areas branching off from this space. Designs inspired by local woodwork and other local architectural ornamentation were used on the facades.



As a result of impact assessments for the SCPX project underway in Georgia, impacts on wildlife, impact on farming and bee-keeping as means of livelihood, the risk of traffic accidents, the environmental impact of dust, noise and vibration and the risk of fire were identified as the main impacts that could create risks for the environment and the communities in the region given the location of the project. Neighbouring villages were closely monitored for these potential impacts. The project management received feedback regarding a decrease in the amount of honey production from an administrator conducting bee-keeping activities, who operates in a location which falls within the impact area of the CSG-2 site of this project. Upon

receiving this information, the project team carried out research and assessment work in cooperation with the Georgia Beekeepers Association. It was identified that the amount of dust in the content of produced honey exceeds acceptable values and the impacted beekeeping activities were relocated to an area outside of the project's impact area. ENKA compensated for damages and in order to prevent future dust impact, stricter speed limits for vehicles and watering to prevent dust were implemented in the area. In addition, the frequency of visits by the project team to regions where beekeeping activities are conducted were increased and control mechanisms were established to prevent other potential incidents.

Kashirskaya Multi-Functional Trade Centre Project in Russia which was completed in 2018 and the on-going TAIF Business Centre Project are located in the city centre, with accompanying risks of a different nature for the surrounding communities. The identified risks were an increase in traffic accidents, damage to private and public property due to falling objects, environmental dust, noise and vibration and damage to surrounding buildings and communities due to potential outbreak of fire. As a result of the

precautions taken, no events that could have had a negative impact occurred at these projects in 2018. After Kashirskaya Multi-Functional Trade Centre was opened for business in 2018, people living in the vicinity shared complaints about the media facade lightning being excessive and affecting their sleep patterns. In response, the trade centre management optimised the active time and lighting intensity of the media facade and informed the parties who had placed complaints.



Kashirskaya Multi-Functional Trade Center

ENKA FOUNDATION

ENKA Foundation, which was established in 1983 with a mission of raising individuals who are trained in an environment where sports, education and culture intertwine, who keep up with contemporary developments, are productive, ask questions and fulfil

their potential, orients Turkish youth towards sports and making sports a part of their lives, identifies the sporting potential of talented individuals among them using scientific methods and trains them to become champions capable of international success.



ENKA Foundation

ENKA SPORTS CLUB

ENKA Sports Club, with its motto of "The future belongs to the young", strives to equip thousands of children with superior mental and physical qualities through the top-quality training system implemented within its teams and sports schools and raises many talented young athletes for the benefit of Turkish sports.

ENKA prepares for and takes part in national and international sporting contests in the branches of sports in which it is active with its strong potential; 1,300 licenced athletes and 87 specialised coaches. In 2018, ENKA Sports Club athletes won 194 cups and medals in national and international contests and set 88 records in various branches.

ENKA Sports Club is one of Turkey's leading clubs both in terms of the talented young people whom it has won over for Turkish sports through its training activities and in terms of successes at the international level.

Around 860 candidate athletes are receiving training within the youthful ENKA family to become champions of the future.

1,300 
Licensed Athlete

194
Cups & Medals

88 Records
achieved

ENKA CULTURE ARTS

ENKA Culture Arts brings established and promising artists to audiences to contribute to the continuity and accessibility of culture and arts and supports creativity and free thinking. Its programmes, which include examples of different national and international arts disciplines, take place at ENKA Auditorium, which has a seated capacity of 600, and the ENKA Eşref Denizhan Open Air Theatre, which has a seated capacity of 1,000.

ENKA CULTURE ARTS WELCOMES INNUMERABLE ARTISTS AND GROUPS FROM NATIONAL AND INTERNATIONAL ARENA WITH ITS PROFESSIONAL TECHNICAL EQUIPMENT AND CONTEMPORARY STAGE ARRANGEMENTS AND MAKES IT POSSIBLE FOR ART-LOVERS TO ATTEND MANY DIFFERENT KINDS OF EVENTS.

For more information, please visit the following websites:

For ENKA Foundation:

<https://www.enka.com/sustainability/home/society>

For ENKA Sports Club:

<http://www.enkaspor.com/en/>

For ENKA Culture Arts:

<https://www.enkasanat.org/en/about-us/>

For ENKA Schools:

<https://www.enka.k12.tr/>





"ACTING AT ENKA IS SUCH A GREAT PLEASURE."

We have been working together with ENKA Culture Arts ever since it began its activities. I have been at the Open Theatre and Auditorium stages with all plays that I performed and directed

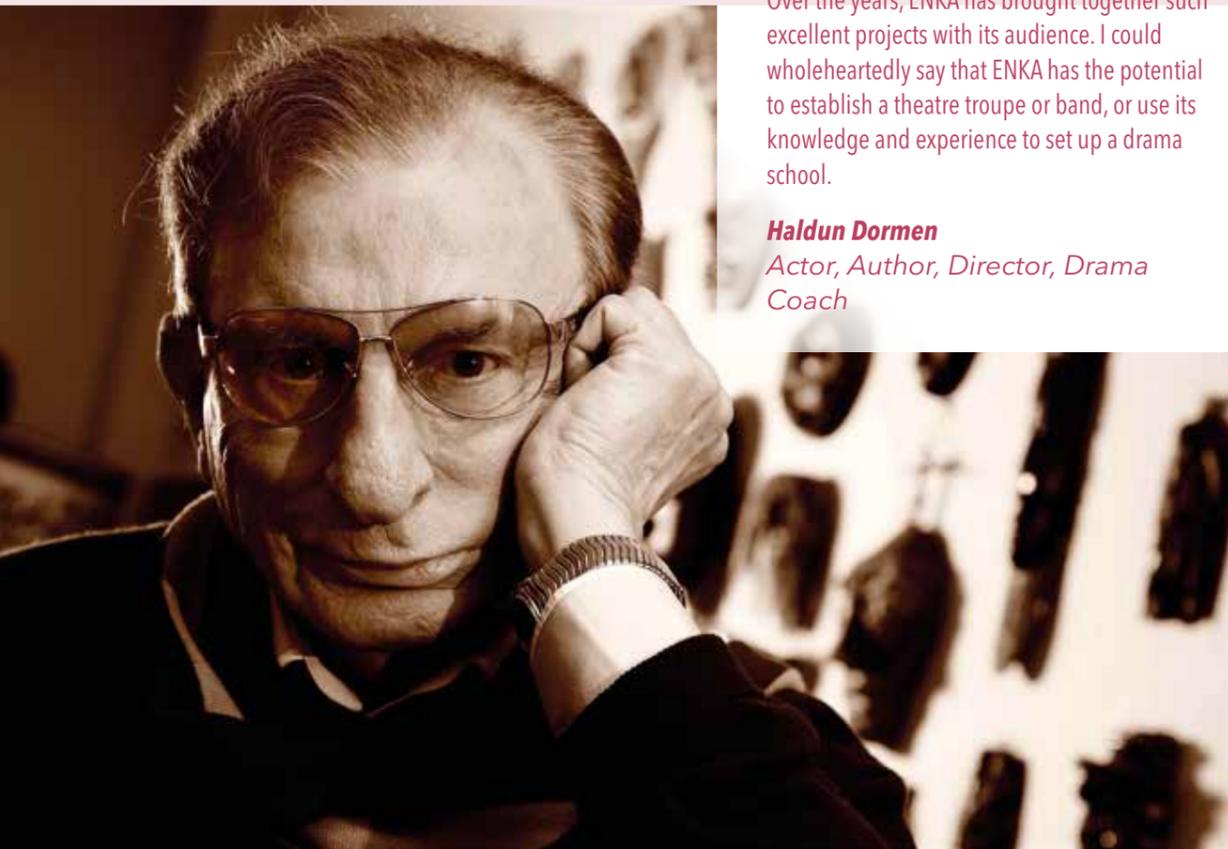


I am very happy that ENKA Culture Arts makes the theatre, music and other branches of the arts accessible. Back in the day, all plays by the conservatory of arts were put on the ENKA stage. This not only boosted the morale and self-confidence of young actors, but also allowed for the ENKA audience to watch promising artists at the beginning of their careers. This went on year after year and now those young artists of the time get on the ENKA stage with their own theatre troupes. ENKA Culture Arts is what made it possible.

ENKA Culture Arts brings together artists with a worthy audience at both the Open Theatre and the Auditorium. This makes us actors enjoy our work even more on the stage. Acting at ENKA is such a great pleasure.

Over the years, ENKA has brought together such excellent projects with its audience. I could wholeheartedly say that ENKA has the potential to establish a theatre troupe or band, or use its knowledge and experience to set up a drama school.

Haldun Dormen
Actor, Author, Director, Drama Coach



"FOR ME ENKA MEANS GETTING TO SEE WORKS OF ART THAT ARE NEW, DARING AND HIGH-QUALITY AT THE SAME TIME."

For a long time now, I have been following ENKA Culture Arts' around-the-year events. I watched and performed many plays during the theatre festival.

In consequence of plays that have made a splash that year are selected for ENKA Cultural Encounters and the most extraordinary works are supported at international theatre festivals, for me ENKA means getting to see works of art that are new, daring and high-quality at the same time. With the series of distinguished concerts, ENKA ensures both quality and innovation in music just as it does in theatre. This allows us to access work of art beyond popular mediocrity.

At this point, my expectation from ENKA, both for society, and myself is that it continues to act successfully as a bridge between society and modern works of art.

Tilbe Saran
Actor, Voice Artist, Drama Coach



ENKA SCHOOLS

ENKA Schools Adapazarı was established immediately after the 1999 Marmara earthquake to provide education and shelter for children who had been victims of the disaster with 94 permanent and 7 contracted teachers and by providing equality of opportunity in education to its 694 students, raises creative individuals who use their critical thinking and communication skills in all disciplines, ask questions, express themselves in different languages, respect differences and are internationally aware.

Private ENKA Schools İstanbul was established in 1996 and its primary, middle and high school sections provide education to a total of 1,235 students with a student-centred and innovative approach to teaching and learning. In addition to its contemporary, functional classrooms, the school has three fully-equipped science laboratories, an auditorium, three libraries housing a total of 40,000 books, a computer laboratory, two design studios and a multi-media room.

CLUBS, COMMUNITY SERVICE, AFTER-SCHOOL AND SCHOOL TEAM ACTIVITIES HAVE AN IMPORTANT PLACE IN THE CURRICULUM AND TOGETHER WITH ACADEMIC STUDIES, AIM TO ENABLE THE STUDENTS TO ACQUIRE LEADERSHIP AND COMMUNICATION SKILLS AND DEVELOP A SENSE OF RESPONSIBILITY, CURIOSITY AND SELF-CONFIDENCE.

In order to achieve these aims, the school has 103 clubs and 75 after-school activities such as the International Duke of Edinburgh awards, Round Square, Young Guru Academy (YGA), 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 İstanbul Exploration Club. Through these clubs and activities, ENKA students represent ENKA Schools in Turkey and abroad.

Adapazarı and İstanbul ENKA Schools follow the IB Schools curriculum which allows students to ask questions about local and global subjects. Our students establish local and global connections with Sustainable Development Goals during these units of inquiry and evaluate and learn about issues in the world.



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

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 a sense of responsibility, professional ethics, 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 non-specialised comprehensive high schools so as to contribute to Turkish industry and to the solution of the social issue of unemployment.

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 provided scholarships and continues education in industrial automation, machine technologies and chemistry techniques with its 79 teachers and 460 students.

All students at the ENKA Science and Technology High School study on full and unconditional scholarships with the support of ENKA Foundation. Students being educated

at this science high school, which has a quota of 250 students, are able to take part in additional educational activities in line with their goals and preferences in addition to the curriculum. Genetics classes are organised in the genetics laboratory for students wishing to study medicine while workshops are held on mechatronics and computer programming languages for students interested in studying engineering.

Both schools in Kocaeli have physics, chemistry and biology laboratories equipped with the latest technology to support the practical education of their students and these schools also contain a LEGO robot workshop, a model plane/drone workshop, a science centre, a visual arts workshop and an orchestra practice room. In order to further develop these opportunities, the school has signed a cooperation protocol with Gebze Technical University. By this means, 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.



Istinye Campus



"WE ENSURE THAT ALL STUDENTS DEVELOP CONSCIOUSNESS OF SOCIAL RESPONSIBILITY AND BECOME INVOLVED IN PROJECTS."

After working at ENKA İnşaat for about 8 years, I transferred to ENKA Schools and I've been working here for nearly 3 years.

As ENKA Schools, we created our Sustainable Campus Programme, which has been active for about two years now, in order to support the development of individuals as citizens of the world, reduce environmental impact and contribute to social development. To this end we established our Sustainability Committee with the help of volunteering participants consisting of our teachers and students. Our committee carries out work towards meeting the schools' sustainability goals, priorities and strategies, under the leadership of our students. Through the projects we developed with our students, we aim to raise awareness and sensitivity about a sustainable world and as we perform our training-education activities we follow a roadmap which respects social diversity and aims to develop global consciousness among all members of our school community.

At ENKA Schools, we ensure that all our students from kindergarten to high school develop a consciousness of social responsibility and become involved in projects.

Our students develop and implement projects together with many organisations such as ENIMUN, Round Square and Duke of Edinburg or within our school under the mentorship of our teachers. As they develop and implement social responsibility projects, the students gain many abilities such as a developed awareness of social responsibility, enriched organisational and communication skills, experience of teamwork, knowledge about other socio-economic cultures and an understanding of the universal needs everywhere around the world.

For example, last year a group of our high school students organised a summer school for students of a public school in Gaziantep. At this summer school, they carried out a workshop activity about waste management and recycling as they organised sports and art events with younger students. In the sense of developing the community as a whole, our students took a big step and in order to render this activity sustainable, decided to organise these summer schools every year.

As another example, our schools hosted the Model United Nations Conference (ENIMUN) for the sixth time last year. Our students carried out the organisational work for the conference. Our school aims to promote the MUN programme among public schools in Turkey with the aim of providing students from all across Turkey with the opportunity to participate in this event, which increases their self-esteem, and imparts global consciousness and awareness of current events. For this reason, public schools are invited to the MUN programme held at our school free of charge and training is provided before the conference to explain the key parts of acting as an effective delegate. For this reason that our school's ENIMUN activity has earned membership of THIMUN.

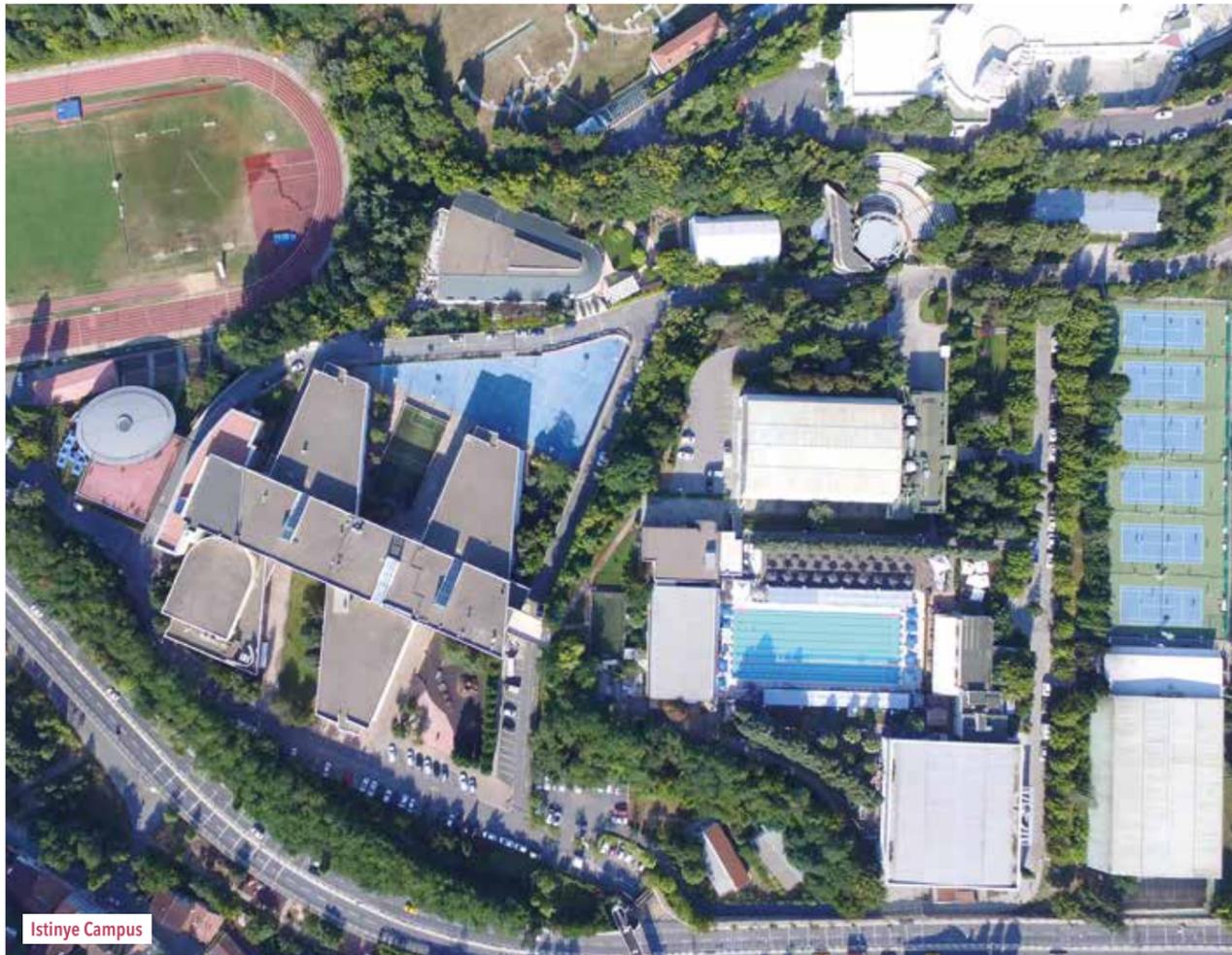
Evrime Dönmez Yazıcıoğlu
Software Development Specialist

ENKA SCHOOLS SUSTAINABLE CAMPUS PROGRAMME

In September 2017, Sustainable Campus Programme was inaugurated at ENKA Schools with a view to supporting the development of responsible individuals and world citizens, reducing environmental impact and contributing to social development. Under this programme, a joint Sustainability Committee has been established for ENKA Schools İstanbul, ENKA Schools Adapazarı and ENKA Technical Schools Kocaeli. These schools, together with

the sub-committees they set up with the participation of Students Associations, Clubs, Administrative Affairs and Parent-Teacher Associations, have begun their activities under the leadership of the students to serve the goals of ENKA Sustainable Campus Programme while taking account of the sustainability priorities within the school and local environment and developing their own strategies and identifying their own sub-targets.

AS PART OF THE PROGRAMME, THE THEMES FOR ENKA SCHOOLS SUSTAINABILITY MEETING, WHICH WAS HELD FOR THE FIRST TIME IN MAY 2018 AT KOCAELİ, WERE SET AS PREVENTING EXCESSIVE CONSUMPTION AND CONSUMPTION HABITS, WASTE MANAGEMENT, HUMAN RIGHTS AND PREVENTING DISCRIMINATION. WORKGROUPS ON THESE TOPICS WERE SUPPORTED WITH THE VOLUNTARY PARTICIPATION AND MENTORSHIP OF NGO REPRESENTATIVES.



Istinye Campus



Outputs of the Sustainability Meeting

At the Sustainability Meeting students discussed the amount of lunch wasted in the school cafeteria and came up with solutions based on their experience and observations to prevent excessive consumption. After the exchange of ideas between students, the solution was proposed that a survey on food preferences should be conducted, that survey data should be realistic about the variety and serving size to be consumed and the survey should be used to produce food according to the amount that would be consumed. On the topic of waste management, creating a recycling museum at schools and through these museums to raise the awareness of the school community on waste management, recycling and impacts on the environment was suggested. An additional suggestion was buying more recycling bins using museum entry fees and sharing them with neighbouring schools in need.

Furthermore, students suggested establishing clubs where they can meet up with experts and express themselves about human rights and preventing discrimination and discuss problems.

Awareness created at the Sustainability Meeting and its impact for students, teachers, school managers and parents continued throughout the year.

Information on monthly electricity consumption and utility bills were shared with students at ENKA Schools İstanbul and an effort was made to reduce consumption and costs together with students. Students declared themselves to be "savings detectives" and started to switch off all idle devices such as lighting, air conditioners and computers. Over the course of one year, the school's consumption was shared on the bulletin board to motivate students by allowing them to see that consumption is reduced through their own efforts.

ENKA Schools İstanbul's foremost priority in the 2018 academic year was "Zero Plastics" and the sale of water in plastic bottles at the school came to an end. The glass water dispensers installed at the school not only ensured healthier consumption of water, but teachers and students developed a habit of carrying personal cups/flasks, reducing the use of paper cups. This awareness movement received great support from all employees, parents and students.

ENKA Schools İstanbul continues its voluntary work in the field of sustainability through activities such as collecting garbage at the İstinye beach and participating in movements for a sustainable environment.



"WE REALISED THAT MANY SOCIAL, ECONOMIC AND ENVIRONMENTAL PROBLEMS CAN BE REDUCED BY RAISING THE AWARENESS OF PEOPLE OF OUR AGE."



Thanks to the Sustainable Campus Programme which started two years ago, many people who are part of the ENKA family, including students, have realised what they are capable of when it comes to sustainability. We think that the various activities carried out at our schools will have local benefits at first, and more wide-ranging benefits in future and we are happy to invite everyone to take part.

After seeing numerous activities being carried out in the field of sustainability at all three ENKA Schools, we decided to combine them and organise an event which will make a bigger impact. We realised that many social, economic and environmental problems can be reduced by raising the awareness of people of our age and we determine committee names for the ENKA Sustainability Meeting in line with this thinking.

Thanks to the ENKA Sustainability Meeting we organised last year, we decided to add new projects to the sustainability works we carry out as ENKA Schools. All three schools had the opportunity to work with different non-governmental organisations and schools around Turkey. We also continue making innovations as we designate the United Nations Sustainable Development Goals as our own.

With the Sustainable Campus Programme, we noticed that most of the students wanted to become involved in the work and join us. In addition, we had the opportunity to reach many schools in our vicinity and other cities and raise awareness.

Özge Gökçayoğlu, ENKA Schools Adapazarı 10th Grade Student

Sinan İspir, ENKA Schools Kocaeli 12th Grade Student

Dafne Özcan, ENKA Schools İstanbul 11th Grade Student



SOCIAL RESPONSIBILITY AT ENKA

ENKA VOLUNTEERS



ENKA Volunteers Platform was established within ENKA in 2018 with the purpose of contributing to solutions of social and environmental problems along with its employees. With ENKA Volunteers Manual published in September, ENKA Volunteers Executive Committee was formed and throughout the ENKA Group, employees who want to participate in volunteering projects were given the right to use one day of volunteering leave each month.

Through employee volunteering practices, employees are able to produce value added for the community and environment and have the chance to improve their personal knowledge and social skills. ENKA Volunteers have carried out more than 1,200 person-hours of volunteering activities in 2018.

40th Vodafone İstanbul Marathon to support the TEMA Foundation

ENKA and its subsidiaries participated in the 40th İstanbul Marathon which was held by the İstanbul Metropolitan Municipality, Sports İstanbul and Vodafone with the theme of "Run for Health".

Through the ENKA team a total of 747 donors contributed TRY 45.000, and the donations were used to hold a children's nature education programme as part of the "TEMA Foundation Tree Fellowship Project" and to combat soil erosion by contributing to the "Children's Memorial Forest".

ENKA TAIF Project / Social Responsibility Event

ENKA's TAIF Business Centre project team, located in the city of Kazan, Tatarstan (RF), built 11 bird houses with children and placed them in the gardens of School No. 159 and the "Alenky Tsvetochek" preschool.

ENKA Volunteers work for students in Kahramanmaraş

ENKA Volunteers carried out sorting, cleaning, ironing and packaging work at Octopus Volunteers Association's Material Assessment Centre on November 17th-18th in order to make second hand clothing, shoes, books and toys reusable for primary and middle school students in Kahramanmaraş who are in need and in two days packed the aid materials ready for transport. Afterwards, ENKA Volunteers travelled to Afşin, Kahramanmaraş on December 5th International Volunteers Day together with the Octopus Volunteers Association to meet primary school students and distribute the clothing, shoes, toys and books which were transported to Kahramanmaraş by ENKA Pazarlama, as well as the stationery materials volunteers brought with them.



Social Responsibility Project in Moscow on December 5th International Volunteers Day

On December 5th International Volunteers Day, ENKA Moscow real estate employees carried out a charity drive to address the needs of the elderly in need of nursing. Cash donations were collected in boxes at office entrances to buy materials such as blood pressure gauges, bedclothes, scarves, gloves, socks, biscuits, special cleaning supplies etc. A part of the collected donations was distributed by employees in the New Year's celebration organised for the elderly at the Vereya Care Hospital located in Moscow. Another part was given by a Santa impersonator to 22 children as food and presents during the visit to the Hagia Sofia Special Children's Dormitory, which is supported by the Vernadskogo Shopping Centre.

Earth Hour Activity

The Earth Hour is an event organised by World Wildlife Fund for Nature (WWF) since 2007 to draw attention to environmental problems around the world. To this day, more than 2 billion individuals from 135 countries have participated in the Earth Hour Activity, which is seen as the biggest environmental event in the world. ENKA İnşaat İstanbul Head Office Buildings, Cimtas Pipe, Çimtaş Steel, Çimtaş Precision Machining in Turkey; ENKA TC, MKH, OMKH, MOSENNKA Buildings, Naberezhnaya Tower and Paveletskaya Plaza in Russia supported the Earth Hour by switching their lights off on March 24th 2018 between 20:30 – 21:30.

SOCIAL RESPONSIBILITY AT ENKA GROUP COMPANIES

Çimtaş

- Çimtaş Group participated in the environmental cleaning activity organised by the JCI (Junior Chamber International) and Civil Life Association on September 15th World Clean-Up Day, which was conducted with the help of private sector employees, and supported cleaning the vicinity of the Dağyenice Lagoon. Çimtaş employees participated voluntarily in the event, which aims to bring people together to stand against the global waste problem and spread awareness of environmental cleaning. During the event in which 103 individuals participated, 570 kg of waste was collected.
- Çimtaş volunteer employees painted the classroom and school building walls to help students studying in the Gemlik Çınar Primary School receive education in better conditions and in addition donated books to the school library.
- Çimtaş Group companies sponsored the ENKA Schools Robotics Team, which achieved great success in the 2018 First Robotic Competition Regional and earned the right to enter the Robotic Competitions World Championship.

SOCIAL RESPONSIBILITY AT ENKA SCHOOLS

ENKA Schools Adapazarı

- As part of the "Don't Waste, Donate Project" organised by the Republic of Turkey Ministry of Environment and Urbanisation, TUBİSAD, PTT and TEGV partnership, students at ENKA Schools Adapazarı delivered electronic waste to TEGV.
- ENKA Schools Adapazarı donated the income from the sales held in the Ballı Çörek Cafeteria within the school throughout 2018 to Kanserder.
- ENKA Schools Adapazarı Social Me Academy Club carried out field work at various primary and middle

schools as part of the Social Responsibility in Public Schools and at the Private Sevgi Çiçeği Rehabilitation Centre as part of the "Having Fun Together" activity.

- As part of the ENKA Schools Adapazarı "Programming Activity", senior students provided training on programming to younger students in line with the principle of equality in education.
- With the "Adapazarı ENKA MUN Conference" organised at ENKA Schools Adapazarı, under the leadership the ADNEMUN club students participants were given the opportunity to think about global problems through topics such as "Human Rights", "Political Conflict" and "Disarmament", provide solution suggestions and discuss these suggestions in English.

ENKA Schools İstanbul

- At the Galip Deniz Middle-School, as part of the summer school project carried out by the volunteering students and teachers of ENKA Schools İstanbul, teachers were provided information on topics such as United Nations Sustainable Development Goals, global warming, energy consumption, utilising waste and human rights.
- ENKA organised the 6th ENIMUN Conference by hosting a Model United Conference on November 23th-26th. This year's theme was set as "The World in Crisis: To Grow or To Adapt" and during the conference, various activities were organised for students joining from all over the country, aimed at increasing their self-esteem, analytic skills, global awareness and consciousness of current events.
- ENKA Middle-School 7th grade students organised an activity on spreading awareness of Children's Rights with the cooperation of the SosyalBen Association.
- The Teachers Network conducted a workshop with 45 teachers at ENKA Schools on the topic "Teacher to Teacher: From Thinking Teacher to Thinking Student". The Teachers Network is a sharing and cooperation network where teachers come together and grow stronger with their colleagues and individuals and institutions from various disciplines. The Teachers Network, for which the Education Reform Initiative facilitates, is supported by six foundations operating in the field of education in Turkey: Mother-Child Education Foundation (AÇEV), Aydın Doğan Association, ENKA Foundation, Mehmet Zorlu Foundation, Sabancı Foundation and Vehbi Koç Foundation.

- The name of ENKA Kindness Project, which was inaugurated with the aim of creating awareness of bone marrow transplants and supporting bone marrow donations, was changed to Alp Şen iyİLİK Project to honour the faith and dedication of Alp Şen to the progress of iyİLİK. The project is carried out by ENKA volunteer students and aims to create awareness of bone marrow transplants, which is used in the serious stages of treating blood diseases such as leukaemia and anaemia, and to reach more bone marrow donors.
- ENKAinteract is established as the younger generation branch of the ENKA High School's Rotary Club in a manner which is completely based on volunteering, with the purpose of enabling students to bring aid and support wherever they can reach and thus extend the network of aid and support.
- As part of the Nepal Project, students travel to Nepal every year to contribute to economic development by providing voluntary training at rural village schools. In addition, through the project, women in Nepal are able to sell their handcrafts at the ENKA Kermis, supporting their household-scale production.
- ENKA Permaculture Club has been active since 2014. In line with the principles of permaculture, the club aims to achieve maximum efficiency in a limited area and increase biodiversity and comes up with designs to prevent rainwater from flowing freely in order to use it both for irrigation purposes and gather it in a way which will support underground resources. In addition, as part of the club's activities, small and functional greenhouses are built from waste materials and using simple manual skills, compost is produced from organic waste in buckets buried in the soil and the used in the ENKAbostan garden. About 50 products have been produced in the ENKAbostan by growing local and heirloom seeds.

For more information about İstanbul ENKA Schools' Social Responsibility Projects, please visit: <https://www.enka.k12.tr/istanbul/community-engagement/>

ENKA Schools Kocaeli

- ENKA Schools Kocaeli carried out work to plant nut bearing trees in the Memorial Forest located within the Dilovası Machine Specialisation in the Organised Industrial Zone.
- ENKA Schools Kocaeli developed TUBITAK projects which will provide sustainable benefits for society. Some of these projects are; Detractive Role of Carbon-Based Stripes in Magnetic Pollution, Electricity and Hot Water Production through Focused Solar Power, An Organic Solution to Dishwashing Liquids which Contain Synthetic Chemicals, A Water Filter which Absorbs Colouring Agents by using Peanut Membranes projects.

- Together with the WWF, ENKA Schools Kocaeli conducted an animal adoption campaign on its campus.



- Waste Battery Collection Machine developed and manufactured by ENKA Kocaeli Technical High School is used within the school campus and it is aimed to install the machine at other ENKA schools.



- ENKA Schools Kocaeli Cinema Club students started work on a joint film project for street animals together with Kocaeli AHBAP members, which they encountered at a meeting.
- FRC Robotic club students participated in the sustainability meeting and gained experience in communicating with relevant institution and individuals about sustainability.

For more information about ENKA Schools Kocaeli Social Responsibility Projects, please visit: <https://www.enka.k12.tr/kocaeli/en/student-life/community-engagement/>

2027 SUSTAINABILITY GOALS

RESPONSIBLE COMPANY	TARGET	2018 PERFORMANCE
ENKA İNŞAAT	All ENKA İnşaat projects are expected to complete at least 2 social responsibility projects in their lifetime.	Target met.
ENKA FOUNDATION	We will increase the budget for social investments by ENKA Foundation by 20% by the year 2027.	In 2018, social investment budget of ENKA Foundation is increased by 21% and the Foundation carried out voluntary social investment worth a total of TRY 64.7 million.
ENKA GROUP	Within the ENKA Group, we aim to establish at least five collaborations each year with NGOs and other organisations which conduct sustainability work.	TEİD, BCSD, OctopusVolunteers, TEMA, Aegean Forest Foundation, Çorbada Tuzun Olsun, TİDER and ENKA Schools' collaborations
	For the purpose of promoting sustainability studies and contributing to the development of the engineering profession, we aim to support student organisations by providing at least two sponsorships.	ITU Civilcon, METU BEST, METU and Boğaziçi Career Days
	In order to develop volunteering projects and promote them in society, we aim to conduct at least five volunteering projects each year until 2027.	TEMA marathon, Octopus Volunteers MDM, Visiting Moscow Nursing Home, TAIF Bird Houses and ENKA Schools' Projects
ENKA SCHOOLS	We aim to organise the sustainability themed "ENKA Sustainability Congress" in 2027, with the participation of various sectors and communities.	2027 Sustainability Goal
	ENKA Schools will engage in project partnerships with at least one state schools in the vicinity of ENKA Schools each year on the topics of sustainability activities or trainings.	Target met.
	We aim to increase the number of participants attending the ENKA Schools Spring Teachers Symposium, which is open to the participation of state school teachers, by 10% by the year 2027.	During the reporting period the number of participants increased from 518 to 550, an increase of 6.17%.



"ENKA TC EMPLOYEES RUN CORPORATE SOCIAL RESPONSIBILITY PROJECTS WITH THE DESIRE TO MAKE THE WORLD A BETTER PLACE."

ENKA's management and responsible employees attach great importance to corporate social responsibility. As part of ENKA's social responsibility projects, ENKATC organises charity events to support children at St. Sophia Social Care Centre, work with local communities to support our organisation with information, hold events for children and volunteering employees visit the children.

We greatly admire the contributions made by ENKA TC to the lives of the children under our care and consider the management and employees of the company as our friends. ENKA TC's employees are as humanly and socially focused as they are professionals, which is to be clearly seen from the fact that they do not only consider corporate social responsibility projects as a simple commitment, but run it with a creative approach and the desire to make the world a better place.

Our cooperation with ENKA began in 2016, when an employee of the company representing the management of the ENKA TC shopping centre contacted us to talk about potential collaboration. Our first activity with ENKATC was running a joint charity event on the occasion of June 1st International Children's Day. The concept of the event, which lasted four weeks, was to increase the communication level of the Kapitoly Vernadskogo Shopping Centre visitors with local communities and the collection of necessary summer items for special children at the Social Care Centre. Later, ENKATC began to play an active role in the life of our children and helped us meet a higher level of quality in conducting activities for the children.

ENKA employees have also helped two children from our organisation with professional orientation and participated in joint master classes with children .

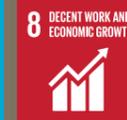
For us ENKA TC stands apart with its individual and creative approach to implementing corporate social responsibility strategy. The company's employees display professional competence at every phase of implementation of socially focused projects and most importantly, they regularly attend all of our meetings. Another characteristic that distinguishes ENKA TC from other firms is the positive mark left by its employees and management on the lives of the children.

Svetlana Babintseva

Director of the St. Sophia Social Home



CARING FOR EMPLOYEES



EMPLOYEE PROFILE (as of December 31st 2018)

	BLUE COLLAR		WHITE COLLAR	
	Female	Male	Female	Male
Number of Employees	587	9,845	1,295	3,353
Ratio (%)	4%	65%	9%	22%
Total	15,080			

Age Distribution	BLUE COLLAR		WHITE COLLAR	
	Number	Ratio (%)	Number	Ratio (%)
< 30	2,907	19%	1,292	9%
30 - 50	6,479	43%	2,883	19%
> 50	1,046	7%	473	3%
Total	10,432	69%	4,648	31%

	BLUE COLLAR		WHITE COLLAR	
	Number	Ratio (%)	Number	Ratio (%)
Number of Employees with Disabilities	80	0.53%	27	0.18%

Number of Employees by Contract Type with Gender Breakdown

	FEMALE	MALE
Permanent	1,367	5,067
Temporary	515	8,131

Number of Employees by Contract Type with Country Breakdown

	PERMANENT	TEMPORARY
Turkey	3,301	412
Russian Federation	1,303	705
China	98	249
Afghanistan	13	141
Georgia	59	280
India	38	335
Iraq	231	945
Kazakhstan	1,002	2,098
Kosovo	145	1,235
Mexico	51	273
Mauritania	2	12
Paraguay	38	362
Romania	1	0
Sri Lanka	53	671
Saudi Arabia	44	562
Turkmenistan	24	246
Gabon	0	1
Kenya	21	112
Greece	10	7

EMPLOYEE RIGHTS AND EMPLOYEE SATISFACTION

ENKA REGARDS ITS EMPLOYEES AS ITS MOST IMPORTANT ASSET FOR THE SUCCESS AND SUSTAINABILITY OF ITS COMPANIES AND FOLLOWS THE PRINCIPLE OF CARING FOR EMPLOYEES AS AN INDISPENSIBLE PART OF THE WAY IT CONDUCTS BUSINESS.

ENKA respects human rights, sees wealth in diversity, turns it into an advantage and extends this form of corporate culture to all levels of the organisation. Within this framework, ENKA Code of Business Conduct is the most important document that guides both the relations between employees and the attitude of the company to its employees. As stated in ENKA Code of Business Conduct, employment, promotion and all similar decisions within ENKA concerning human resources are taken regardless of race, national origin, religion, language, colour, age, sex, sexual orientation, disability and any other outlawed discriminatory criteria. In decisions regarding its employees, ENKA only takes the criterion of competence into consideration.

ENKA Human Resources Management Policy, which has been developed with the aim of achieving ENKA's mission, vision and values, is available on ENKA's website.¹⁰

RIGHTS PROVIDED TO EMPLOYEES

All ENKA employees have pension rights and rights to maternity/paternity leave specified in applicable laws. Other fringe benefits provided to employees vary for each company. For example, some ENKA subsidiaries provide their employees with bonuses or with support for private health insurance or private pension fund contributions. ENKA İnşaat is planning to start a private healthcare insurance programme for its employees in 2019.

Number of Full Time and Part Time Employees with Gender Breakdown

	FEMALE	MALE
Full Time	1,847	13,159
Part Time	35	39

	NUMBER OF EMPLOYEES IN SENIOR MANAGEMENT	RATIO (%)
Female	28	20%
Male	115	80%
Total	143	100%

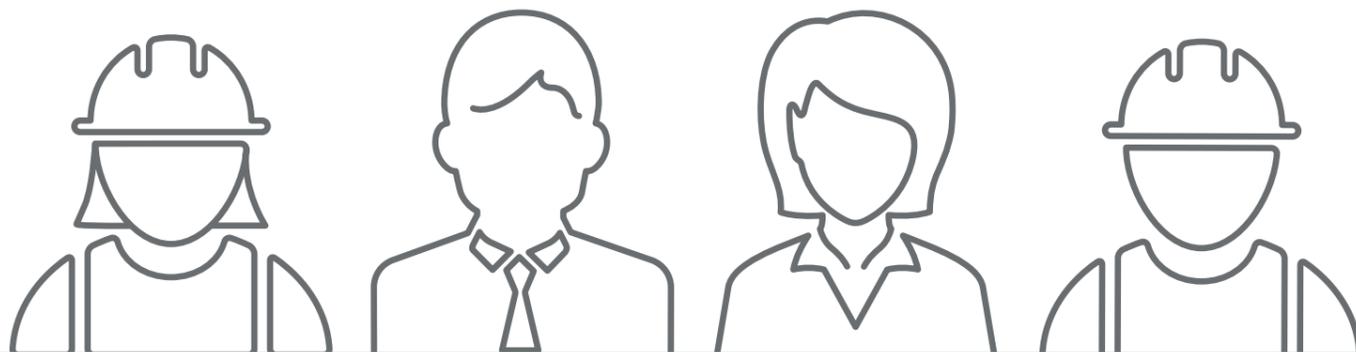
	NUMBER OF EMPLOYEES IN SENIOR MANAGEMENT	RATIO (%)
< 30	3	2%
30 - 50	93	65%
> 50	47	33%

Number of Employees at ENKA İnşaat by Employment Category⁹

	NUMBER OF EMPLOYEES	RATIO
Turkish Employees	2,261	21.53%
Employees from the Local Communities	7,141	68.00%
Subcontractor Employees	203	1.93%
Other Employees	897	8.54%
Total	10,502	100%

⁹ Within ENKA in general, subcontractor employees are employed only in overseas operations. While the duties of subcontractor employees vary under each project's scope, they are mainly employed in lines of work such as mobilisation and setting up camps, reinforced concrete activities, ground improvement works, industrial welding activities, nondestructive testing activities, physical security, engineering and design work, commissioning operations etc.

¹⁰ <https://www.enka.com/corporate-groups/human-resources/>



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 hosts a variety of well-respected performances in Turkey.

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 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.

ENKA İnşaat provides all 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 project sites. Depending on the conditions in the countries in which ENKA operates and the site locations, a range of social areas which host open-air and indoor sports facilities, game console areas and various table game activities, wireless internet in all working and living spaces as well as satellite TV channel services in residential rooms are provided to enable employees to work in a comfortable, peaceful and pleasant environment.

ENKA İnşaat prepares suitable menus for employees who desire or need special diets both at its projects and its Headquarters in İstanbul. At project sites, special kitchens are set up and separate menus are prepared by Indian cooks to accommodate the culinary preferences of employees of Indian origin.

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

Non-unionised workers at Çimtaş benefit from private health insurance as well as being covered by the Turkish Social Security Institution (SGK). If they desire to do so, dependents of employees can also be included in private health insurance coverage. In addition, general personal accident insurance is provided for all employees, whether or not they are unionised, besides private health insurance. Various other practices are in effect with a view to raising the quality of the employees' lives and increasing their productivity such as birth allowances, provisions distributed at religious holidays and support for stationary needs.

EMPLOYEE SATISFACTION

In 2017, an Employee Satisfaction and Loyalty Survey was conducted throughout ENKA for the first time by an independent research company. According to the results of the survey, employee loyalty was 88% at ENKA İnşaat and 90% at ENKA group as a whole. Based on the results of the survey, ENKA Volunteers platform was established in 2018, a survey was carried out with employees to determine ENKA Academy trainings and preparations were started to implement a private health insurance programme at ENKA İnşaat in 2019.

EMPLOYEE SATISFACTION AND LOYALTY

ENKA İnşaat **88%**

ENKA Overall **90%**





"WE ARE GLAD THAT ENKA EXISTS AND WE ARE AT ENKA!"

Working at ENKA is like being the member of a family, a student of a school. We are a very large family, which includes experienced individuals from many different societies and cultures, allowing us to keep learning and teaching, as a result of which we increase our potential, produce high quality work and enjoy deserved pride in our success.

In Turkey and abroad, ENKA supports the personal and academic development of every employee and its touch reaches out to the families of employees.

In addition, ENKA clearly shows that it values its employees with the occupational health and safety, environment, finance, communications and social responsibility trainings it provides through ENKA Academy, the well-educated students it raises at ENKA Schools, successful athletes it trains at the ENKA Sports Club and the culture and arts activities it runs through the ENKA Foundation.

We were among the first ENKA Volunteers of ENKA İnşaat Headquarters who took part in the project to help children in disadvantaged areas, which was one of the social responsibility projects ENKA carries out in various fields.

ENKA, which brings together many organisations, provides opportunities for its employees to meet outside of work and at the same time for employees to make use of their many personal skills, potentials, experiences, knowledge and abilities.

ENKA volunteering projects present employees with opportunities to strengthen their bonds by socialising, communicate with communities together and do work that benefits society.

We are glad that ENKA exists and we are working at ENKA!

Hülya Sözen, Human Resources Specialist

Gülsün Tez, Finance Chief



EMPLOYEE TRAINING AND DEVELOPMENT

ENKA believes that in order to perpetuate its existence and become even stronger, it needs to invest in each and every employee who possesses the knowledge and qualities needed in their field of work and views its employees as priority stakeholders inline with the principle of Caring for Employees.

BY CREATING A CULTURE WHICH PROMOTES THE ACHIEVEMENT BOTH OF ITS OWN ORGANISATIONAL GOALS AND OF THE INDIVIDUAL GOALS OF ITS EMPLOYEES, ENKA AIMS TO CREATE A MORE MOTIVATED AND COLLABORATIVE WORKFORCE AND AT THE SAME TIME PROVIDE BETTER WORKING ENVIRONMENTS.

With the purpose of providing its employees with opportunities to develop and learn, as well as to support the achievement of the company's goals, ENKA founded ENKA Academy in 2015 to help employees develop their professional competencies, awareness of processes, technical knowledge and their leadership and management skills.

ENKA Academy has planned and implemented both occupational and social skill development trainings within ENKA and its subsidiaries in 2018. In the reporting period, through approximately 645 hours of training a total of 11,508 person-hours of training were provided on the development of engineering and social skills. Trainings included in the ENKA Academy curriculum is developed by either experts within the company or by the leading training institutions and academic units in the sector. Since its establishment, ENKA Academy has provided over 1,300 hours of training involving more than 3,100 participants.

11,508

Person-hours

TRAINING PROVIDED ON DEVELOPMENT OF ENGINEERING AND SOCIAL SKILLS

After each training, participants are asked to complete a Training Evaluation Survey to record participant satisfaction and training feedback. In addition, a Training Needs Survey, in which all company employees participated, was conducted in 2018 in order to identify the needs and priorities regarding the training provided by ENKA Academy, to contribute to personal and professional development of employees and to support both individual and institutional performance. While determining the ENKA Academy 2019 Training Plan, results of the Training Needs Survey was taken into consideration and planning was carried out for training programmes which aim to improve employees' professional competencies, technical knowledge and skills, social skills, leadership and management skills.

Alongside ENKA Academy, Project Training Departments which are established separately at each project and are in constant communication with Istanbul Corporate Headquarters have delivered more than 8.2 million personhours of training, which have contributed to the development of the local population in countries where ENKA is active.

AMOUNT OF TRAINING GIVEN UP TO DATE

8.2 million

person-hours



Istanbul Headquarters

EMPLOYEE TRAINING

ENKA provides equal training opportunities to all its employees to support the development of their professional and social skills. By providing training opportunities appropriate for the professional capacities of each employee and to a wide range of employees from professionals who are at the start of their career to members of the executive board, ENKA aims to achieve continuous development and sustainable growth.

Training hours for each employee provided by ENKA Academy in 2018 for employees affiliated with ENKA Headquarters and its subsidiaries, disaggregated by gender and type of employee is shown in the tables on the right. In pursuing its goals of Gender Equality and Reducing Inequalities, ENKA Academy has planned Gender Equality seminars for 2019.

Personnel Training Hours by Gender at ENKA Academy

	FEMALE	MALE
Total Training Time (hour)	3,183	8,325
Training Time per Employee (hour)	12.73	11.96

Personnel Training Hours by Blue Collar/White Collar at ENKA Academy

	BLUE COLLAR	WHITE COLLAR
Total Training Time (hour)	392	11,116
Training Time per Employee (hour)	8	12.39

TRAINING OF EMPLOYEES IN THE FIELD

In all ENKA 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. These training plans consist of four stages; orientation, skills development, pre-job quality briefings, and health, safety and environment (HSE) trainings.

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 at ENKA worksites. Under this framework, a total of approximately 742,000 person-hours of trainings were provided in the field throughout ENKA projects during the reporting period.

EMPLOYEE TRAINING AT ÇİMTAŞ

The core values which constitute the bases of Çimtaş activities are its personnel's health, safety, competency, development and leadership. With its occupational safety and environmental activities which are continuously monitored and promoted at the highest level, Çimtaş creates a safe working environment for its employees while keeping the satisfaction and efficiency of its employees high through training and development activities which are aimed at competency development.

Çimtaş identifies, plans and evaluates the effectiveness of 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. Training hours provided to employees of group companies during the reporting period is shown in the table below.

Personnel Training Hours by Category of Employee in Çimtaş Group

Location	Employee Category	Training Hours for Male Employees	Avg. Number of Male Employees	Average Hours of Training per Male Employee	Female Training Hours	Avg. Number of Female Employees	Average Hours of Training per Female Employee	Total Training Hours	Total Avg. Number of Employees	Total Hours of Training Per Person
Steel	White collar	9,758.3	177.3	55.1	1,447.1	20.2	71.8	11,205.4	197.4	56.8
	Blue collar	24,143.9	416.3	58.0	-	-	-	24,143.9	416.3	58.0
Pipe	White collar	15,095.5	276.5	54.6	3,561.1	61.7	57.7	18,656.6	338.2	55.2
	Blue collar	29,197.4	515.6	56.6	-	-	-	29,197.4	515.6	56.6
Precision Machining	White collar	8,888.4	93.2	95.4	752.0	9.7	77.5	9,640.4	102.9	93.7
	Blue collar	6,793.8	119.7	56.8	-	-	-	6,793.8	119.7	56.8
Shipyards	White collar	3,943.5	49.9	79.1	428.1	5.8	73.4	4,371.6	55.7	78.5
	Blue collar	4,660.8	51.4	90.7	30.8	1.0	30.8	4,691.6	52.4	89.5
Ningbo	White collar	1,782.0	71.0	25.0	1,497.5	54.0	28.0	3,279.5	125.0	26.0
	Blue collar	13,295.0	220.0	60.0	1,236.0	19.0	65.0	14,531.0	239.0	61.0

At Cimtas Ningbo, Finance for non-financial professionals and cross-cultural awareness trainings were provided as part of its Leadership Programme, alongside technical training programme.

During the improvements carried out in 2018, in order to popularise the use of the 6 Sigma methodology, with the purpose of further strengthening the competency of participants while leading improvements and with the goal of ensuring a sustainable quality for customers, 6 Sigma Green Belt Trainings were completed at Cimtas Pipe and Çimtaş Precision Machining plants and trainings are planned for new groups in 2019.

The Quality Communication, Living and Joy of Life conference by Prof. Dr. Üstün Dökmen on topics such as listening, understanding and reconciliation in family and business life, dealing with prejudices, gaining different perspectives, being resilient, taking responsibility, maintaining the joy of live by learning something new every day and increasing life motivation and being a team, was conducted with participation of 232 employees.

The Hogan leadership analysis and team-meter workshop, which were put into practice at Çimtaş Precise Machining in 2017, was extended to Cimtas Pipe and 54 employees were included in this programme with the purpose of analysing strong and open-for-improvement aspects of the team, identifying areas for synergy creation, ensuring that team members unite towards a common goal and strengthening the understanding of cooperation and mutual dependency. The Leadership Training Programme was designed in 2018 and is planned to be introduced in 2019.

In 2018, the certification process of employees were monitored by Çimtaş Academy as required by Law 5544

on Vocational Qualifications Authority. 293 employees at Cimtas Pipe and Çimtaş Precision Machining and 111 employees at Çimtaş Steel and Çimtaş Module and Shipyards were provided with Vocational Competency and Training Certificates.

Document Name	Cimtas Pipe	Çimtaş Precision Machining	Çimtaş Steel	Çimtaş Module and Shipyards	Total
Vocational Training Certificate	164	22	42	35	263
Vocational Competency Certificate	32	3	24	10	69
Certificate Renewal	65	7	0	0	72
Total	261	32	66	45	404

CONTRACTED EDUCATIONAL INSTITUTIONS AND MBA PROGRAMMES

The following benefits apply for all Çimtaş employees;

- A discount of 25% is granted at Bilgi University for MBA or distance education/online education programmes.
- 30% discount is granted at Bahçeşehir University for MBA programmes and when certain points on criterion such as ALES, foreign language exam or GPA are met, the grant may increase up to 50%.
- All Çimtaş employees may benefit discount opportunities at various language schools.

OCCUPATIONAL HEALTH AND SAFETY

The first and foremost priority of ENKA and its subsidiaries is that all employees should be able to get back to their homes and families without experiencing even the slightest injury at work.

FOR THIS PURPOSE, ENKA IMPLEMENTS VARIOUS PRACTICES AND DEVELOPMENT PLANS REGARDING OCCUPATIONAL HEALTH AND SAFETY, AND CONSIDERS THESE PRACTICES AS STRETCHING BEYOND PRIORITIES TO VALUES, INCLUDING THEM IN ALL ASPECTS OF CONDUCTING BUSINESS.

HEALTH AND SAFETY MANAGEMENT

ENKA İnşaat (including ENKA Headquarters and all ENKA İnşaat projects), ENKA Power, ENKA TC, Cimtas Pipe, Çimtaş Steel, Çimtaş Module and Shipyards and Çimtaş Precision Machining all holds OHSAS 18001 certificates and manage their activities in compliance with this standard. ENKA's practices and management systems are regularly audited and have been certificated by the British Standards Institution (BSI) since 2002. In addition, ENKA forms and conducts its HSE management system by complying with the legal requirements in all countries where it is active and monitors its compliance with the OHSAS 18001 standard.

The Health and Safety structure at ENKA begins with a commitment by senior management. This strong commitment, which is the foundation of ENKA's practices and management system, is shared with all of its stakeholders through the Environment, Occupational Safety, Health and Social Responsibility Policy. This commitment is implemented effectively through internal procedures and resources in line with procedures such as trainings, workshops, plans, instructions, control lists and forms. Areas that are open to improvement are identified through audits and according to the results of these audits, the system is reviewed and necessary actions are taken in line with the principle of continuous improvement.

Occupational health and safety is addressed with due attention wherever ENKA is active and everyone within the

boundaries of the worksite, including subcontractors, are considered to be ENKA employees and are subject to the same standards.

ENKA considers its employees as the driving force of its work and consequently is aware that any potential problems regarding employee's health and safety in its work may cause the company to go through losses in morale, reputation and legal damages. For this reason, ENKA holds HSE topics as values of its way of doing business. ENKA, in addition to the OHSAS 18001 standard it complies with during its HSE processes, continues its operations with a proactive approach to risk management. The main goal of this management system is maintaining the "Zero Accident" philosophy. ENKA protects the health and safety of all its employees with strong faith in this policy and its comprehensive HSE organisation.

ENKA's subsidiaries in Turkey comply with the Law on Occupational Health and Safety (6331) and all regulations within the framework of this law and its subsidiaries in Russia comply with the Russian Federation Federal Law 197 and all regulation within the framework of this law.

While managing all possible or existing risks originating from ENKA activities, the proactive approach is taken as the foremost priority and all works start with identifying, assessing and managing HSE risks. Risk assessments are conducted at all of ENKA's subsidiaries in line with approved procedures and relevant regulation. Risk assessments are taken into consideration for both regular working conditions and emergency situations. At ENKA İnşaat projects, the main steps of ENKA HSE risk management are the General Risk Assessments conducted at the start of each project, specific risk assessments created in line with the details of the work to be carried out, and Job Hazard Analyses.

Risks and necessary steps to be taken are identified through these risk assessments, evaluated by project management groups and HSE Departments and treated according to the risk management hierarchy. The risk management hierarchy foresees taking the following steps in order for any identified risks;

1. **Elimination:** Eliminating the hazard at its source.
2. **Substitution:** Replacing hazards, events or equipment with a less hazardous one.
3. **Engineering Controls:** Placing physical or protective equipment between equipment which are prone to risks or liable to be damaged due to risks.
4. **Administrative Controls:** Relaying hazards and protection measures to employees who are under risk of injury through directives and instructions.
5. **PPE:** Personal Protective Equipment.

Once these steps are taken in order, all assessed risks should be at an absolutely acceptable level. All employees who will take part in the work are given information on risks which are lowered to an acceptable level after risk management actions and relevant protection measures and before the work begins teams mutually come to an agreement on risks and precautions. ENKA employees always have a say on how their activities can be rendered safer. It is well known that reporting observed unsafe situations and small details which might add up to unsafe situations is extremely important at worksites. For this reason, as it in all stages of the organisation, participation of employees with their opinions in issued to do with Occupational Health and Safety and their presence in decision-making units are encouraged. With "Observation Cards" implemented at projects, nonconformities identified by employees are assessed and the taking of necessary precautions is ensured. In addition, HSE committees are established at all projects under the guidance of project management and project HSE departments. These committees, called Zero Accident Team Meetings, meet regularly every week or month, review the HSE performance of the projects and decide on the main actions that need to be taken. Employee representatives are also present in these committees in numbers proportionate to the number of total employees.

ENKA and its subsidiaries establish HSE (Health, Safety and Environment) and OHS (Occupational Health and Safety) Committees in accordance with the laws and regulations and carry out Committee meetings. All ENKA İnşaat projects have HSE committees while ENKA Corporate Headquarters, ENKA Power and Çimtaş Group companies have OHS Committees. These committees meet regularly, review Occupational Health, Safety and Environment performance and decide on the main actions that need to be taken. The committees consist of employer representatives, OHS experts, the workplace doctor/nurse, human resources expert, an administrative officer, employee representatives, representatives of the labour union if any and other relevant experts depending on the agenda. Great care is taken to determine employee representatives through elections.

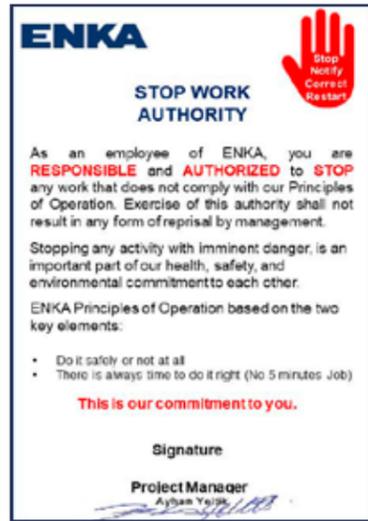
The right to stop work is defined in ENKA's HSE procedures, where it is stated clearly that employees who use this authority will not face any sanctions.

ENKA believes that with its participatory and risk-based management system, all accidents can be prevented. However, all undesired events in which any stakeholder is harmed as a result are examined in detail. As a result of these examinations and analyses, corrective and preventative action plans are drawn up and these plans are followed thoroughly to prevent this type of unwanted event from happening again. "Lessons Learned" documents that are created after such incidents are shared with projects and systematic work is carried out to prevent similar incidents from taking place again.

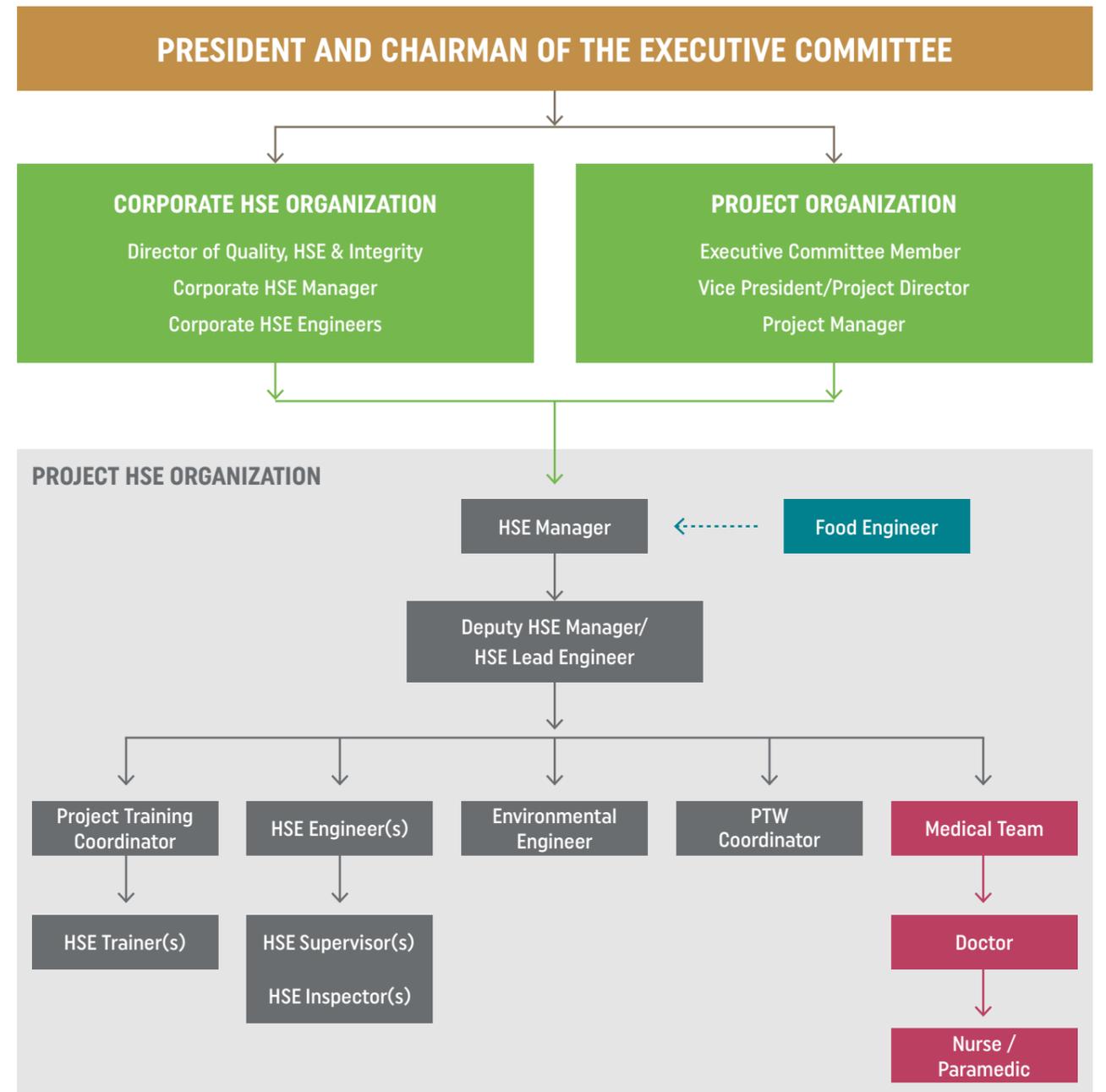
HSE DEPARTMENT

ENKA and its subsidiaries have HSE departments staffed by competent employees in order to make sure that HSE processes continue and are managed properly. These HSE units report to the most senior manager within the organisation and ensure that HSE processes are conducted properly.

The table on the next page shows the organisational chart of the HSE management structure at ENKA İnşaat:



COMMITTEES, TRAINING SESSIONS AND OTHER COMMUNICATION TOOLS EFFECTIVELY EMPHASISE THAT ALL EMPLOYEES HAVE THE AUTHORITY TO STOP WORK WHICH THEY CONSIDER TO BE UNSAFE. ANYONE WORKING AT ENKA, REGARDLESS OF THEIR JOB DEFINITION, MAY USE THE RIGHT TO STOP WORK WITHOUT RESERVATION.



In the example of ENKA İnşaat; the HSE Department reports to the President and Chairman of the Executive Committee and the HSE Director, HSE Manager and HSE Engineers are a part of the Corporate HSE organisation, ensuring continuous communication with all projects. HSE Departments which participate in projects are organisationally affiliated with both the project management and Corporate HSE Department. In this way, ENKA makes sure of the continuity and consistency of compliance with HSE standards at every project. HSE professionals working at projects continuously

undertake occupational development through training. HSE professionals participate in certificate and diploma programmes which are nationally and internationally accredited. In addition to comprehensive teams formed for field observations, training departments provide various training to all employees in accordance with the training plan. In order to manage the Work Permit System, which is implemented to more effectively manage high-risk work, Work Permit Coordinators are assigned. Food engineers ensure food safety and make sure food security processes are conducted in line with the relevant standards.

ENGAGEMENT OF EMPLOYEES IN OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT COMMITTEES

ENKA's primary stakeholders are its employees, and their participation in HSE processes is very important for the company. Aside from the HSSE (Health, Safety, Social and Environmental) Policy, which is published on ENKA's website relevant directives, instructions and procedures for HSE can be accessed through the ENKA Document Management System (EDMS) for the participation of employees to HSE processes. In addition, news and developments are shared with all employees through the HSE Newsletter system, which was established within the company for sharing important announcements. Furthermore, posters in six languages are prepared in order to increase communication about HSE and are placed at locations visible to everyone. Announcements are also put up on HSE bulletin boards.

ENKA İnşaat and its subsidiaries conduct OHS committees at varying intervals according to the relevant risks and instructions. Subsidiary managers, HSE managers and employee representatives participate in these committees. Representatives of subcontractor firms also attend these meetings during the period they work with ENKA. In these committees Health and Safety performance data, identified major risks, feedback, requests and demands are discussed and necessary decisions are taken.

For example, while ENKA İnşaat projects organises OHS committees monthly and the Headquarters conducts it once every three months, other subsidiaries such as Çimtaş Group companies conduct these committees every month or every two months. In addition to these committees, OHS meetings are held with employees at the level of team leaders, foremen and supervisors.

WORKING IN REGIONS WITH HIGH HEALTH AND SECURITY RISKS

ENKA İnşaat and subsidiaries not only care for the health problems their employees might experience due to their work, but also their personal health. For this reason, healthcare units are available at all subsidiaries for the use of its employees in keeping with relevant risks. In projects located in numerous challenging geographies, comprehensive infirmaries and clinics are established in order to keep the health of employees at the highest level and to mitigate the risk of local medical support being inadequate. Evaluating the size of the projects and number of employees working in the projects, expert doctors and nurses/paramedics are employed in these clinics. 24/7 service is provided in these clinics with doctors and nurses to attend to all health problems of employees in detail. Aside from the competent

health personnel assigned in clinics, necessary pieces of equipment are identified through detailed research and health risk analyses. AED, ECG equipment, oxygen support equipment, tools and stretchers, trauma intervention kits are among the standard equipment present at each clinic. Employees can apply to health services not only when they have health problems due to work but also for their other health problems and are able to receive treatment free of charge and in line with standards.

ENKA Power provides support to its employees' health through early diagnosis and first tier healthcare services. Regular scans, tests and briefings to its employees regarding their personal health are some examples of the services provided for employees to maintain their personal health.

ENKA AND ITS SUBSIDIARIES MAINTAIN FOOD SAFETY AT THE HIGHEST LEVEL AND ALL NECESSARY PRECAUTIONS ARE TAKEN THROUGH FOOD SAFETY AND HYGIENE INSPECTIONS TO ENSURE THAT THERE ARE NO HEALTH PROBLEMS.

Aside from projects, trainings and seminars are regularly organised about health and healthy living at the ENKA headquarters by the health group. In 2018, a total of six seminars were held. Details about these seminars are given below.

- New Generation Early Diagnosis Methods for Cancer
- Solutions to Ache and Integrative Medicine
- Effect of a Proper Diet on Living Quality
- Change in 21 Days Programme
- Holistic View on Aches
- Ovary Cysts and the HPV Virus

Aside from the seminars, various practices and activities such as regular retinal scanning and audiometer tests are provided for employees working in the ENKA headquarters for early diagnosis of possible health problems.

HSE TRAINING

ENKA believes wholeheartedly in the importance of training. Conscious that knowledge which cannot be transmitted in detail and properly will not make a long-term impact, ENKA and all its subsidiaries conduct their training through detailed plans and procedures in which relevant legal regulations and management standard requirements are taken into consideration. Necessary trainings for each work branch, the content of these trainings and their frequency are determined according to these plans and procedures. With the awareness that a successful training strategy requires a proper training programme, competent instructors and suitable learning spaces, ENKA continues its training activities with competent and qualified instructors of the training units attached to the HSE Department. In addition to training coordinators, local instructors are employed in the training department to provide training to the local employees in their own language.

HSE Training at ENKA consists of three main components which are Orientation and On-the-Job Training, Technical Training and System Training. Technical Training is provided on topics such as working at height, working in confined spaces and safe use of hand tools with the aim of ensuring that the activities in question are carried out safely. In Systems Training, courses are given on the operation of systems such as ENKA HSE System, Permit to Work System,

OHSAS and ISO Management Systems. Since they are the basics and an inseparable part of HSE training, orientation and on-the-job trainings are no longer among the ENKA's training goals. Annual training goals are determined and updated through the Specific Training Ratio which include the total of technical and system trainings.

As can be seen at the table below, ENKA İnşaat completed its HSE trainings successfully with 732,225 personhours in 2018 and a total of 2,883,570 personhours in the last 3 years. 274,525 personhours of these trainings were spent on specific trainings during 2018 and the total amount of time spent in this category is 1,042,344 person-hours over the last 3 years.

BETWEEN THE YEARS 2015-2018

2,883,570
Person-Hours HSE Training



Tengiz Base Business

Year	TOTAL (PERSON-HOURS) -A-	TOTAL PERSON-HOURS OF THE PROJECTS FOR WHICH TRAINING DATA IS SHOWN -B-	TOTAL SPECIFIC TRAINING ¹¹ (PERSON-HOURS) -C-	RATIO OF SPECIFIC TRAININGS -D- (D=C/B)	TOTAL OF ALL TRAININGS ¹² (PERSON-HOUR) -E-	RATIO OF TOTAL TRAININGS -F- (F=E/B)
2018	47,165,738	46,751,959	274,525	0.0058	732,225	0.016
2017	53,400,045	53,093,499	338,774	0.0063	1,025,123	0.019
2016	85,764,321	85,764,321	429,045	0.0050	1,126,222	0.013

Occupational Health and Safety training sessions, which are required by the Law 6331 on Occupational Health and Safety and Regulation on the Rules and Procedures for Occupational Health and Safety Training of Employees, were organised for the white and blue collar employees working at ENKA İnşaat Headquarters in 2018.



The training was organised at the ENKA Headquarters and was mandatory for all employees. The 10 training sessions were implemented by the Corporate HSE Department, Corporate Health Office and Corporate HR Departments in September. Participants were informed about workplace safety, health and employee rights specified in laws and regulations, together with the ENKA HSE practices and ENKA Code of Business Conduct.

¹¹ Specific training, trainings except HSE Orientation and on-the-job speeches (toolbox talk).

¹² All trainings regarding HSE.

All companies within Çimtaş Group come under the "operations with risk" and "operations with high risk" category according to regulations. Within this context, being categorized as "operations with risk", Cimtaş Pipe and Çimtaş Precision Machining provide OHS renewal training for its employees every two years and on-the-job OHS training is 12 hours at minimum for each employee. In these two companies, all employees are given 15 minute-speeches on occupational safety and the environment in three parts. Employees of Cimtaş Ningbo are provided with 15-minute HSE briefing training once every week and in addition relevant units are given single-point training regarding risky situations identified through daily, weekly and monthly HSE audits.

ENKA's subsidiary ENKA TC organised trainings on topics such as Occupational Health and Safety, emergency situations and on first aid, the last of which was held in cooperation with officials from the Russian Ministry of Emergency Situations and Red Cross.



In 2018, a total of 856,209 person-hours of HSE training was given at ENKA and its subsidiaries. The distribution of this training among ENKA İnşaat, ENKA Power,

Çimtaş, ENKA Real Estate (ENKA TC, CCI, MKH), ENKA Pazarlama, ENKA Foundation and ENKA schools is shown at the table below.

ENKA HSE Training Hours

	WHITE COLLAR		BLUE COLLAR	
	Training Duration (person-hours)	Avg. Training per Person	Training Duration (person-hours)	Avg. Training Per Person
ENKA İnşaat	189,084	60.58	543,141	60.58
Çimtaş Group	25,447	30.1	80,496	55.7
ENKA Power	1,698	12.21	6,054	25.54
ENKA Real Estate	3,662	10.14	5,856	14.53
ENKA Sports Club	22	0.26	77	4.81
ENKA Pazarlama	166	1.36	233	4.96
ENKA Schools	200	0.44	74	1.09
Grand Total	220,279	42.97	635,931	56.87

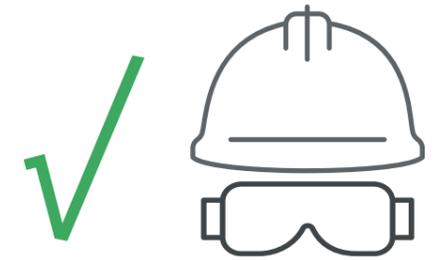


ENKA OCCUPATIONAL INCIDENTS PERFORMANCE

While calculating the ratio of recordable incident frequency, incidents at the first-aid level were excluded; any incident which involved medical treatment, restricted work case, lost day incidents and incidents involving

fatalities were included. The ratio of lost day incidents are calculated according to calendar days. Lost days were calculated in a manner which starts from the day following the incident.

	Total Person-Hours in 2018		56,175,409				TOTAL
	Class of Incident / Indicator	Number				TOTAL	
		Female		Male			
		Blue Collar	White Collar	Blue Collar	White Collar		
Number of Fatalities	0	0	2	0	2		
Number of Lost Time Incidents	1	0	19	0	20		
Lost Time Incident Frequency Rate	0.004	0.000	0.07	0.00	0.07		
Number of Lost Days	15	0	1,401	0	1,416		
Lost Time Incident Severity Rate	0.05	0.00	4.99	0.00	5.04		
Number of Restricted Work Cases	0	0	16	1	17		
Number of Medical Treatments	0	0	49	1	50		
Number of First Aid Cases	0	0	178	2	180		
Number of Recordable Incidents	1	0	86	2	89		
Recordable Incident Frequency Rate	0.004	0.000	0.306	0.007	0.317		
Absentee Rate					x		
Work Related Illnesses Frequency Rate					x		



	Total Person-Hours in 2018		861,874				TOTAL	57,037,283
	Class of Incident / Indicator	Number				TOTAL		TOTAL
		Female		Male				(ENKA + SUBCONTRACTORS)
		Blue Collar	White Collar	Blue Collar	White Collar			
Number of Fatalities	0	0	0	0	0	2		
Number of Lost Time Incidents	0	0	5	0	5	25		
Lost Time Incident Frequency Rate	0.00	0.00	1.16	0.00	1.16	0.09		
Number of Lost Days	0	0	53	0	53	1,469		
Lost Time Incident Severity Rate	0	0	12.30	0.00	12.30	5.15		
Number of Restricted Work Cases	0	0	0	0	0	17		
Number of Medical Treatments	0	0	7	0	7	57		
Number of First Aid Cases	0	0	62	2	64	244		
Number of Recordable Incidents	0	0	12	0	12	101		
Recordable Incident Frequency Rate	0	0	2.78	0.00	2.78	0.35		
Absentee Rate					x	X		
Work Related Illnesses Frequency Rate					x	X		



Çimtaş

2027 SUSTAINABILITY GOALS

RESPONSIBLE COMPANY	TARGET	2018 PERFORMANCE
ENKA GROUP	We aim to have at least 35% of our white-collar employees to be women by the year 2027.	Ratio of female employees to total white collar employees reached 28%.
	We aim to increase training hours per employee at the ratio of 5% every year until 2027.	Compared to 2017, training hours per employee increased by 40.5% for female employees and 31.7% for male employees.
	We will maintain our Zero Accident Policy without any compromise.	Target met.
	We aim to have at least 5% of ENKA white-collar employees participate in volunteering projects until 2027.	3%
	We will conduct an employee loyalty survey every two years across ENKA Group and we aim to increase the satisfaction ratio to at least 90% by the year 2027.	In 2017, an Employee Satisfaction and Loyalty Survey was conducted throughout ENKA for the first time by an independent research company. According to the results of the survey, employee loyalty was 88% in ENKA İnşaat and 90% in ENKA group as a whole.
ENKA SCHOOLS	ENKA Schools will extend the scope of employee trainings (In-Service/External Trainings/ Occupational Trainings/Certificate Programmes) in order to maintain employee competency and satisfaction.	Target met.



STAKEHOLDER
ASPECT

"ALL EMPLOYEES, FROM THE LOWEST LEVEL TO THE HIGHEST, HAVE THE AUTHORITY TO STOP WORK IF THEY PERCEIVE ANY DANGER."



I have been working at Çimtaş for about 11 years. I am a member of a family which has its own culture, mission, vision and values, cares for work safety at the highest level, is a solution partner, provides highest-quality and on-time services to its customers, cares for development and leadership, ensures efficient use of advanced technology and knowledge, is innovative in every undertaking and is willing for change, where seeds of love, respect and friendship blossom, with responsibilities towards effective values, the environment and society.

As part of HSE all employees, from the lowest level to the highest, have the authority to stop work if they perceive any danger. The location of every tool and equipment used during the work is already defined. A neat workspace where employees can work ergonomically, efficiently and comfortably, which is safe, peaceful, clear of dangers and amenable to teamwork has been created. By defining the short-comings of employees regarding their work within the frame of polyvalence, training on necessary topics is provided by relevant supervisors or external resources through practical and theoretical planning. Recognising employee's feedback and suggestions, ensuring these are put to good use and awarding and honouring employees to encourage the rest of the employees is something that our company values greatly.

Training programmes at Çimtaş, together with continual improvement efforts, create a common corporate culture and develop a consciousness of workplace health and safety and lean production for employees, while also contributing to their administrative competency and professional development. All employees that start to work at our company are given orientation training which covers workplace health and safety, management systems, philosophy of lean production and business processes. All employees who will work at production and production control are provided with practical, theoretical and qualification development training in order to maintain defined quality and production standards. In addition, occupational health, safety and environment training is provided in order for employees to learn how they can contribute to environmental and occupational health and safety goals in our company, realise the possible dangers our work may pose to the environment and develop their personal performance on occupational health and safety.

Çimtaş also provides education opportunities for its employees aimed at developing their personal competencies such as communication, leadership, teamwork and presentation skills. All employees are given training in line with their profession and role. For example; an auxiliary employee who started out is guided towards becoming an Argon Welder or Piping Team Chief after a certain time period and in line with the knowledge and skills they will have gained from Çimtaş's corporate culture.

İslam Başar
Fit-Up Foreman

REDUCING ENVIRONMENTAL IMPACT



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



ENVIRONMENTAL MANAGEMENT

As part of Reducing Environmental Impact, one of the four principal foundations of its sustainability strategy, ENKA clearly highlights its commitment to protect the environment and reduce environmental impact arising from its activities with its **Environmental Management Approach and Policy**. 2027 ENKA Sustainability Goals include targets that serve for Reducing Environmental Impact. These goals are categorised under the headings carbon emissions and climate change, water efficiency, renewable energy, the present-day environmental problem of using plastic bottles and the continuity of compliance with environmental policies at ENKA Schools. In setting these goals, global trends, conditions and impacts of subsidiaries on the environment and the feasibility and observability of the goals were taken into consideration.

ENKA İnşaat and its subsidiaries run environmental management and its commitments in compliance with international environmental management systems, formulate their own environmental management systems in line with ISO 14001:2015 Environmental Management System Standards, which are then audited by independent organisations.

ENKA SYSTEMATICALLY IDENTIFIES ALL ENVIRONMENTAL IMPACTS THAT MAY RESULT FROM ITS ACTIVITIES DURING THE COURSE OF ACTIVITIES USING ENVIRONMENTAL IMPACT ASSESSMENTS AND TAKES ADEQUATE MEASURES.

Subcontractors and suppliers working with ENKA are expected to act just as sensitively, so various training and audits are carried out to this end. The environmental approach and performance ENKA expects of its suppliers is clearly expressed in ENKA Supplier Code of Conduct and in procedures governing the selection, assessment and auditing of suppliers. Detailed information on this subject may be found in the chapter Responsible Supply Chain Management in this report.

At ENKA, the Director of Quality, HSE and Integrity, who also leads the Sustainability Department, reports to senior management the outputs of the Management Systems, which includes ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 as components. As part of the Management Systems, all processes are audited, audit results are reported to relevant departments which then undertake the necessary corrective or improvement actions. The effectiveness of the actions run by the relevant departments are followed up. The Corporate HSE Manual, which details ENKA's policies, is distributed to all employees in hard and electronic copies and in trainings. Furthermore, relevant subjects are covered at Sustainability Committee meetings and representatives of ENKA and subsidiaries are informed accordingly.

In every region that they are active in ENKA İnşaat and its subsidiaries establish departments that are responsible for managing environmental impacts and employ environmental engineers and experts. Environmental indicators are regularly reported and assessed.

When undertaking the works in countries where national standards are lower than the requirements of the ENKA Environmental Management System, ENKA aims to establish Environmental Management Systems that go beyond the national standards, meet its own target and are exemplary.

WATER MANAGEMENT

Aware that water is the most important natural resource and the most basic need for living beings, ENKA manages water with a careful, responsible, effective and efficient approach. Opportunities for access to water vary over the many ENKA projects in different parts of the world and therefore water management requires different solutions that are suitable for the regional and operational conditions. In order to raise the awareness of employees, regular training sessions are held at all ENKA Group companies and information of water management is provided.

While ENKA İnşaat projects use groundwater and surface water resources, subsidiaries ENKA TC and Çimtaş use municipal water supplies which are drawn from surface water resources. ENKA power plant in İzmir uses groundwater as well as sea water for cooling purposes.

In projects taking place abroad, especially in Africa and the Middle East where access to clean water is limited, work and living areas are supplied with transported drinking water and water for other use from different sources and in some regions drinking water is procured through the use of advanced water treatment techniques such as reverse osmosis. As the transport of water brings extra risks and increases environmental impacts, clean water wells are sometimes dug at suitable locations with the necessary permission from the authorities. Water that is not of sufficient quality goes through suitable treatment processes before use.

To guarantee this output, corporate and project HSE departments continually audit the relevant activities and identified non-compliance issues are alleviated as soon as possible. The environmental, occupational health and safety performance of all activities, including the results of audits, is reported to the senior management for its assessment with semi-annually management review reports.

The impacts managed during ENKA's activities are the following environmental impacts: consumption of natural resources in activities, impact on the soil, impact on water sources, and the greenhouse gas emissions, soil erosion, impact on the flora and the fauna, impact on endangered species, impacts arising from waste, environmental impacts of dust, noise and vibration, and impacts arising from emergencies. ENKA İnşaat's Environmental Management System promises, whenever possible, to eliminate these impacts at the source. In cases when this is not possible, offsetting, isolation or the implementation of a feasible engineering measures are required. ENKA never begins activities without an environmental impact assessment and the provision of suitable measures. Various activities are undertaken such as training for employees and relevant stakeholders on the measurement of the impacts listed above, their prevention and minimisation. In 2018, ENKA İnşaat provided a total of 31,448 person-hours of environmental training.

ENVIRONMENT TRAININGS PROVIDED IN 2018

31,448 person-hours

Necessary actions are taken as a result of the monitoring of ENKA and its subsidiaries' annual environmental targets and whether they are attained. The compliance of ENKA and its subsidiaries with their environmental targets for 2018 is shown in the table at the end of this chapter.

The policy banning the use of plastic bottles throughout ENKA Group has been strictly adhered to and full compliance has been ensured for waste management, paper use and the use of purified drinking water at ENKA Schools to reduce environmental impacts.

In 2018, ENKA faced no monetary fines or other measures due to non-compliance with environmental laws and regulations.

At ENKA projects, the highest water consumption takes place due to watering activities to prevent dust, the manufacturing of materials such as cement and asphalt and domestic use of water at project sites.

An Environmental Impact Assessment (EIA) is undertaken before the beginning of activities on all ENKA projects and the use of water sources that are of adequate quality and capacity is preferred.

THE SITUATION OF WATER SOURCES, WATER STRESS, DRINKING WATER AND WASTEWATER QUALITY ARE INSPECTED IN ALL OPERATIONS, FIRST AT THE ONSET AND THEN AT REGULAR INTERVALS, AND IMPROVEMENT ACTIONS ARE TAKEN FOR IDENTIFIED RISKS. IN ADDITION, ENKA UNDERTAKES CONTINUOUS RESEARCH ON REDUCING WATER CONSUMPTION AND USES SUITABLE INFRASTRUCTURE SYSTEMS WITH HIGH-EFFICIENCY EQUIPMENT TO MINIMISE WATER LOSS.



If the project requires traversing a water source in the working area, such as a river or irrigation channel, the continuity of water flow is ensured with the fitting of piping of sufficient diameter and necessary fillers at the point of traversal to protect the flow bed and water quality of the source. ENKA Power requires significant amounts of water due to its energy generation activities. For the cooling system at the power plant in İzmir, the principle of protecting bio-diversity and not harming living beings in the Gulf of İzmir is observed, water is drawn in a controlled manner and with all necessary measures in place. Groundwater use at Adapazarı is

carried out at a level lower than that allowed, following the principle of protecting the watershed. All water draws are controlled by meters, consumption is recorded and reported transparently.

Discharge locations for wastewater also vary greatly across ENKA projects. As water discharge standards at ENKA, the legal requirements of the country of activity and the contract requirements are taken as reference to establish the strictest standards that must be adhered to. If sanitation network infrastructure is present in the area, wastewater is discharged in to the sanitation network in keeping with ENKA procedures and applicable legislation. In locations where there is no sanitation network infrastructure, treatment systems are established to discharge wastewater at acceptable quality. Samples taken from procured and discharged water are regularly tested at accredited laboratories. Furthermore, sector specific IFC standards are followed depending on the project's scope.

Treated water may be reused to prevent dust, following cement casting or for the watering of green areas depending on the type of activity. Reuse leads to less water being drawn from sources.



With the treatment and reuse of water used in the hydro-testing work at the Compressor Station-2 field in the South Caucasia Pipeline Preliminary Work and Facilities project, savings of 72% on clean water were ensured.

Wastewater analyses primarily establish pH, BOD, COD, nitrogen, phosphorus, TSS and coliform values. Before discharge into an external receiving environment, care is taken to ensure that discharged wastewater quality is in compliance with the maximum allowed values and water that is not in compliance with standards is not discharged. Furthermore, in order to understand potential impacts on the environment, quality of the receiving medium which is subject to discharge is regularly measured and monitored.

ENKA's subsidiaries also undertake work according to their field of activity to protect water resources. For example, ENKA TC uses grease traps for tenants in the restaurant areas of its buildings and ensures their regular cleaning and maintenance is carried out by licensed waste disposal firms. Cimtas Pipe uses a rainwater toilet flushing system to reduce water consumption. Çimtaş Precision Machining commissioned a rain water collection system in 2018 to meet its flushing and garden watering needs using rainwater. Employees at ENKA and its subsidiaries are given training on water efficiency and saving.

Ensuring that Çimtaş's domestic water consumption is kept under 15 litres/person-hours and two projects being undertaken every year at ENKA Group to reduce its blue water footprint were featured among the ENKA Sustainability Goals established in 2018. In establishing these goals, operations carried out at locations with water stress and those with easy access to water were kept in mind, as well as the impacts and applicability of targets.

In 2018, ENKA's total water consumption was 1,514,533 m³. There was a reduction of 8% in water consumption compared to 2017 and the blue water footprint was measured as 1,514,158 m³.

In addition, ENKA Power's İzmir power plant makes use of sea water for cooling. In 2018 24,838,933 m³ of seawater was drawn from the Bay of Nemrut and 17,742,100 m³ was discharged to the same location.

As a result of improvement work undertaken at ENKA Power's power plants, water consumption at the plants fell by approximately 70,000 m³ (11%) from 2017 to 2018.

AMOUNT OF WATER WITHDRAWAL BY SOURCE

As part of works on the water footprint that began systematically in 2017 the total amount of municipal water drawn decreased to 979,580 m³ and the amount of groundwater drawn decreased to 534,578 m³ in 2018. In addition, the subsidiaries Cimtas Pipe and ENKA TC have been collecting rainwater for use and reducing their consumption of freshwater.



As part of ENKA TC's sustainability efforts, the Rainwater Recycling Project began at the Kapitoly Outlet Shopping Centre in St. Petersburg in June 2018 and rainwater from a roof area of 1,400 m² was collected in tanks and connected to supply a total of eight visitor restrooms. 95 tonnes of rainwater was used to flush toilets over a six-month period with this undertaking and thanks to this project, 17% of the 6-month water consumption was provided from rainwater, saving the natural water resources. ENKA TC will continue to develop rainwater collection systems at its existing and new shopping centre projects in coming periods.



The amount of water ENKA drew in 2018 by source is shown in the table below:

AMOUNT OF FRESH WATER DRAWN BY SOURCE							
Company/Facility/Project	Municipal Water (m³)	Surface water (Lake, river etc.) (m³)	Ground-water (m³)	Rain-water (m³)	Waste-water discharge (m³)	Discharge point	
Cimtas Pipe	35,811	X	X	300	35,811	Municipal Wastewater Treatment Plant	
Çimtaş Steel	X	X	28,173	X	6,852	The Sea of Marmara	
ENKA Power Plants	Adapazarı - Gebze	X	X	350,747	X	350,747	Municipal Wastewater Treatment Plant
	İzmir	X	X	33,469	X	7,296	Sea
ENKA Pazarlama	7,111	X	X	X	7,111	Municipal Wastewater Treatment Plant	
ENKA Schools Kocaeli	7,587	X	X	X	7,587	Municipal Wastewater Treatment Plant	
ENKA Foundation	53,114	X	X	X	48,062	Municipal Wastewater Treatment Plant	
City Center Investment (CCI)	192,451	X	X	X	192,451	Municipal Wastewater Treatment Plant	
ENKA TC	531,655	X	X	95	466,708	Municipal Wastewater Treatment Plant	
MKH	66,540	X	X	X	66,540	Municipal Wastewater Treatment Plant	
OMKH	53,154	X	X	X	13,419	Municipal Wastewater Treatment Plant	
ENKA Headquarters	11,352	X	X	X	11,352	Municipal Wastewater Treatment Plant	
SCPX Project	SCPX-CSG1	X	X	33,071	X	12,880	Irrigation channel (after treatment)
	SCPX-CSG2	X	X	89,118	X	54,757	River (after treatment)
TAIF Business Centre Project	20,805	X	X	X	20,805	Municipal Wastewater Treatment Plant	
TOTAL (m³)	979,580	-	534,578	395	1,302,378		

Calculations based on The Water Footprint Assessment Manual: Setting the Global Standard.



IDENTIFYING WATER SHORTAGE AND WATER POLLUTION RISKS

As part of work began in 2017 to identify the water footprint and water risks, the coordinates of all included facilities were matched with maps of water shortage and water pollution and water resources that could be noticeably affected from water draws were identified.

Water shortage risks for facilities that increase with the severity of water shortage are defined as increasing regional water issues in the short and long run, fall in groundwater levels and the consequent rise in water prices.

ENKA's companies and facilities in Turkey are located in regions with high water shortage levels. The main findings of the studies undertaken as part of work on reducing the blue water footprint to minimise water shortage risks for ENKA facilities are:

- Facilities included in the study use significant amounts of underground water. The continuous monitoring of underground water levels is important for continued procurement from these resources.
- Nitrogen and phosphorus water pollution levels at facility locations show that locations in Turkey and Russia face high water pollution risks. In these regions, pollution due to nitrification is a significant issue and points to an increasing trend of nitrogen pollution affecting underground water sources in the long/medium run and therefore a fall in the capacity of clean water resources.

WATER SHORTAGE AND WATER POLLUTION RISK LEVELS FOR FACILITY LOCATIONS

Company/Facility/Project	District/City	Country	Water shortage level	Nitrogen pollution level	Phosphorus pollution level	Water shortage risk	Water pollution risk
Cimtas Pipe	Bursa	Turkey	High	Medium	Medium	+++	++
Çimtaş Steel	Moscow	Russia	Medium	High	Medium	++	+++
Adapazarı	Adapazarı	Turkey	High	High	High	+++	+++
Gebze	Gebze	Turkey	High	High	High	+++	+++
İzmir	İzmir	Turkey	High	High	High	+++	+++
ENKA Pazarlama	İstanbul	Turkey	High	High	Medium	+++	+++
ENKA Schools Kocaeli	Kocaeli	Turkey	High	High	Medium	+++	+++
ENKA Foundation	İstanbul	Turkey	High	High	Medium	+++	+++
City Center Investment (CCI)	Moscow	Russia	Medium	High	Medium	++	+++
ENKA TC	Moscow	Russia	Medium	Low	Low	++	+
MKH	Moscow	Russia	Medium	High	Medium	++	+++
ENKA Headquarters	İstanbul	Turkey	High	High	Medium	+++	+++
SCPX-CSG1	Mesketian	Georgia	Very low	Low	Low	+	+
SCPX-CSG2	Mesketian	Georgia	Very low	Low	Low	+	+
TAIF Business Centre Project	Kazan	Russia	Medium	High	Medium	+++	+++
OMKH	Moscow	Russia	Medium	High	Medium	++	+++



STAKEHOLDER
ASPECT

“WORKING AT ENKA MEANS TRAINING OPPORTUNITIES, SIGNIFICANCE ATTACHED TO PROFESSIONAL DEVELOPMENT AND AN ENVIRONMENT TO IMPROVE YOURSELF.”

I've been working at ENKA since 2010. I worked as a HSE engineer at the Kosovo Motorway Project Route 7, Ufa Prenatal Hospital Construction in Russian Federation and most recently the SCPX Project CSG1 field in Georgia. Since 2017, I've been working at the ENKA İnşaat Corporate HSE department.

ENKA, which I joined as a newly graduated engineer, has not just been the company I worked at, but a second family that has allowed me to constantly develop professionally, ethically and in terms of worldview. ENKA is always open to new and creative ideas. It has always supported employees providing value added for the company and has offered constant incentive. ENKA is like a big home where the personal development of employees is also cherished. With a management style that combines care with respect, where higher-ups can be considered as elder brothers, it is a place where you may benefit from the experiences of all and learn so much about the world, engineering and the world of business. Being a part of ENKA family means training opportunities, significance attached to professional development and an environment to improve yourself.

While the work pace may appear to be demanding, having to face many challenges, working as a team towards the same aim and overcoming the challenges has given me professional satisfaction as an engineer and personal happiness. I think I owe it to ENKA, the ability to communicate and understand, which I developed by working with people from many nationalities.

I think for an engineer ENKA is one of the best places to work at. Knowing that all you do is observed closely, that you will be appreciated for doing the right thing and will be given opportunities to learn from your mistakes, makes working at ENKA both encouraging and exciting.

I'm proud and happy to be a member of such a large and beautiful family.

ENKA makes the utmost effort in environmental management. As an environmental engineer, I know how challenging environmental management can get, especially in construction work. I can wholeheartedly say that environmental management at ENKA projects is at the highest level given present circumstances and resources. Although practices may differ by various countries' environmental management legislation and the means available to countries, ENKA follows its own standards within the local circumstances and carries out the highest level environmental management. ENKA's HSE policy is a clear indicator of how important environmental protection is to ENKA. ENKA's environmental management system is regularly audited every year. In all of our operations, we work with professional environmental engineers, establish environmental management and back-up plans and work diligently. All of our employees are given regular training for awareness raising and on our environmental management system. Once a year senior management reviews our environmental performance and decides on measures for the coming year for continual improvement. Our environmental management has received many international awards. The Green Corridor prize given by the International Road Federation to the Kosovo Motorway Project in 2016 is just one example. Improvements at our subsidiaries for increasing energy efficiency, reducing carbon emissions and water consumption allow for continual improvements to our environmental management.

Cemil Can Aytimur

ENKA Corporate Health, Safety and Environment Lead Engineer

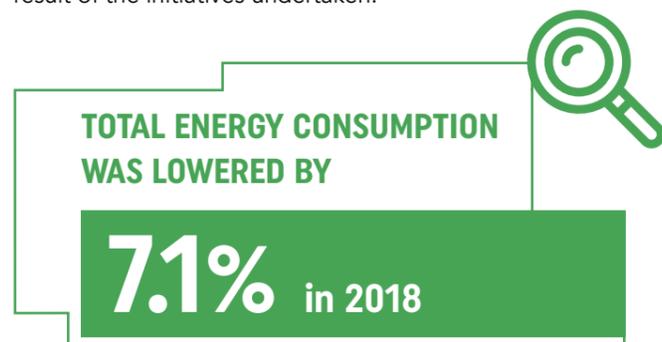
ENERGY EFFICIENCY AND CLIMATE CHANGE

MINDFUL OF THE NEGATIVE EFFECTS OF CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS, ENKA CONDUCTS ITS ACTIVITIES WITH EFFORTS AT MINIMISING NEGATIVE IMPACTS ON THE ENVIRONMENT AND CLIMATE.

Subsidiaries' energy and fuel consumption is regularly recorded and the carbon footprint and reduction amounts as a result of improvement works and measures undertaken have been regularly calculated since 2016.

In addition, as a global company with many activities and employees at different locations around the world, ENKA attaches importance to informing its employees about energy efficiency and climate change. Environmental training delivered by expert environmental engineers employed at ENKA Headquarters and projects regularly communicate ENKA's environmental policy, targets and expectations to its employees.

Taking 2017 energy consumption as reference point, total energy consumption was lowered by 7.1% in 2018 as a result of the initiatives undertaken.



ENERGY CONSUMPTION

Levels of fuel consumption, heating and cooling, and warm water consumption for 2016, 2017 and 2018 are given in terajoules (TJ) in the table below:

(TJ)	2016	2017	2018
Fuel Consumption	161,468	157,873	146,450
Electricity Consumption	858	881	893
Consumption for Heating and Cooling Purposes	11	15	16
Hot Water Consumption	492	461	482
TOTAL	162,829	159,230	147,841

Total energy consumption of ENKA Group companies and projects in 2018 reporting period was 147,841 TJs. As a result of the savings and efficiency initiatives undertaken by ENKA Group companies and projects in 2018, energy consumption was lowered by 11,389 TJs.



Some examples of the reduction projects undertaken in 2018 are given below:

ENKA Pazarlama aims to minimise environmental negative impacts at every point throughout the supply chain and lifecycle of the machinery it supplies and is fulfilling its emissions obligations. At ENKA Pazarlama, a rapid reduction trend in motor-sourced emissions has been achieved through the use of advanced technology, training for final users, experience with equipment and proper directions.

Analyses carried out by the ENKA Pazarlama logistics team for improvements in distribution and storage have shown that heavy transport vehicles used in distribution within Turkey generate multiple times the emissions generated by passenger cars and that through route and storage optimisation, the waste of resources can be prevented and reduced. By implementing this policy, ENKA Pazarlama is able to considerably lower costs and delivery times.

It has been calculated that by using multiple storage modelling and by shifting the centre of distribution mass eastwards with increased use of the storehouse in Mersin, the ENKA Pazarlama machinery domestic distribution route, which is 500,000 kilometres per annum, can be reduced by 31%, resulting in reductions of 102 tCO₂ in greenhouse gas emissions, approximately 150 days in delivery time and around TRY 1.5 million in transport and storage costs. The company's storage strategy has been updated to reflect the new modelling.

ENKA Pazarlama also investigates whether service providers who undertake overseas transport and domestic distribution act with environmental sensitivity during supplier selection and assessment phases.

ENKA Power's total electricity consumption has been reduced by 13% from 1,303,358 KWh in 2017 to 1,136,112 KWh in 2018.

ENKA TC has carried out seven projects to reduce its power consumption in 2018. The projects, which were completed in 2018, are expected to result in savings in energy worth approximately USD 300,000 per annum.

ENKA İnşaat ve Sanayi A.Ş. took the first steps towards offsetting its carbon emissions by supporting "Solar Forests", the first non-governmental organisation developed project in Turkey to be certified by Gold Standard VER in the field of solar energy, conducted by Aegean Forest Foundation. It has been certified that ENKA's support to the project has offset emissions equal to 611 tonnes of carbon dioxide.

The renewable electricity energy to be generated by the Photovoltaic Power Plant established as part of the project will meet the power needs of the pumps to be used to irrigate 30,000 olive trees and the income to be earned from the sale of surplus power to the state will be used to plant approximately 40,000 saplings a year.

At ENKA Invest, an energy efficiency project for replacing fluorescent lighting fixtures with higher efficiency and lower energy consuming LEDs is underway. Under the project, as of the end of 2018:

- The transition to LED of technical spaces is complete.
- The LED transition of car parks is complete.
- The LED transition of shared spaces is 80% complete.
- The LED transition of tenant spaces is 45% complete.

ENERGY INTENSITY

In calculating energy intensity in addition to greenhouse gas emissions, energy consumption resulting from all ENKA activities was used.

For calculating ENKA Group's energy intensity, all internal energy expenditure (fuel, power, heating, cooling, steam) of all subsidiaries and projects in the scope were included. As indicator of intensity, TJ energy expended per USD million of annual income¹³ was used.

The 2018 energy intensity of ENKA was calculated as 71.7 TJ per USD million annual income. ENKA's energy intensity has fallen by 8.3% compared to 2017.

Energy Intensity - TJ/million USD



GREENHOUSE GAS EMISSIONS

ENKA's carbon footprint calculations cover: ENKA Headquarters, ENKA Power Adapazarı, Gebze and İzmir plants, Çimtaş Steel, Cintas Pipe, ENKA Pazarlama, ENKA Foundation, ENKA Schools Kocaeli, ENKA Sports Club, ENKA TC, CCI, MKH and OMKH in Russia, the SCPX Pipeline Project in Georgia and the Kazan TAIF Business Centre Project.

Greenhouse gas emissions resulting directly from ENKA's activities are categorised as "Scope 1 – direct greenhouse gas emissions", while greenhouse emissions due to energy consumption from externally sourced electricity, heat and steam are categorised as "Scope 2 – indirect greenhouse emissions due to energy consumption". "Scope 3 – other indirect greenhouse gas emissions" category covers emissions resulting from the purchase of raw and intermediary materials, emissions from procured energy that are not covered by Scopes 1 and 2, disposal of waste (including wastewater), employee transport (busing), business travel (flights) delivery of sold or hired products to customers, fuel consumed by fuel consumed by sold goods and by branches.¹⁴

¹³ Only includes the turnover of companies covered by this report.

¹⁴ The methodologies used for calculating energy consumption and greenhouse gas emissions are the ISO 14064-1 and the GHG Protocol Corporate Accounting and Reporting Standards. For conversion factors IPCC, UNFCCC and DEFRA data were used.



IN 2018
WITHIN ENKA

1.38 million tCO₂e

GREENHOUSE GAS
WAS REDUCED

TAKING 2017 VALUES AS A POINT OF REFERENCE FOR ENKA'S CARBON FOOTPRINT, ANNUAL EMISSIONS WERE REDUCED BY 14% IN 2018 THROUGH WORK ON ENERGY AND RESOURCE EFFICIENCY AND EMISSIONS REDUCTION.

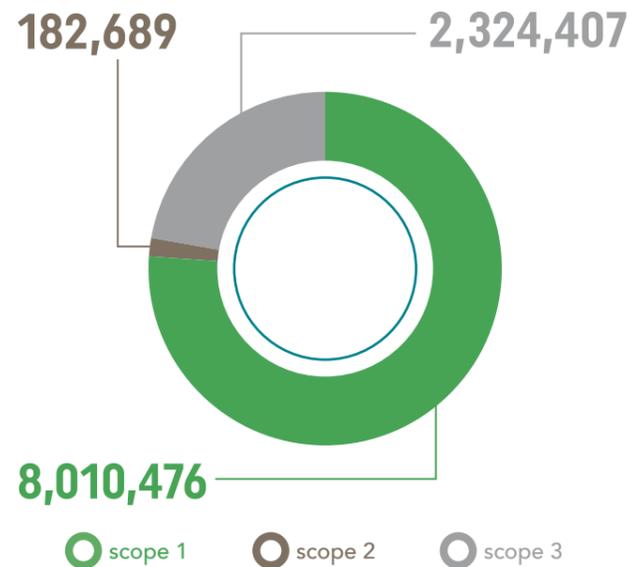
	2016 TOTAL (SCOPE 1 + SCOPE 2) (CO ₂ E TONNES)	2017 TOTAL (SCOPE 1 + SCOPE 2) (CO ₂ E TONNES)	2018 TOTAL (SCOPE 1 + SCOPE 2) (CO ₂ E TONNES)
ENKA Power	9,570,568	9,358,119	7,993,782
Cintas Pipe	5,747	5,910	7,698
City Center Investment BV	42,557	43,660	41,831
Çimtaş Steel	5,866	4,075	6,909
ENKA Headquarters	1,058	1,042	931
ENKA Pazarlama	640	1,239	1,553
ENKA TC	109,719	106,522	112,280
ENKA Foundation	2,236*	2,112*	2,086
ENKA Schools ¹⁵	866*	909*	277
Moskva Krasnye Holmy	16,668	15,821	15,255
Hotel Moskva Krasnye Holmy	9,606	8,918	7,812
Kashirskaya Plaza Project	3,236	8,707	N/A**
SCPX-Area 81 Field	4,477	2,774	N/A**
SCPX-CSG1 Field	5,376	5,132	444
SCPX-CSG-2 Field	7,734	9,702	1,203
TAIF Business Centre Project	N/A	N/A	1,104
Total	9,786,354*	9,574,642*	8,193,165

* Values have been revised for 2018.

** Project was completed

¹⁵ For the 2016 and 2017 reporting periods the term 'ENKA Schools' denoted Istanbul Schools, while for the 2018 reporting period it stands for Kocaeli Schools.

Scope 3 emissions in 2018 were at 2,324,407 tCO₂e. The Scope 1, Scope 2 and Scope 3 greenhouse gas emissions arising from ENKA operations for the 2018 reporting period are shown in the graph below:



Due to the differences among operations, greenhouse gas emissions intensity resulting from ENKA activities are calculated by area used (m²) and number of employees.

Emission Intensity (Scopes 1+2) by Area Used (m²)

COMPANY	INTENSITY	UNITS
ENKA Pazarlama	0.06	tonnes CO ₂ e/m ² /year
ENKA Power (Adapazarı, Gebze, İzmir plants)	13.98	tonnes CO ₂ e/m ² /year
Çimtaş Steel	0.14	tonnes CO ₂ e/m ² /year
Cimtas Pipe	0.14	tonnes CO ₂ e/m ² /year
ENKA TC	0.17	tonnes CO ₂ e/m ² /year
CCI	0.26	tonnes CO ₂ e/m ² /year
ENKA Schools Kocaeli	0.02	tonnes CO ₂ e/m ² /year

Emissions Intensity (Scopes 1+2) by Number of Employees)

COMPANY	INTENSITY (TCO ₂ E/EMPLOYEE)
ENKA Power	21,260.06
Cimtas Pipe	9.59
City Center Investment BV	337.35
Çimtaş Steel	8.67
ENKA Headquarters	0.09
ENKA Pazarlama	9.19
ENKA TC	282.82
ENKA Foundation İstinye Campus	20.25
ENKA Schools Kocaeli	2.80
Moskva Krasnye Holmy	142.57
Hotel Moskva Krasnye Holmy	27.41

AIR EMISSIONS

Air emissions resulting from ENKA Power natural gas cycle power plants are monitored using the Continuous Emissions Monitoring Systems (CEMS) in keeping with parameters established by legislation.

TYPE OF EMISSIONS*	2018
CO (tonnes/year)	261
NOx (tonnes/year)	4,501

*SO₂ and PM emissions are not subject to continuous measurement under the Directives on Industry Based Air Pollution Control.



WASTE MANAGEMENT

One of the important activities ENKA runs to minimise its environmental impact is the Waste Management System. At ENKA, waste is managed according to Waste Management Plans developed using the ISO 14001:2015 framework, employing the steps of the waste hierarchy and in accordance with local legislation.

The primary aim of waste management at ENKA is to eliminate waste at its source and where this is not possible, to prevent or reduce waste to the extent possible. For waste that forms despite these initiatives, recycling and reuse options are considered to minimise the impact.

At the TAIF Business Centre in Kazan, Tatarstan (RF), the use of plastic cups is no longer allowed and flasks are used instead to reduce waste. As of August, 150 kilograms of plastic waste was eliminated.

As part of ENKA's target of minimising the impact of waste on the environment, regular monitoring and measurement activities take place in order to ensure that all waste is separated and disposed by type and only licensed disposal firms are employed. Waste is disposed of using the default method of contracting disposal firms, in keeping with relevant legislation. In locations where the steps described above cannot be implemented due to the circumstances of the country of activity, waste is separated by type, amounts are recorded and disposal is carried out by certified and authorised organisations.

ENKA puts in maximum effort towards preventing leaks and spills and takes measures to prevent potential leaks from interacting with the soil and water.

Thanks to environmental training given to employees, the measures taken, environmental emergency and intervention plans, no Tier III leaks or spills occurred during the reporting year.

	TIER-I	TIER-II	TIER-III
Leak and Spill Amount	Less than 2 litres	Between 2 litres and 20 m ³	More than 20 m ³

TOTAL WASTE MASS BY TYPE AND METHOD OF DISPOSAL

The amount of waste that formed at ENKA Group companies and projects during 2018 is shown in the table below.

The data shown in the table below cover ENKA Headquarters, ENKA Power Adapazarı, Gebze and İzmir plants, Çimtaş Steel, Cimtas Pipe, ENKA Pazarlama, ENKA Foundation, ENKA Schools Kocaeli, ENKA Sports Club, ENKA TC, CCI, MKH and OMKH real estate businesses in Russia, ENKA İnşaat's TAIF Business Centre Project underway in Kazan, Russia and the SCPX Pipeline Project in Georgia.

TYPE OF WASTE	MASS IN KG	METHOD OF DISPOSAL
Metals	4,343,481	Recycling or reuse
Plastics	174,904	
Waste electrical or electronic materials	309	
Domestic Waste	493,783	
Paper	95,380	
Glass	21,480	
Diverse Construction Materials	12,917,000	
Batteries and accumulators	6,040	
Wood	1,951,910	
Hazardous waste	146,012	

Cimtas Pipe has lowered its waste paper amount by 60% between 2017 and 2018. This reduction was a result of both behavioural assessments and improvement activities. For behavioural assessments, approximately 2.5 hours/person/year of training on the main theme of Environment, Energy, Efficiency and Savings were delivered, 120 blue-green card practices were implemented, employees provided 700 items of feedback/suggestions on the environment and energy and action was taken, control was established and scoring was carried out through the monthly Environment-Energy Audits.

As part of improvement work, the IT department began informing departments of the amount of printing they carried out to raise awareness to prevent unnecessary printing, the use of double-side printing was increased, in automatic printing the use of entire sheets of paper was ensured and some paperless practices were implemented.



STAKEHOLDER
ASPECT

"OUR WORK ON ENVIRONMENTALLY-FRIENDLY BUILDINGS WILL CONTINUE AS PART OF OUR SUSTAINABILITY STRATEGY."

I've been working at ENKA for 14 years. From the beginning, ENKA has been a leader in the real estate sector in Russian Federation. It provides services for its customers and society with its innovative designs furnished with the latest technology. It goes beyond energy efficiency and environmental expectations with its investments and the equipment and automation systems it uses.

The concept of sustainability has allowed us to better realise the economic, social and environmental aspects we need to develop and improve at ENKA's real estate companies. Employees, who learned about the concept of sustainability for the first time at training delivered at ENKA's subsidiaries, have since then followed developments in this field and the novel experiences they had in working life with excitement, high expectations and motivation and have internalised the concept by taking an active part in the work. I think that in the long run, the concept of sustainability will take its place as a philosophy throughout the strategies and corporate management systems of subsidiaries covering all of their activities.

While sustainability and green building standards are implemented throughout the world, Russian Federation is at the beginning of this process. ENKA was awarded the Russian Green Building Certificate (Green Standard) and the International Real Estate Award for its latest investments, Kuntsevo Plaza (2014) and Kashirskaya Plaza (2018). Our work on environmentally-friendly buildings will continue as part of our sustainability strategy.

ENKA TC's Rainwater Recycling Project was realised at the Kapitoly Outlet Shopping Centre in St. Petersburg in June 2018. Within the scope of the project, rainwater collected from a surface area of 1400 m² on the shopping centre's roof was stored and pumped to visitor toilets as a water source. Thanks to this project, 17% of the six-month water consumption was provided from rainwater and saving the natural water resources. In addition, cardboard boxes and other packaging waste used by stores in the shopping centres are sent to recycling, which amounts to recycling 500 tonnes of cardboard packaging a year.

With the increase in the number of electric cars in recent years, free charging stations were placed in the car parks of ENKA TC's shopping centres in Moscow. As part of social responsibility activities, the Children's Social Home and the Vereya Care Hospital are regularly visited and donations are made. Every new project contributes to employees' adoption of the concept of sustainability and developing interactions between individuals and society.

Leonid Gorbunov

*Internal Audit and Performance
Director*

BIODIVERSITY

As part of its Policy on Protecting Biodiversity under its Environment, Health and Safety and Social Responsibility policies, ENKA takes all precautions to protect the flora and fauna and to manage impacts in all of its activities. Under this policy, ENKA has continued to support activities to protect biodiversity in 2018, especially in the SCPX project CSG 2 site, Kosovo Motorway Route 6 Project and at Hisarönü Bay in Marmaris, Muğla, Turkey that is run by the DenizTemiz/Turmepa Association.

700 person-hours of training was given under the Biodiversity Management Plan prepared for these processes.

SCPX PROJECT

The Compressor Station 2 site of the South Caucasus Pipeline Early Work and Facilities construction project lies to the west of Lake Tsalka in the southern Georgian region of Kvemo Kartli. Despite no species being identified that

are under protection or should be protected by national or international legislation and treaties in the impact zone, which is defined as the activity area of 0.67 km² and adjacent areas with a width of 300 metres, all monitoring and audit activities were undertaken to protect the exiting flora and fauna and necessary measures were taken. Under the leadership of environmental engineers assigned to the project's HSE department, work was undertaken jointly with professional and associations and cooperation was established with the South Caucasus Pipeline Company Ltd. The most important activities carried out as part of this project to protect biodiversity were:

- The species that could be affected by project activities and their locations were identified with the Environmental and Social Impact Assessment prepared at the onset of the project.
- A Biodiversity Action and Management Plan was prepared and implemented in order to minimise impacts on biodiversity and to manage the process properly.
- The prepared plan described the commitment of the project to protect biodiversity, training to be delivered on biodiversity, identification, monitoring and measuring methods, types of measures and auditing necessary for the protection of biodiversity.
- As part of the prepared plan, measures were taken to protect topsoil, forested areas and water sources in the region and protective measures were taken for species such as the corn crane with high potential of being impacted by project activities, aquatic organisms living in and around rivers in the region, bees and wild animals such as bears.

Before any planned excavation work took place in the project, environmental engineers assigned to the project and social impact experts analysed relevant work areas and compared their results with those in the Environmental and

Social Impact Assessment. New risks identified through the analyses and not contained in the Environmental Impact Assessment were added to the action plans.

Of the topsoil within project boundaries, only the minimum necessary was stripped off, which was then stored appropriately for use in reinstatement works. Special attention is paid to the angle of slope and pile height. 250,000 cubic metres of all stripped topsoil was used in reinstatement work.

In order to protect water sources and aquatic life, all wastewater was treated up to an acceptable quality and was discharged from permitted points. Water quality was monitored with regular tests. In addition, methods such as sandbags, hay piles and gravel cages were deployed at six water crossings used by the project to prevent soil erosion and sedimentation. In order to ensure that there were no adverse impacts, turbidity tests were carried out at locations close to the source and downstream points. The water culverts were designed so as not to trap animal life.

Despite a 2015 analysis not revealing any adverse impacts on the breeding areas of the corn crane, a species found in the impact area of the project, project Environment and Social Department employees ran confirmatory studies in 2018 and carried out regular monitoring and audits.

For bees, another species found in the project impact area, regular visits took place to beekeeping regions throughout the year and potential impacts on bees were examined. In 2018, four beehives were relocated to a region outside the project's impact area due to potential impacts. Cooperation was established with officials from the Georgia Beekeepers Association for work and visits concerning bees. Adverse impacts on bees from dust were prevented by the regular watering of roads, traffic management and speed limits.

Measures were taken against invasive species and all equipment and vehicles brought in for the project from outside regions were thoroughly washed and cleaned before being permitted to enter the project area. More than 130 vehicles were imported for the project, 20 of them in 2018, and cleaning work was undertaken on all vehicles.



KOSOVO MOTORWAY PROJECT – ROUTE 6

The Kosovo Motorway Route 6 Project in the Republic of Kosovo has a total road length of 65 kilometres and construction continues between the towns of Ferizaj and Hani i Elezit in Kosovo. By its nature, the project has high interaction with flora and fauna. The interaction is managed by the Construction Environmental Management Plan established under the project. In 2018, the following activities were undertaken as part of the project to protect biodiversity:

- In crossings of the river that runs throughout the project line, a total of 2,250 metres of silt fence was used to prevent erosion and sedimentation.
- To prevent wild animals and other organisms from being harmed by entering the work area 87,000 metres of fence was built, 28,000 metres in 2018.
- 10,000 saplings that are compatible with the present fauna were planted at the connection point between the project and Route 7, construction on which had been completed previously. An additional 4,600 saplings were planted in different areas along the alignment. Cooperation was established with local experts for the procurement and planting of saplings.

- In addition to regular environmental training held for the increased awareness of project employees on environmental and biodiversity protection, the project team prepared videos which they shared with employees.

HISARÖNÜ BAY CLEANING WORK

Since 2011, ENKA has been providing support to work undertaken by the DenizTemiz / Turmepa Association to clean up Hisarönü bay in the district of Marmaris in Muğla. The work continued in 2018 and support was given for activities to clean up and protect the flora in a region inhabited by 100 species of fish, 45 mammals, 123 birds, 27 reptiles, 167 land invertebrates and four amphibians.

As a result of the activities, 220,000 m³ of wastewater was collected from privately-owned yachts and boats to prevent it from being released into the sea and was properly treated. Furthermore, with regular visits to and environmental awareness raising at boats and yachts, the discharge of solid waste from these vessels to the sea was prevented to protect the habitat in the area.



Kosova Route 6 Motorway Project



ENVIRONMENT-FRIENDLY MATERIALS, EQUIPMENT AND GREEN BUILDINGS

It is a fact that environment-friendly buildings use resources more efficiently and therefore have lower operating costs and offer users more comfortable spaces. Although the investment costs of environmentally-friendly buildings are higher than conventional buildings, they soon redeem the costs through the savings they provide.

In recent years, ENKA has begun to undertake activities to make older buildings meet modern requirements and transform them into more environmentally-sensitive new buildings. ENKA aims to use its very high level of expertise, science and technology in its investments to minimise adverse impacts on humans and nature. Of the projects ENKA has completed until today, 14 were awarded LEED certificates.

ENKA's Kuntsevo Plaza Project, which was commissioned for business in 2015, won the first Russian Green Building Certificate (the Green Standard) in 2013. The Kashirskaya Multi-Functional Trade Centre Project in Moscow, which was completed in 2018, was also awarded the Russian Green Building Certificate. As they are multi-purpose shopping centres, these projects have set precedents and are pioneers in their sector.



Kuntsevo Plaza

The LEED certification work Cımtas Pipe began in June 2016 was completed successfully, and the Pipe Works Plant was certified in the LEED Gold category. The criteria for green buildings may be summarised as the energy efficiency of the machinery selected, the reduction of environmental impact in all processes from materials procurement onwards, the quality of covered spaces and the use of environment-friendly and innovative approaches. It was the first time in the world that the LEED Gold certificate was awarded to a pipe manufacturing plant. As part of Cımtas Ningbo's investment in a new plant, its administrative building has been designed in keeping with the requirements of LEED Gold certification. Since 2013, ENKA has been a member of the US Green Building Council.



ENKA is aware that climate change needs to be tackled and the energy sector needs to transition to a low-carbon growth model. However, in order to ensure dependable energy supply, the efficient use of relatively clean-burning, constantly available and dependable fuels, such as natural gas, is a necessity for the future of the energy sector. This is why one field of specialisation of ENKA is transforming open phase simple-cycle natural gas power plants to the modern and far more efficient two phase combined cycle power plants. This way, while ensuring a secure supply of energy, electricity production per unit of fuel and facility efficiency increase and environmental impacts decrease.

ENKA also contributes to the economy and serves towards a more sustainable future with the production of wind turbine towers and parts at Çımtaş Steel. In the past period, increasing demand for wind energy and subsidies for the domestic production of parts has created a market for domestic manufacturers in Turkey. Increasing its activities with the expanding market but not compromising on its quality standards, Çımtaş Steel has manufactured 92 wind turbine towers in 2018.



Çımtaş

2027 SUSTAINABILITY GOALS

RESPONSIBLE COMPANY	TARGET	2018 PERFORMANCE
ENKA POWER	Carbon dioxide emissions per unit of energy generation 400 gCO ₂ /kWh	344.72 gCO ₂ /KWh
ÇİMTAŞ	Greenhouse gas emissions for person-hour input for each tonne of production 25 tCO ₂ e/(person-hour/tonne)	26.15 tCO ₂ e/(person-hour/tonne)
	Domestic water consumption 15 litres/person-hours	20 litres/person-hours
ENKA GROUP	0 Tier 3 (>20m ³) environmental accidents	0
	We will undertake at least two projects to reduce blue water footprint.	2
	We will undertake at least two projects at ENKA Group to increase renewable energy use rate.	1
	We will contribute to at least one afforestation project every year to contribute to carbon neutralisation.	2
	We will make no compromises on the policy of banning plastic bottle use throughout ENKA Group that was initiated in 2018.	Target met.
ENKA SCHOOLS	We will continue to adhere to ENKA Schools' waste management practices, paper and purified drinking water use policies.	Target met.



**GRI CONTENT
INDEX**



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

The service was performed on the Turkish version of the report.

GRI STANDARD	GRI INDICATOR	DISCLOSURES
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
Organizational Profile		
	102-1 Name of the organization	About ENKA p.14
	102-2 Activities, brands, products, and services	About ENKA p.15,15
	102-3 Location of headquarters	About ENKA p.14
	102-4 Location of operations	About ENKA p.14-17
	102-5 Ownership and legal form	Governance p.19,20
	102-6 Markets served	About ENKA p.14-17
	102-7 Scale of the organization	About ENKA p.14-17 Economic Performance p.23 Employee Profile p.120,121
	102-8 Information on employees and other workers	Employee Profile p.120,121
	102-9 Supply chain	Responsible Supply Chain Management, p.56 Employee Profile p.120 About ENKA p.14-17 Stakeholder Engagement and Surveys p.37
	102-10 Significant changes to the organization and its supply chain	Important Developments in 2018 p.24,25 Governance p.19 Supplier Assessment p.58,59

GRI STANDARD	GRI INDICATOR	DISCLOSURES
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
	102-11 Precautionary principle or approach	Sustainability Management p.32-35 Risk Management p.61-62 Environmental Management p.144 Energy Efficiency and Climate Change p.152
	102-12 External initiatives	Sustainability Management at ENKA p.32
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	102-14 Statement from senior decision-maker	A Message from the President and Chairman of the Executive Committee p.6-9
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	102-18 Governance structure	Governance p.19-21
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	102-40 List of stakeholder groups	Stakeholder Engagement and Surveys p.37
	102-41 Collective bargaining agreements	Human Rights Assessment p.50-51
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement and Surveys p.36 Sustainability Prioritisation Process and Stakeholder Engagement p.41
	102-43 Approach to stakeholder engagement	Stakeholder Engagement and Surveys p.37 Sustainability Prioritisation Process and Stakeholder Engagement p.41

GRI STANDARD	GRI INDICATOR	DISCLOSURES
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GRI 102: General Disclosures 2016		
	102-44 Key topics and concerns raised	Stakeholder Engagement and Surveys p.37 Sustainability Prioritisation Process and Stakeholder Engagement p.41-45 Socio-economic Impact Assessment p.98
Reporting Practice		
	102-45 Entities included in the consolidated financial statements	About This Report p.11 About ENKA, p.14,15
	102-46 Defining report content and topic Boundaries	About This Report p.11 Sustainability Prioritisation Process and Stakeholder Engagement p.41
	102-47 List of material topics	ENKA's Material Sustainability Topics, p.42-45
	102-48 Restatements of information	Greenhouse Gas Emissions, p.155
	102-49 Changes in reporting	ENKA Schools Istanbul, which featured in the "Energy Efficiency", "Climate Change" and "Water Management" chapters of the 2017 report was replaced this year by ENKA Schools Kocaeli. The issue of Biodiversity was added to the list of material topics.
	102-50 Reporting period	1 January 2018 – 31 December 2018
	102-51 Date of most recent report	22 June 2018
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	About This Report p.11
	102-54 Claims of reporting in accordance with the GRI Standards	About This Report p.11
	102-55 GRI content index	GRI Content Index p.168-177
	102-56 External assurance	About This Report p.11

MATERIAL TOPICS		
Material Topic: Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Economic Performance p.22,23
	103-2 Management approach and its components	Economic Performance p.22,23
	103-3 Evaluation of the management approach	Economic Performance p.22,23
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance p.22,23
	201-2 Financial implications and other risks and opportunities due to climate change	Energy Efficiency and Climate Change p.152,153
	201-4 Financial assistance received from government	Economic Performance p.22,23
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Ethics and Compliance p.46-55
	103-2 Management approach and its components	Ethics and Compliance p.46-55
	103-3 Evaluation of the management approach	Ethics and Compliance p.46-55
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Prevention of Corruption and Unfair Competition p.53
	205-2 Communication and training about anti-corruption policies and procedures	Prevention of Corruption and Unfair Competition p.53
	205-3 Confirmed incidents of corruption and actions taken	Prevention of Corruption and Unfair Competition p.53
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Prevention of Corruption and Unfair Competition p.53
GRI 407: Freedom of Association and Collective Bargaining: 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights Assessment p.49-51
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights Assessment p.49 Responsible Supply Chain Management, p.56-60
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Assessment p.49 Responsible Supply Chain Management, p.56-60

MATERIAL TOPICS		
Material Topic: Ethics and Compliance		
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Human Rights Assessment p.48,49
	412-2 Employee training on human rights policies or procedures	Ethics and Compliance p.46-48 Supplier Assessment p.59 2027 Sustainability Goals p.73
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Ethics and Compliance p.46-55 All projects and investments of ENKA İnşaat include human rights clauses and undergo human rights screening.
GRI 415: Political Contributions 2016	415-1 Political contributions	Prevention of Corruption and Unfair Competition p.53 ENKA does not support any political organization directly or indirectly.
Material Topic: Responsible Supply Chain Management		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Responsible Supply Chain Management p.56-60
	103-2 Management approach and its components	Responsible Supply Chain Management p.56-60
	103-3 Evaluation of the management approach	Responsible Supply Chain Management p.56-60
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain Management p.56-60
	308-2 Negative environmental impacts in the supply chain and actions taken	Supplier Assessment p.58,59
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Local Procurement p.60
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain Management p.56-60
	414-2 Negative social impacts in the supply chain and actions taken	Supplier Assessment p.58,59
Material Topic: Quality of Products and Services		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Product and Service Quality p.62-66
	103-2 Management approach and its components	Product and Service Quality p.62-66
	103-3 Evaluation of the management approach	Product and Service Quality p.62-66

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Material Topic: Customer Satisfaction		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Customer Satisfaction p.66,67
	103-2 Management approach and its components	Customer Satisfaction p.66,67
	103-3 Evaluation of the management approach	Customer Satisfaction p.66,67
Material Topic: Innovation and R&D		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	İnovasyon ve AR-GE Çalışmaları, s.70-73
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	103-3 Evaluation of the management approach	İnovasyon ve AR-GE Çalışmaları, s.70-73
Material Topic: Contribution to the Local Economy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Local Employment p.90-92
	103-2 Management approach and its components	Local Employment p.90-92
	103-3 Evaluation of the management approach	Local Employment p.90-92
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Local Employment p.90-92
	202-2 Proportion of senior management hired from the local community	Local Employment p.90-92
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Developing Communities p.76,77 Meeting Communities' Needs for Infrastructure and Superstructure p.78-81 Contributing to the Development of the Engineering Profession p.84-87 Local Employment p.90-93 Socio-economic Impact Assessment p.96-98
		203-2 Significant indirect economic impacts

MATERIAL TOPICS		
Material Topic: Contribution to the Local Economy		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Local Procurement p.60
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Meeting Communities' Needs for Infrastructure and Superstructure p.78-81
		Contributing to the Development of the Engineering Profession p.84-87
		Local Employment p.90-92
Sector Supplement: Construction and Real Estate	CRE7	Socio-economic Impact Assessment p.96-98
		Environmental Management p.145
		Identifying Water Shortage and Water Pollution Risks p.149
Sector Supplement: Construction and Real Estate	CRE7	Waste Management p.157
		Socio-economic Impact Assessment p.96-98
Material Topic: Employee Rights and Employee Satisfaction		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Employee Rights and Employee Satisfaction p.121-128
	103-2 Management approach and its components	Employee Rights and Employee Satisfaction p.121-128
	103-3 Evaluation of the management approach	Employee Rights and Employee Satisfaction p.121-128
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Rights and Employee Satisfaction p.121-126
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Employee Satisfaction p.121-123
	401-3 Parental leave	298 employees were entitled to parental leave and all employees took parental leave. 236 employees (79%) returned to work and 227 (76%) were still employed after 12 months of their return.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Profile p.120,121

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Material Topic: Employee Training and Development		
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Occupational Health and Safety Management p.129-140
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	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Management p.129-131
	403-3 Occupational health services	Occupational Health and Safety Management p.129-131
	403-4 Worker participation, consultation, and communication on occupational health and safety	Engagement of Employees in Occupational Health, Safety and Environment Committees p.132
	403-5 Worker training on occupational health and safety	Occupational Health and Safety Management p.133-135
	403-6 Promotion of worker health	Occupational Health and Safety Management p.129-133
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Management p.129-135
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety Management p.129-133
	403-9 Work-related injuries	ENKA Work Incidents Performance p.136,137
	403-10 Work-related ill health	ENKA Work Incidents Performance p.136,137

MATERIAL TOPICS		
Material Topic: Health and Safety at Work		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	HSE Training p.133-135 Employee Training and Development p.127 Employee Training at Çimtaş p.128
Sector Supplement: Construction and Real Estate	CRE6	Occupational Health and Safety Management p.129-131
Material Topic: Carbon Footprint and Energy Efficiency		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Energy Efficiency and Climate Change p.152-156
	103-2 Management approach and its components	Energy Efficiency and Climate Change p.152-156
	103-3 Evaluation of the management approach	Energy Efficiency and Climate Change p.152-156
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Efficiency and Climate Change p.152 Energy Consumption p.152
	302-3 Energy intensity	Energy Consumption p.154
	302-4 Reduction of energy consumption	Energy Efficiency and Climate Change p.152-154
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy Efficiency and Climate Change p.152-156
	305-2 Energy indirect (Scope 2) GHG emissions	Energy Efficiency and Climate Change p.152-156
	305-4 GHG emissions intensity	Energy Efficiency and Climate Change p.152-156
	305-5 GHG reduction of GHG emissions	Energy Consumption p.154,155
Sector Supplement: Construction and Real Estate	CRE3	Energy Consumption p.156
Material Topic: Water Management		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Environmental Management p.144-149
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	103-3 Evaluation of the management approach	Environmental Management p.144-149

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Material Topic: Water Management		
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	303-2 Management of water discharge-related impacts	Water Management p.145-149
	303-3 Water withdrawal	Water Management p. 148
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Waste Management p.157
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	103-2 Management approach and its components	Biodiversity p.160
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GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity p.160-162



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	Principle 2: make sure that they are not complicit in human rights abuses.	33, 34-35, 46-55, 96-98, 121-123, 129-141
	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	33, 34-35, 46-55, 121-123
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