

**TÜRK TELEKOM**  
**UN GLOBAL COMPACT PROGRESS REPORT - 2020**

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As Türk Telekom, we value your opinion. Your feedback and suggestions will be the most valuable source to help us improve our reporting efforts.

## CEO MESSAGE

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The year 2020 passed under the shadow of the Covid-19 pandemic that spread all over the world in a short time. The course of the pandemic has been the main element determining global economic and financial developments throughout the year. During these difficult times, as the leading integrated telecommunications operator in Turkey, Türk Telekom continued its efforts with an approach that puts the health of its employees and customers to the centre, as required by our human-centric policy. Despite the pandemic conditions, 2020 was the year in which we reap the benefits of our uninterrupted investments for years in Turkey's digital transformation and it was a year of solid growth. With the responsibility of being the telecommunication and technology company which established and developed Turkey's communication infrastructure, and made it seamlessly operational, we proved to be ready to every possible scenario by overcoming the heavy traffic and the increasing demand during the pandemic.

We managed to close the year with record subscriber gain, revenue growth and high profitability with the strength we derive from our 180-year-old deep-rooted history and our projects that shape the future. The 4 factors that stand out in our success are employee-oriented experience and continuous development in the field of advanced technologies, the importance we attach to the demands and needs of our stakeholders with our human-oriented approach, our sensitivity towards customer expectations, our customer experience, our understanding of uninterrupted communication and fibre investments that fit to this understanding.

Considering the health of the society and our employees, we successfully managed this process with our strong infrastructure, agile management, and competent field team, without any interruption in the services we provide. With "Türk Telekom Makes You Feel Valuable" motto, we mandated ourselves with the duty to offer the state-of-the-art communication technologies to all our stakeholders including a single person living in the most remote corner of Turkey, the new satellite cities, small and large businesses, with the best customer experience.

While focusing on the goals of financial excellence, digitalisation, productivity, superior customer experience and agile management with quick reflex in responding to the requirements of the current circumstances in order to carry Turkey to the future, we will also continue to support the society and the environment. With our social responsibility efforts going on for years and the new projects we add every year, our 2020 performance tells a lot about our potential for future success and our future direction.

By taking its Corporate Governance and Sustainability efforts to the next level, Türk Telekom continues to improve its position in national and international indices with the Sustainability Management System and Sustainability Structure activities it launched in 2020, and the initiatives it takes part in.

In 2021, we aim to disclose the environmental, social and governance performance of Türk Telekom by publishing our sustainability report as the first concrete output of the "Sustainability Management System and Structure". The sustainability report has international acceptance and will be prepared in accordance with [GRI standards](#). With this report, we will have the opportunity to present our holistic approach towards sustainability and value creation to our employees, shareholders and stakeholders at the same time. In the upcoming period, we will continue to increase our contribution to the sustainable society with our approach that also includes the environment and society, while we work together with all our stakeholders to make each of our customers in all parts of Turkey "feel valuable".

Ümit Önal

CEO - General Manager

## **THE TEN PRINCIPLES OF UNITED NATIONS GLOBAL COMPACT**

The United Nations Global Compact is a corporate sustainability initiative. The United Nations Global Compact calls for compliance with ten basic universal principles:

### **A. Human Rights**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

### **B. Labour**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

### **C. Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### **D. Anti-Corruption**

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Türk Telekom has made a commitment to act in accordance with 10 universal principles in the fields of Human Rights, Working Conditions, Environment and Anti-Corruption by becoming a participating member of the United Nations Global Compact in 2020.

## **SUSTAINABLE DEVELOPMENT GOALS**

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**SDG 1:** End poverty in all its forms everywhere

**SDG 2:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture

**SDG 3:** Ensure healthy lives and promote well-being for all at all ages

**SDG 4:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

**SDG 5:** Achieve gender equality and empower all women and girls

**SDG 6:** Ensure availability and sustainable management of water and sanitation for all

**SDG 7:** Ensure access to affordable, reliable, sustainable and modern energy for all

**SDG 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

**SDG 9:** Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

**SDG 10:** Reduce inequality within and among countries

**SDG 11:** Make cities and human settlements inclusive, safe, resilient and sustainable

**SDG 12:** Ensure sustainable consumption and production patterns

**SDG 13:** Take urgent action to combat climate change and its impacts

**SDG 14:** Conserve and sustainably use the oceans, seas and marine resources for sustainable development

**SDG 15:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

**SDG 16:** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

**SDG 17:** Strengthen the means of implementation and revitalize the global partnership for sustainable development

In order to be the leader of digital and technological transformation and to strengthen the competitive stance of the Turkish business world on the global platform with all its assets from small businesses to large corporations, Türk Telekom rapidly makes its technological infrastructure investments, takes steps to reach the farthest corners of the country, and continues its breakthroughs towards sustainable development and growth. If the most important problems facing humanity and our world today are gathered under big headings such as climate change, depletion of

natural resources and environmental degradation, injustice and inequalities, it is undoubtedly institutions have a remedial role for comprehensive impact.

The contribution expected from telecommunication companies has become even more important in today's World, where healthy communication, reliable data and confidentiality are more important than ever with the effects of global pandemic. In addition to its own activities, the communication and technology sector establishes, provides, develops and protects the infrastructure of success for the institutions and organisations of other sectors. Türk Telekom met the rapidly increasing demand emerged as a result of the Covid-19 pandemic that affected the world in 2020, and successfully managed this extraordinary process. The pandemic process has significantly increased the awareness that it is an indispensable requirement enabling individuals to maintain their daily work, private and educational life. For this reason, the Company has set traceable targets in the triangle of continuous service, sustainable development and creating value for the society.

Assuming a pioneering role in telecommunication and technology sector, Türk Telekom has created value in many areas by providing qualified education to everyone, providing opportunities with an equitable approach, focusing on sustainability in all operations and business processes with infrastructure efforts, and acting responsibly in protecting natural resources. Thus, Türk Telekom directly serves the global Sustainable Development Goals (SDGs).

## ABOUT TÜRK TELEKOM

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Türk Telekom, with 180 years of history, is the first integrated telecommunications operator in Turkey. Türk Telekom Group Companies provide services in all 81 cities of Turkey with the vision of introducing new technologies to Turkey and accelerating Turkey's transformation into an information society. In 2015, Türk Telekomünikasyon A.Ş. adopted a "customer-oriented" and integrated structure in order to respond to the rapidly changing communication and technology needs of customers in the most powerful and accurate way, while maintaining the legal entities of TT Mobil İletişim Hizmetleri A.Ş. and TNET A.Ş. intact and adhering to the rules and regulations to which they are subject. Having a wide service network and product range in the fields of individual and corporate services, Türk Telekom unified its mobile, internet, phone and TV products and services under the single "Türk Telekom" brand as of January 2016.

"Turkey's Multiplay Provider" Türk Telekom has 16.3 million fixed access lines, 13.4 million broadband, 3.1 million TV and 23.2 million mobile subscribers as of December 31, 2020. Türk Telekom Group Companies provide services in all 81 cities of Turkey with 34,748 employees with the vision of introducing new technologies to Turkey and accelerating Turkey's transformation into an information society.

Türk Telekom has undertaken it as a duty to offer all its subscribers the latest and most advanced communication technologies, from isolated individuals living in the most remote corners of Turkey to urbanised crowded families, and from small businesses to the largest corporations. Türk Telekom adopted the principle of "Türk Telekom Makes You Feel Valuable" as a guiding compass for itself in everything it does, from the way of doing business both internally and outside the organisation to its communication and relationship management processes. With the goal of achieving a Turkey that will lead the world towards digital transformation, Türk Telekom has been working relentlessly to roll out the production and use of domestic and national technology, particularly in strategic sectors, to strengthen our country against cyber threats and to make the dream of a technologically and economically self-sufficient Turkey a reality.

## GROUP COMPANIES

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**Argela**, The 5G and beyond next generation telecommunication technologies R&D company.

**AssisTT**, A Leading customer service solutions company.

**İnnova**, Turkey's leading software developer company and system integrator.

**SEBİT**, Turkey's leading and long-established education technologies company.

**Türk Telekom International**, International arm of the group that opens up to the world in wholesale data, voice and roaming services.

**TT Ventures**, Group's Corporate venture capital company.

## VISION AND VALUES

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Türk Telekom works for this country's future with the strength it derives from its deep-rooted past of nearly two centuries. Being the telecom operator that leads the digital transformation of our country, its most essential task is to carry Turkey into the future. Its priority is to go beyond being a technology company and make everybody that it comes to contact "Feel Valuable" in every field it operates. Türk Telekom aims to realise this vision with 17 values that it adopted as its compass.

### Our Shared Values and Attitudes

Türk Telekom;

- 1. is human-oriented:** With this understanding, it works day and night with the principle of providing the best service to all corners of the country.
- 2. is brave:** It knows no obstacles in running forward and adopts the principle of doing what would be considered impossible.
- 3. is honest:** It stands behind every word, attitude, and behaviour of itself.
- 4. is sincere:** It displays a loving and sincere approach in all of its relationships.
- 5. is lean:** It adopts clarity in business and relationship processes.
- 6. is a leader:** It proudly carries the pioneering qualities of being the driving force of its industry and acts accordingly.
- 7. is innovative:** As a follower and practitioner of innovation brought about by technology, it works with the mission of carrying Turkey into the future.
- 8. is agile:** Its capability to be flexible and take quick action lies behind its success in all business processes.
- 9. is young-spirited:** It keeps up with the times and today's conditions.
- 10. is excited:** It is excited about the achievements and firsts that mark Turkey's technology history.
- 11. works for social good in technology:** It acts on the principle of "Accessible Communication for All".
- 12. understands social responsibility:** It takes upon the problems of the country's people with its sensitivity to give back to the society what it takes from it.
- 13. is at peace with its past:** It represents an institutional memory and spirituality that bear witness to Turkey's history.
- 14. is domestic and national:** In line with Turkey's goals, it has the consciousness and sense for developing the most advanced technologies with domestic and national resources.
- 15. cares about its values:** It always considers the priorities and sensitivities of the society in which it exists.



**16. is productive:** It makes a difference with what it produces by working and supporting.

**17. is sharing:** It is willing to share the values it owns and creates with the whole society.

Türk Telekom adopts these values as principles within and outside the corporation, from doing business to communication and relationship management processes, both inside and outside the organisation. Just because it leans on to these 17 values;

**“Türk Telekom Makes You Feel Valuable.”**

## SUSTAINABILITY APPROACH AND MANAGEMENT

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In addition to achieving a strong financial performance, Türk Telekom has acknowledged the creation of value for its stakeholders as one of the key pillars of sustainability and has adopted a long-term perspective on sustainability goals.

Identifying the sustainability effects of its activities on economic, corporate, environmental and social axes, Türk Telekom determines its policies by taking into consideration the expectations of all its stakeholders in these areas. The Company shapes its policies in light of its responsibilities, obligations and duties to the environment, its employees, all stakeholders and society. Managers and employees working at all levels contribute and support sustainability processes and take part in the implementation in their areas of responsibility.

Türk Telekom has intensified its work in 2020 by taking concrete steps in Sustainability. In Sustainability efforts conducted with the support of independent expert consultants, studies have been carried out to determine the priority focus areas (materiality), to increase awareness among stakeholders and to construct a "Sustainability Strategy" that will create long-term value. With the sustainability report to be published for the first time in 2021 in accordance with GRI standards, it is aimed to disclose the environmental, social and managerial performance at regular intervals. With this report, the Company will have the opportunity to present its holistic approach towards sustainability and creating value to employees, shareholders and stakeholders.

The corporate infrastructure, which is based on solid foundations with the sustainability strategy and policy, will be strengthened by the Sustainability Committee and its complementary committees. In order to ensure the effective implementation of sustainability activities by the relevant responsible persons and the coordination between teams, Sustainability Working Groups on the priority issues of the Company are formed and monitored. Türk Telekom General Manager / CEO is authorised to determine and change the working principles and duties of the persons and committees to take part in sustainability committee and its complementary committees, and the representation regarding sustainability issues is monitored by the senior management.

The policies of the Company, which are approved and entered into force with the decisions of the Board of Directors, covers the Members of the Board of Directors of Türk Telekom and Türk Telekom Group Companies, and their managers and employees working at all levels.

With the Sustainability Policy to be published in the Sustainability Report, details of the Sustainability Management Structure of Türk Telekom will be shared with all stakeholders. Türk Telekom Group Companies also expect their vendors and business partners to comply with this policy and the policies it is related to, and to encourage their employees in this regard. For this purpose, the requirements within the scope of these policies will be added to the agreements that Türk Telekom Group Companies will make with their vendors and business partners.

The Sustainability Policy works in harmony with the following policies and the following policies complement the Sustainability Policy:

- [Human Rights Policy](#)
- [Anti-Bribery and Anti-Corruption Policy](#)
- [Business Ethics Code](#)
- [Information Security Policy](#)
- [Human Resources Policy](#)
- [Board of Directors Women Membership Policy](#)

Türk Telekom continues to transform its business processes and office applications in line with sustainable innovation principles with the aim of leaving a habitable world to future generations. Believing in the importance of people-centric and environment-oriented working conditions, the Company views the inclusion of all its employees, their families, suppliers and customers - in short, its stakeholders - in this process as part of its strategy.

In addition to its strong operational and financial performance, Türk Telekom has adopted a sustainability approach focused on creating value for all its stakeholders and shareholders. Aiming to touch all segments of the society and eliminate the digital gap in society with the principle of “**Accessible communication for all**”, Türk Telekom, fulfils its corporate social responsibility by contributing to the information access for all segments of society who have difficulties in participating in social life due to economic, social, regional or physical reasons. While acting on this principle, Türk Telekom continues its investments with a sustainability approach in light of its economic, environmental and social responsibilities.

Türk Telekom, with its sustainability approach, aims to fully integrate the universal principles of sustainability into its business model, strategies and corporate decisions. The company implements a wide array of projects and initiatives it has designed in this direction, including energy efficiency projects, in close cooperation with its stakeholders. In this context, our company signed a USD 100 million loan agreement with a 6-year maturity with the European Development Bank (EBRD), as stated in the material event disclosure dated June 2, 2020, in order to finance its investments, especially energy efficiency projects, within the scope of sustainability.

As stated in the material event disclosure dated December 24, 2020, a long-term loan agreement of USD 189 million was signed in December 2020. As a result of the assessment conducted by the J.P. Morgan Development Finance Institution, this loan transaction has been qualified as a Development Finance transaction with a "High" degree of development intensity and contributing to advancing the United Nations Sustainable Development Goals no. 7 (affordable and clean energy), no. 9 (industry, innovation and infrastructure), and no. 12 (responsible consumption and production).

## OUR STAKEHOLDERS

<b>Employees and their Families</b>	Employees and their Families, trade unions and former employees
<b>Local Community and Public Opinion</b>	People living in the regions and central areas, non-profit organisations, environmental institutions, cultural associations and institutions, active users of social media
<b>Public, Regulatory and Supervisory Institutions</b>	Government and Ministries, local authority and local institutions, EU institutions, national and local institutes
<b>Vendors</b>	Subcontractors, vendors, business partners, technology firms
<b>NGOs and Professional Associations</b>	NGOs, trade unions, foundations, associations, research institutions, professional associations, international NGOs, think-tanks
<b>Group Companies</b>	TT Mobil İletişim Hizmetleri A.Ş., TTNET A.Ş. and all affiliated companies
<b>Customers</b>	Consumer, Corporate (SME, large companies & institutions), public, other institutions & organisations, business partners, social media agencies
<b>Shareholders</b>	<p>LYY Telekomünikasyon A.Ş.</p> <p>Türkiye Wealth Fund</p> <p>Ministry of Treasure and Finance of the Republic of Turkey</p> <p>Publicly trading shares</p>
<b>Potential Employees</b>	New graduates, young talents and people with outstanding performance
<b>Media</b>	Printed, audio visual, local and international media agencies, social media platforms, opinion leaders
<b>Competitors</b>	Local, foreign telecommunication & infrastructure companies
<b>Financial Institutions</b>	Banks, investors, analysts, insurance firms, leasing firms and etc.
<b>Academic Institutions</b>	Secondary and Higher Education institutions, other academic institutions

## PRIORITY AREAS - SOCIAL

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### HUMAN RIGHTS

Prepared to determine the principles and rules ensuring that Türk Telekom's relations with its employees, customers, suppliers, business partners and all stakeholders are managed with due respect for human rights, Türk Telekom Human Rights Policy was approved by the Board of Directors and made available to the general public via the Company's Investor Relations website.

Adhering to respect for human rights as one of its fundamental values, Türk Telekom respects the fundamental human rights, physical and moral existence of every human being enshrined in the United Nations Universal Declaration of Human Rights and carries out all its operations accordingly. Türk Telekom values differences, considers this a wealth, and commits to equal opportunities. Türk Telekom contributes to the development of employees' knowledge and skills, ensures their adaptation to new technologies, improves their performance and competence by offering educational opportunities. United Nations Universal Declaration of Human Rights, the Constitution of the Republic of Turkey, International Labour Organisation (ILO) Conventions other conventions ratified by the Republic of Turkey, and the national legislation applicable to human rights and work life formed the basis for the preparation of Türk Telekom Human Rights Policy.

With its Human Rights Policy, Türk Telekom aims to create a working environment which respects human rights and to act in accordance with human rights in its activities. Türk Telekom also expects its suppliers and business partners to comply with this policy and encourage their employees in this regard.

Türk Telekom respects and supports the freedom of association and freedom of expression of its employees, as well as to unionisation and collective bargaining. The Company rejects all forms of forced labour, including compulsory work, child labour, employment of illegal immigrants and foreign nationals without a work permit, as well as debt bondage, and all forms of human trafficking. Children under the age of 18 are not hired and international conventions and national legislation approved by Turkey are adhered to on children's rights. This approach is open to vetting by public authorities.

Türk Telekom aims to encourage women's participation in working life and supports the efforts to increase women's employment. Female employees have the opportunity to take paid maternity leave for a total of 16 weeks, eight weeks before and 8 weeks after the birth of their child. In addition, upon request, non-paid maternity leave of up to six months of and 1.5 hours of breastfeeding leave per day until the infant reaches its first birthday. Pregnant or breastfeeding employees are not required to work for more than 7.5 hours per day. In addition to these stipulations, maximum attention is paid to employee rights within the scope of legal requirements.

Claims and notifications regarding any violations of human rights are evaluated within the scope of ethical violations and concluded by examining them confidentially according to the procedures and principles in the Türk Telekom Business Ethics Code.

The act of an employee who reports an issue by honestly stating it, cannot be used to form a negative opinion about this employee himself/herself. In the reporting process, confidentiality rules are essential and the rights of those who report violations are protected. Human rights violations may result in disciplinary action and enforcement of legal sanctions.

In addition, employees are required to submit a statement each year confirming that they comply with the Human Rights Policy and employees receive training every year to adopt and internalise the policy.

No discrimination complaints were filed by the employees in 2020.

“Human Rights Policy E-Training” has been prepared and assigned to all Company employees. It has reached a 55% completion rate in a short space of time and will continue in 2021.

### **ANTI-BRIBERY AND ANTI-CORRUPTION AND ETHICS**

Türk Telekom Anti-Bribery Anti-Corruption Policy was formed and entered into force in November 2020 with the approval of the Board of Directors. Internal mechanisms have been established for the implementation of the policy, covering the members of the Company’s Board of Directors and the Company’s managers and employees at all levels.

Türk Telekom adopts a “zero tolerance” approach in tackling bribery and corruption and undertakes to carry out its activities in a fair, honest, legal manner and in compliance with ethics rules. In the Company, which stands against all kinds of bribery and corruption, it is strictly prohibited to receive or offer bribes, regardless of their purpose. Türk Telekom’s core values in procurement processes are transparency, integrity and honesty. Necessary guidance is provided to ensure that suppliers act in line with Türk Telekom’s policies on human rights, human resources, human health and environmental matters.

As the largest cyber security operator of Turkey in terms of service and capacity, Türk Telekom works to ensure our national security by protecting the data of Turkey. It complies with the legal regulations for the protection of its employees, customers and all personal data and information within its field of activity, and fulfils all its obligations in this regard.

Türk Telekom Business Ethics Code defines ethical behaviour as distinguishing right from wrong, fair from unfair, good from bad, just from unjust, and doing what we believe to be right, fair, good and just. Türk Telekom Business Ethics Code is the main document that will primarily be taken as a basis and guide its employees.

This Code has been prepared in order to explain how all employees should behave both within and outside of the working environment in line with the vision, mission and values of Türk Telekom, and what kind of sanctions can be imposed otherwise. Türk Telekom Business Ethics Codes are as follows.

## **BUSINESS ETHIC CODES**

### **A- To be respectful, honest and reliable in our relations**

Employees should take principle the highest behavioural standards, and in order to move Türk Telekom forward, they should be in compliance with the laws, respectful, honest and reliable in their relations within the Company, with our customers, vendors, business partners and official authorities.

### **B- Protecting the assets of the Company**

The knowledge and experience of the company, the time assigned for doing business, all kinds of devices, materials, fixtures and vehicles owned by the Company, energy, fuel and water used for various purposes, paper, products, and brands of the Company are the assets of the Company. Employees are responsible for the use of all these assets in accordance with their purpose and within the framework of determined rules, as well as the protection of these resources.

### **C- Information security**

Information is defined in the "Information Security Policy" as all the data, text, image, sound and similar contents in physical or digital media which is produced, used, transmitted, archived or legally transmitted to the company during work processes. Confidentiality of information which are characterised as secret and /or commercial secret, private and secret information of employees, customers, vendors, business partners and other persons and organisations in collaboration with the company, and protection of intellectual property like patents, copyrights, names and brands is secured with the Business Ethics Code. It is forbidden to leak information and documents to earn income in any way within the scope of "Insider Trading", and to make statements on social media platforms in a way that may damage the reputation of our company.

### **D- Conflict of interest**

Pursuant to the Business Ethics Code, employees are prohibited from obtaining personal benefits or providing benefits to their relatives or third parties and creating benefits in the selection of a vendor / business partner due to their position. In the event of a conflict of interest between our Customers / Vendors / Business Partners, it is guaranteed that all parties will be treated equally and fairly.

### **E- Relations conducted in the name of Türk Telekom**

Türk Telekom is a whole with its employees, brands and companies. Relationships with persons, institutions and organisations with whom we have commercial relations are also accurate, consistent and reliable, and all the dealings are carried out in accordance with the relevant contracts, laws or regulations. Employees cannot behave in a way that would damage the Company's reputation and brand, and unless authorised they cannot make statements in the name of the company. They accept that they shall not use the name and resources of Türk Telekom in their relations with political parties.

**F- Relations with our employees**

Türk Telekom provides equal opportunities in employment, promotion, demotion, wage increase, education and development, disciplinary practices, termination of employment contract and all other rights to any employee or to a candidate applying for a vacancy by acting honestly and fairly, regardless of their title, race, colour, religion, gender, political opinion, ethnic origin, marital status and pregnancy. Türk Telekom attaches great importance to the creation of a working environment that is free from all kinds of discrimination and verbal / physical harassment. It is forbidden for managers or employees to engage in systematic and planned behaviours towards other employees that aim to disincite them from work, reduce their performance, and cause them to resign.

**G- Our responsibilities**

All employees comply with the laws, and all regulations, principles and practices issued by Türk Telekom and the Business Ethics Code in all our units and organisations. In case that the regulations, principles and practices are in conflict with the laws, employees know that compliance with laws have priority and that they are responsible for following the changes made in this code as well as complying with the updated code.

Türk Telekom Group Companies have identified the **main risk areas**, where bribery and corruption can occur, as follows.

- **Receiving gifts, organizing or attending an event and making or accepting donations**

The employees of Türk Telekom Group Companies; cannot accept and offer a gift presented with the purpose of harming their independence in their relations with civil servants, clients, suppliers and other business partners. Cannot offer and accept gifts in situations which may cause conflict of interest or which may be perceived in this way.

- **Facilitating payments**

Türk Telekom Group Companies do not allow its employees and third parties doing business on behalf of Türk Telekom Group Companies to offer facilitating payments with a view to secure or accelerate a routine procedure or process regardless of the amount or to accept such payments regarding the services provided by our Company.

- **Suppliers and business partners**

Points to consider in the relations with suppliers and business partners are described in Türk Telekom Business Ethics Code in details. Türk Telekom Group Companies carry out their business processes with suppliers and business partners in accordance with transparent and objective criteria. Third parties acting on behalf of Türk Telekom Group Companies must comply with legal regulations, and Türk Telekom's Business Ethics Code and Anti-Bribery and Anti-Corruption Policy.



- **Travel and entertainment**

Türk Telekom Group Companies conduct travel and entertainment activities in order to improve their commercial relations. Travel and entertainment may include social activities, accommodation, dinner invitations, training, symposium, conference and seminar etc. It is essential to make sure these activities are reasonable.

- **Sponsorship**

All corporate support and sponsorship requests are conveyed to the unit responsible for procurement. Requests, which are investigated in an objective way by the unit and have positive results are submitted to the Board of Directors or the approval authority granted by the Board of Directors and sponsorship support is provided.

- **Political activities**

Türk Telekom Group Companies do not participate directly or indirectly in the election campaigns of political candidates or other political campaigns institutionally. They do not provide political aid or donation in any way.

Employees cannot be involved in demonstrations, propaganda and similar activities within the boundaries of their workplaces and they cannot use the sources of Türk Telekom Group Companies and their positions for activities with political purposes.

- **Accuracy of records**

Türk Telekom Group Companies record and keep all kinds of accounting transactions, accounts, invoices and documents in a complete, precise, transparent and accurate manner in accordance with the current legal regulations. They do not falsify the accounting or other commercial records of a transaction and documents related to these records.

Accordingly, Türk Telekom Group Companies;

- Establish internal control systems to prevent unregistered transactions,
- Provide reasonable assurance that these controls are carried out with proper authorization,
- The financial statements are prepared in line with generally accepted accounting principles,
- Their reality is not distorted in the reporting.

“Anti-Bribery and Anti-Corruption Policy E-Training” was prepared and assigned to all Company employees. It has reached a 55% completion rate in a short period of time and will continue in 2021. Additional training is provided for those working in high-risk assignments.

Appeals for the expression of a violation, behaviour or practice, thought or concern regarding the violation of the Business Ethics Code are made to the "etik@turktelekom.com.tr" e-mail address, the Business Ethics unit and the Internal Audit Department from inside and outside of the company.

The Procurement Legal Directorate has added a provision regarding the obligation to act in accordance with Türk Telekom Human Rights Policy in all framework contract

drafts. The contracted firms were informed about company's anti-corruption and human rights policies.

There are 20 operations that are subject to human rights reviews or impact assessments.

In case of leakage, theft or loss of customer information, we are obliged to notify Information and Communication Technologies Authority (BTK) and we also have obligations within the scope of the Law on Protection of Personal Data (KVKK). It has been reported that 6 investigations carried out by Internal Audit in 2020 fall within the scope of Corruption. In the KVKK investigations made to Türk Telekom group companies in 2020, there has been no need to make such a notification until now.

### **SKILL DEVELOPMENT, DIVERSITY AND GENDER EQUALITY**

Türk Telekom values diversity and considers diversity as a source of value, and strives to ensure that its employees feel a part of the Company. No person in Türk Telekom can be subject to discrimination for reasons such as age, language, race, ethnicity, nationality, health, disability, gender, marital status, religion and sect, political opinion, philosophical understanding and belief.

Türk Telekom Human Rights Policy covers the following main headings and explicitly provides information on how to handle the process in case of violation, and sanctions:

- RESPECT FOR HUMAN RIGHTS
- DISCRIMINATION AND HARRASMENT
- ACCEPTING DIFFERENCES
- FREEDOM OF EXPRESSION AND ASSOCIATION
- FORCED LABOR AND CHILD LABOR
- EMPLOYMENT OF WOMEN AND MOTHERHOOD
- WAGES AND WORKING HOURS
- PROTECTION OF PERSONAL DATA AND LEGAL COMPLIANCE
- OCCUPATIONAL HEALTH AND SAFETY
- PROTECTION OF THE ENVIRONMENT

#### **Freedom of expression and association**

Türk Telekom respects and supports the freedom of association and freedom of expression of its employees, as well as to unionisation and collective bargaining. The Company rejects all forms of forced labour, including compulsory work, child labour, employment of illegal immigrants and foreign nationals without a work permit, as well as debt bondage, and all forms of human trafficking. Children under the age of 18 are not hired and international conventions and national legislation approved by Turkey are adhered to on children's rights. This approach is open to vetting by public authorities.

Türk Telekom adopts the principle of ensuring and developing social dialogue with the labour union and workplace harmony within the framework of the unionised organisation and collective bargaining. A Collective Bargaining Agreement is signed

with the Turkish Haber-İş Labour Union every two years. The demands and expectations of union members are assessed and managed within the scope of this agreement.

Regular meetings are held between the Turkish Haber-İş Labour Union and Türk Telekom, where the expectations and problems faced by employees are discussed, and workplace harmony has been maintained thanks to effective social dialogue and cooperation. As a result of these meetings, the necessary measures and actions are taken by Türk Telekom, and decisions which affect employees are reported to the labour union representatives and the labour union.

Türk Telekom regularly notifies and reminds all Central and Regional Units of the overtime rules as per local laws on working hours/overtime and collective bargaining agreements. Every month, an overtime audit is conducted at Türk Telekom to monitor compliance with the Türk Telekom Principles, the collective bargaining agreement and the relevant laws. At Türk Telekom, the minimum wage is determined by collective bargaining agreement and higher than the legal minimum limit.

## **Recruitment**

Türk Telekom's recruitment efforts are aimed at meeting the Company's needs for qualified workforce by employing the most appropriate candidates with the required level of competence and experience. The recruitment process is evaluated in three phases: Demand Management, Selection and Placement.

In the Demand Management process, annual workforce plans are prepared by taking into consideration the needs of the organisation, norm staff and new staff. For the selection process, a rich candidate pool is created out of which suitable applicants are chosen with objective criteria. The Company's career site, leading recruitment sites along with domestic and foreign HR consultancy firms are used to this end. In order to reach potential candidates, contact is made with official institutions such as universities, professional chambers and İŞKUR (Turkish Employment Agency), while digital and social media tools also employed.

In order to ensure objectivity and accurately assess competence in the selection process, various measurement and evaluation tools are used. All candidates that have not been selected are notified.

## **Performance management process**

Türk Telekom aims to establish an ongoing relationship with its employees, managers and stakeholders based on respect, trust and ethical values, with the values it has adopted and the Company culture it has created based on respect and sharing.

Türk Telekom has an innovative and agile working culture that is performance-oriented and based on cooperation and team spirit. As a requirement of global competition and the pace of change in the sector, new working models such as agile task force are implemented.

The Performance Management Process ensures that the targets determined in line with the Company's vision and the strategic priorities of the relevant year are attained with the contribution of the employees; that employees' contribution to the attainment of targets are assessed in an objective, systematic and measurable manner, and that a motivating work environment and personal development are fulfilled.

Each year, the Company's objectives are planned on a departmental and individual basis, so that employees can perceive how their individual efforts contribute to the bigger picture with individual targets. The target dissemination meetings, which are held annually following the preparation of the Senior Management Target Cards, are aimed at disseminating the performance culture across the Company, determining the targets in accordance with the SMART (Clear-Measurable-Achievable-Compatible-Time-Based) criteria and ensuring that the management level is on the same page for an appropriate evaluation to be undertaken. It is important that the managers communicate the information and guidance shared during these meetings to their teams.

The outcomes of the Performance Management Process serve as inputs for Wage Management and Rewarding, Career and Talent Management, Training and Development and Performance Development Process activities.

Communication works regarding the Performance Management Process and System such as guidelines, announcements, visuals, infographics, videos etc. are shared with the relevant target audience during performance periods.

In order to achieve its goals, Türk Telekom aims to attract qualified employees to the Company, to retain employees, to uphold motivation to ensure a sustainable service, and to reward those who demonstrate an outstanding performance. In this context, remuneration is determined by evaluating the relevant legislation, job description, responsibilities, required qualifications and market value.

Türk Telekom provides its employees with various benefits such as free communication services, free life and accident insurance, meal card, personnel transportation, Company vehicle and private pension support in order to improve working conditions and living standards. Türk Telekom also contributes to the living standards of its employees and their families through various funds, health and social care organisations. In addition, Türk Telekom implements a private pension system to further support its employees' life during their retirement.

These benefits vary depending on various parameters such as employees' employment contracts, status, fields of work, title, position and job levels.

### **Gender equality – Supporting women employment**

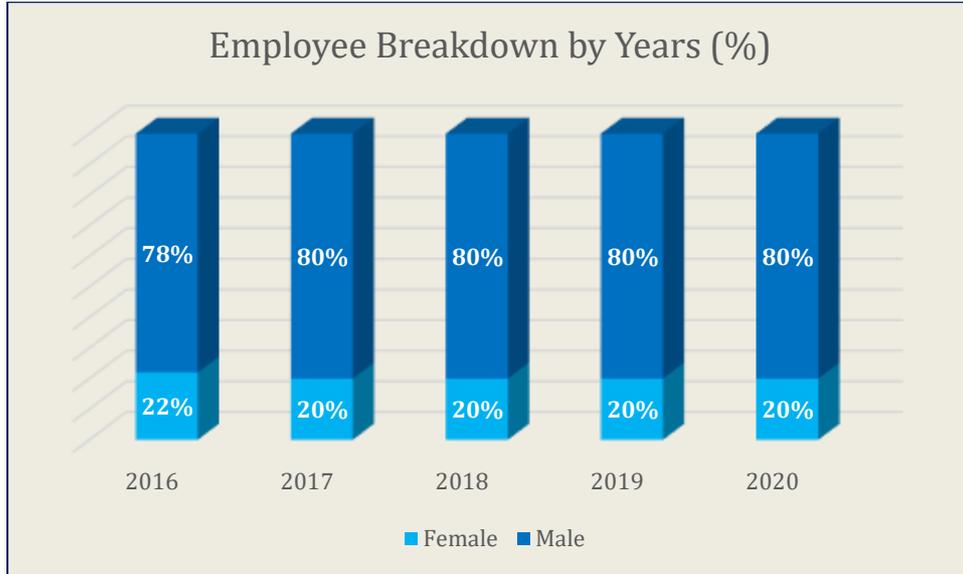
Türk Telekom aims to encourage women's participation in working life and supports the efforts to increase women's employment.

Türk Telekom Board of Directors Women Board Membership Policy aims to give priority to women in electing a member for the Board of Directors, and to strengthen women's position in the Company's high level decisionmaking process.

Within this scope, it is aimed that;

- In composition of Company's Board of Directors, to prioritize women members among nominees who have the same characteristics in terms of know-how, experience and competence,
- Appointment of at least one woman member to the Board of Directors of the Company,
- To achieve this goal in next 5 years by appointing women member(s) to the Board of Directors.

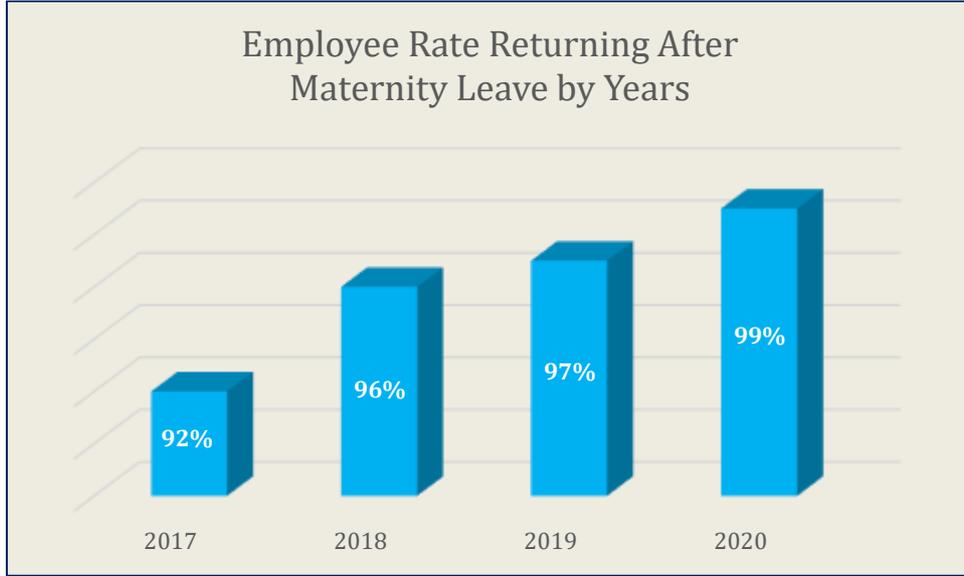
Türk Telekom conducts significant efforts to protect and improve the ratio of female employees. 20% of the employees are female, with 80% being male. In Türk Telekom subsidiaries, 55% of the employees are female and 45% are male.



In order to provide a high-quality and uninterrupted service throughout Turkey, Türk Telekom ensures that the number of field employees is particularly high. When the field teams are excluded, the rate of female employees within the headquarter stands at 37%.

With its new human resources approach, Türk Telekom succeeded in reducing the employee turnover rate among its female employees in 2020 in an acceptable manner. Türk Telekom prioritises women candidates in its recruitment processes in line with the goal of increasing the employment of women employees. In 2020, 37% of the hired employees and 45% of those employed under the Young Talent Program Start were female. In order to increase the representation of women in the senior management, women candidates are prioritised in the recruitment and promotion processes.

Female employees have the opportunity to take paid maternity leave for a total of 16 weeks, eight weeks before and 8 weeks after the birth of their child. In addition, upon request, non-paid maternity leave of up to six months of and 1.5 hours of breastfeeding leave per day until the infant reaches its first birthday. There is a noticeable increase in the number of female employees who take maternity leave and return to the company in comparison to the previous years.



Pregnant or breastfeeding employees are not required to work for more than 7.5 hours per day. In addition to these stipulations, maximum attention is paid to employee rights within the scope of legal requirements. Claims and notifications regarding any violations of human rights are evaluated within the scope of ethical violations and concluded by examining them confidentially according to the procedures and principles in the Türk Telekom Business Ethics Code. The act of an employee who reports an issue by honestly stating it, cannot be used to form a negative opinion about this employee himself/herself. In the reporting process, confidentiality rules are essential and the rights of those who report violations are protected.

In addition to being an important element of sustainable development, women's participation in the workforce and employment is also of great importance in ensuring continuity of economic growth and fully achieving social development and social justice. With the goal of sustainable development and making information technologies, which are the fundamental driving force for economic growth, accessible for everyone, Türk Telekom launched Life is Simple with Internet project in 2014. With the new phase of this project, Türk Telekom is supporting women by creating employment through trainings and workshops and integrating them to the country's economy as entrepreneurs in partnership with the Union Chambers and Commodity Exchanges of Turkey (TOBB), the United Nations Development Program (UNDP) and the Habitat Association. Türk Telekom has reached approximately **3**

**thousand women** since the beginning of 2020 with the "Life is Simple with Internet for Women with Goals" project, which was made available to all women during the pandemic.

### **Skill development**

Türk Telekom values the career and skill development of its employees with its sustainable Human Resources approach and takes it as a main focus area. Business schools, monthly Competency Development Schedule, Internal Mentorship Program, Personal, Vocational and Technical Development Catalogue Trainings, Learn Break and Technology Chair, which aim to increase employee skills and professional competence, offer employees the opportunity to gain 360 degrees of competence with live broadcasts, technology training programs and applications. Türk Telekom launched a mobile application for training management to provide remote access and has provided employees with access to training whenever and wherever they want. In 2020, Türk Telekom provided a total of 216 thousand hours of distance education.

The start-ups of the 8th term of PİLOT, established by Türk Telekom to support technology-oriented start-ups at an early stage were announced. Türk Telekom, which invested a total of TL 1.2 million in the 8 selected teams, also provides the start-ups with the opportunity to cooperate. Türk Telekom implemented Turkey's first online cyber security camp. A group of 24 young people seeking to learn and advance their skills in the field of cyber security and direct the digital future, participated in the camp and received training from experts on Turkey's cyber security.

### **SUPPLIER MANAGEMENT**

The procurement activities conducted by Türk Telekom and the Group Companies and the forming and controlling of standards are undertaken centrally by the Department of Support Services and Procurement Management. The Support Services and Procurement Management Assistant General Manager is responsible for the execution of the Procurement Policy and updating it when necessary.

The duties and authorities of the rules and processes for the purpose of achieving the principle of "creating the necessary competitive environment and meeting demand at the most affordable price, duration, quality and conditions", which constitutes the basic procurement strategy of the Company, are determined by the Procurement Policy and Procedure approved by Türk Telekom Board of Directors.

The Procurement Policy and Procedure covers all Türk Telekom Group employees who play a role in demand/procurement processes. The Procurement Policy and Procedure is published on the Company's internal communication channels. All employees are informed of any changes by e-mail. When necessary, training activities are carried out on the relevant subject for the employees of the Company.

As a result of the global pandemic, the practice of working from home was implemented within the Company in 2020. Thanks to the Company's high-tech system support, working conditions were organised in the most effective way, ensuring no

loss of performance. Thanks to the ability to carry out tenders through the online procurement system, the tender processes were successfully completed.

Supplier Performance Evaluation processes are managed through the system. In 2020, improvements were made on the Supplier Performance Management System, which has then gone live. With these improvements, it is aimed to be able to effectively monitor and report the supplier performance and action through the system. Supplier performance can now be evaluated without manual intervention needed in the process, and the evaluation results work with operational procurement documents in an integrated manner.

Supplier performance evaluations are carried out continuously in 6-month periods and the segmented suppliers are subjected to detailed evaluation in accordance with the main headings determined. Suppliers are also evaluated in the fields of occupational health and safety, the environment, quality and organisation, and feedback is provided to them about the results.

In the first half of 2020, suppliers covering approximately 60% of the Company's total procurement volume were evaluated according to the project-based SLA criteria, the commercial and seasonal framework, and feedback was provided to them based on the results.

### **Türk Telekom procurement process approach**

An effective and lean procurement structure is designed through restructuring the responsibilities of the demand and procurement units with an understanding of increasing efficiency by taking the fundamental elements such as total cost of ownership, supply chain risks and sustainability into account.

An approval mechanism, which includes managerial control in authority limits, was established by taking the organisation of the Company into account.

Procurement activities of Türk Telekom Group Companies are carried out in accordance with the relevant legislation, the provisions of Türk Telekom Group Procurement Policy and Procedures, and with the tender/bid request procedure.

Procurement teams are informed of the procurement and supply chain steps and standards through internal meetings and trainings.

By taking the principle of separation of duties into account, the procurement units and other units perform their duties within their areas of responsibility in terms of procurement in line with this specified policy.

An effective procurement is realised by taking into account the basic elements such as TCO (Total Cost of Ownership), supply chain risks and sustainability.

In order to avoid undermining supplier trust, placing additional workloads upon suppliers, except for commercial obligations, is prevented.



The needs of the Türk Telekom Group Companies are met first-hand as much as possible (by the manufacturer, importer or general distributor) by taking into account the nature of work.

The basic principles adopted by Türk Telekom in the supplier management process are:

- Transparency,
- Fair and equal distance,
- Communication within the framework of respect and honesty,
- Maintaining intellectual property and confidential information.

The aim of the sustainable procurement approach is to ensure sustainability in Türk Telekom Group's activities in general through purchasing activities.

Core values in procurement processes are transparency, integrity and honesty. Relations with suppliers are conducted on a transparent and fair ground by avoiding conflicts of interest and without personal interest.

Türk Telekom Group exercises maximum care to comply with the principles of sustainability and selects products which most closely meet the conditions, or alternative local products where possible.

### **Obligations of suppliers within the scope of the policies and contracts**

In addition to the general obligations, suppliers have the following obligations as set out in the provisions of all contracts, to which Türk Telekom is a party, in the procurement processes;

- To fulfil their obligations with regard to their personnel in accordance with applicable laws, especially the Labour Law, Social Security Law, Law of Obligations and other relevant legislation, and by ensuring that their personnel and subcontractors act in accordance with such legislation as well,
- To fulfil the legal, criminal and financial obligations arising from the relations with the Regional Labour Directorate, the Social Security Institution, the Ministry of Health and other authorised institutions, as well as applicable legislation,
- To comply with the relevant laws, regulations, statutes and other legislation in force regarding the performance of obligations under the contract and regarding the work and occupational health and environmental safety issues.

In addition, discrimination is not practiced in Türk Telekom supply chain in accordance with the Türk Telekom Human Rights Policy, and no employment of child labour or forced labour is tolerated.

Care is taken to work with suppliers who support safe working conditions, and suppliers are expected to fully support their employees' freedom of organisation and the right to collective bargaining.

Maximum care is put forward to ensure that suppliers comply with legislation and the code of ethics. Suppliers are monitored by the demand and procurement units at Türk Telekom throughout the business relationship. In the event of any violations or in cases where there is deviation from the Company's policies, necessary notifications and warnings are issued, corrections are requested and/ or business relations with suppliers are reviewed.

Türk Telekom Group has the right to terminate its relations with the suppliers that do not comply with the rules and business relations are terminated with the suppliers persisting to continue the negative situation.

### **OCCUPATIONAL HEALTH AND SAFETY (OHS)**

Creating a healthier and safer working environment for its employees, minimising the effects of damage to the environment through its activities, and implementing environmentally friendly technologies are adopted by the Company as its prioritised objectives.

In line with this target, employees are expected to;

- act in accordance with legal regulations, practices and accepted standards in the workplace,
- comply with the measures taken as a result of all risk and impact assessments with a preventive approach,
- implement systems to minimise the occurrence of incidents, accident or emergency losses,
- participate in training programs organised to promote safety culture, risk perception and environmental awareness,
- demonstrate an objective and transparent attitude in audits related to occupational health, safety and the environment,
- notify and report any behaviour, situation or accident which could endanger occupational health and safety,
- act in harmony with the responsible Occupational Health and Safety specialist in charge.

Türk Telekom operates within the scope of the ISO 45001 Occupational Health and Safety Management System. There is a risk assessment procedure in order to determine the dangers and risks. Within the scope of this procedure, location-based risk assessments are made within the whole company, and corrective actions are initiated for detected nonconformities. In addition, there is an incident investigation procedure for investigating the reporting of occupational accidents and near-miss incidents. Employees report near-miss incidents through the near-miss notification system and these notifications reach occupational health and safety experts. OHS experts can initiate action based on these notifications and direct them to the relevant unit for the corrective actions to be taken. Occupational safety specialists consist of people who are trained and certified as required by law, and they are employees who also have responsibilities towards the legal authorities regarding their work and transactions.

Türk Telekom, which has adopted proactive and productive Occupational Health and Safety and Environmental Management standards, works to improve these management systems to prevent occupational accidents, to raise environmental awareness and to promote occupational health and safety and an environmental culture among employees.

Türk Telekom systematically defines the methods and principles for identifying the potential hazards arising from its activities, the products and services and the risks associated with them, and evaluates the environmental impacts and aspects, thus controlling the potential dangers. In line with these definitions, the Company prepares and reports risk and environmental impact assessment tables with the aim of minimising occupational accidents and occupational illness, along with the environmental aspects.

The aim of the work is to identify risks which may cause occupational accidents and occupational illnesses before they occur, and to take appropriate measures.

In order to protect employees from work-specific hazards, personal protective equipment is provided where collective protection is not possible.

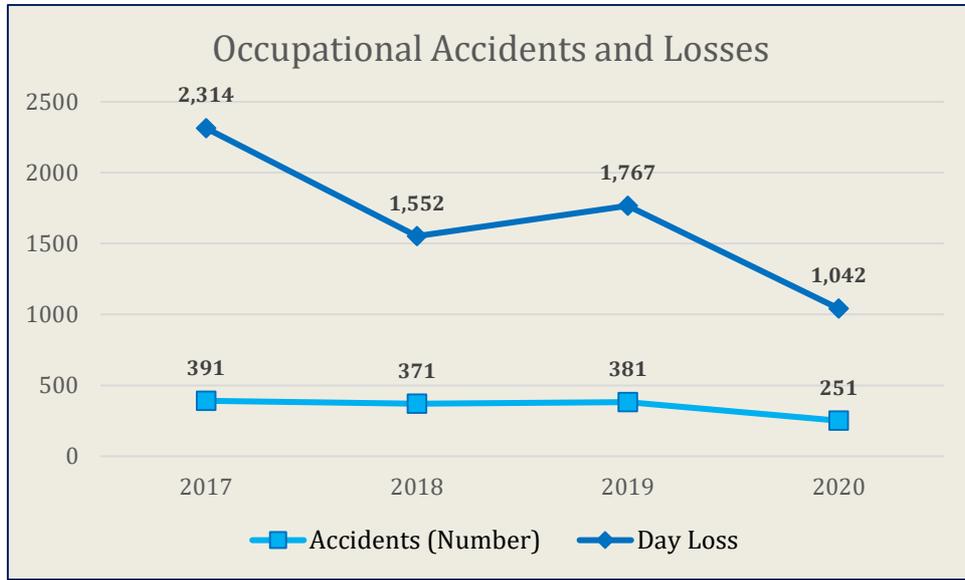
“Occupational Health and Safety Committees” have been established in the workplaces of the Company. At periodic meetings, the following tasks are fulfilled:

- Guiding employees regarding occupational health and safety issues,
- Evaluating hazards and precautions related to occupational health and safety at the workplace, determining the measures and notifying the employer or their representatives,
- Carrying out the necessary investigations, identifying measures to be taken and notifying the employer or the employer’s representative with a report in the event of any occupational accident in the workplace or an occurrence at the workplace which does not qualify as an occupational accident but may cause damage to the workplace or to work equipment, or in case of occupational illness or occupational health and safety hazards,
- Planning trainings on occupational health and safety in the workplace, preparing programs related to occupational health and safety and related rules, presenting them to the employer or the employer’s representative for approval, monitoring the implementation of these programs and providing feedback in the event any deficiency is noted,
- Planning the security measures necessary during maintenance and repair work to be performed at the workplace and monitoring the implementation of these measures,
- Monitoring the adequacy of the measures taken against fire, natural disasters, sabotage or similar hazards in the workplace and monitoring the work carried out by the relevant team.

Employee representatives also participate in these committees as members, and all kinds of feedbacks provided by employees on occupational health and safety measures are evaluated. Employees' representatives serve in these boards, which must be established as required by law, and the employees are informed of the

decisions taken in the relevant board through these representatives. These boards convene at specified times depending on the workplace hazard classifications as required by law. (Monthly, bi-monthly or quarterly meetings). Decisions are taken unanimously.

Türk Telekom acknowledges and notifies any health impairment (due to the employee or 3rd parties) as work accident in the workplace in accordance with the phrase "while the insured is at the workplace" when defining a work accident in the Law No. 5510. There has been a decrease in the number of occupational accidents in the last four years in Türk Telekom. There have been no fatal accidents since 2018. There is no occupational disease detected in TT in general.



The OHS policy created in accordance with ISO is integrated with the human rights policy issued by human resources. There are also OHS instructions specific to the work of field workers.

In 2020, 17,389 Türk Telekom employees received occupational health and safety legislation training.

#### PROTECTION OF PERSONAL DATA (KVKK)

Türk Telekom's ("Türk Telekom, TNET and TT Mobil") Clarification Text for its subscribers/customers within the scope of the Law No. 6698 on the Protection of Personal Data ("KVKK") was updated in July 2019. This text contains all details regarding;

- The identity of data controller,
- The purpose of processing personal data,
- To whom and for which purpose personal data may be transferred,

d) The method and legal grounds of collection of personal data and other rights of the data subject under Article 11 of the Law.

In addition, clarification texts are designed and published for employees, visitors, etc. related person categories and different Türk Telekom sites.

### **Data processing parties on behalf of Türk Telekom**

Türk Telekom has authorised dealers, which process the data of customers as a third party on behalf of itself. All dealer employees are informed on the legislation governing the protection of personal data through circulars and information guide. In addition, all dealers have updated subscriber/customer information notices located on visible areas. Detailed information texts are provided to subscribers and dealer employees about the business flows requiring express consent, customer explicit consent templates have been drawn, and all dealers are required to obtain these consents when needed.

All agreements to which Türk Telekom is a party are reviewed and revised in line with the KVKK and the secondary legislation. In addition, trainings, announcements and audits were carried particularly for business partners and dealers as a part of the administrative measure obligation to ensure the security of personal data, and will continue to be carried in line with the possible amendments in the legislation.

### **Liability of the company management regarding the protection of personal data**

In accordance with the KVKK, the legal entities are responsible for all liabilities arising from this law and the relevant legislation. In terms of Türk Telekom, the Türk Telekom Board of Directors /Executive Committee is responsible for the Confidentiality and Safety of Personal Data as the managing body of the data controllers.

Within this framework, the Board of Directors has decided for the establishment of upper and sub-committees consisting of Assistant General Managers and directors for the monitoring and management of Türk Telekom's compliance process.

With the aforementioned decision, the Committees were assigned on behalf of the Company within the scope of fulfilling their obligations arising from the KVKK and in accordance with Article 11 of the Regulation on the Registry of Data Controllers ("Regulation").

Türk Telekom General Manager/CEO has been authorised to determine and change the working principles and duties of the committees and persons to take part in the committees.

The purpose of the mentioned committees is the coordination and organisation of the activities carried out in the field of governance regarding the protection of personal data throughout the Company, monitoring and reporting the actions to ensure full compliance with their requirements, supporting the governance structure, taking and following up strategic decisions, determining resource needs, creating an agenda at the level of the Board of Directors/Executive Committee.

**Employee trainings related to personal data security and confidentiality**

Personal data security and confidentiality trainings have been assigned online to all permanent employees of Türk Telekom, TT Mobil and TTNET, while regional class trainings were provided to the sales teams, regional employees and dealers' employees.

The regular trainings provided address the following topics:

- History and the legal basis of the EU Data Protection Regulation and Turkish legislation governing personal data protection
- The Company's main responsibilities on the issue
- Personal Data Processing Inventory and VERBIS (Data Controller Registry Information System)
- Rights of the data subject
- Data storage periods and deletion/destruction
- Penalties set forth in the applicable law and regulations
- Special measures that need to be taken in the Company business processes
- Actions to be taken specifically for sensitive personal data
- Information security awareness

Türk Telekom has also started compliance studies within the scope of the "Regulation on the Processing of Personal Data and Protection of Privacy in the Electronic Communication Sector", which was published by BTK on December 4, 2020 and will enter into force on June 4, 2021.

**CORPORATE SOCIAL RESPONSIBILITY**

Türk Telekom became the operator that contributed the most to the growth of the market in 2020 with its sales and operations network spreading throughout the country and its breakthroughs in fibre transformation. While continuing to rapidly fiberise all corners of Turkey, Türk Telekom expanded its leader position in fibre towards 5G and digitalisation. In 2020, the fibre homepass increased by approximately 5 million and exceeded 26.8 million. The length of the fibre network covering Turkey's 81 provinces reached 331 thousand km by the end of the year. Türk Telekom carried out regional campaigns offering fast and unlimited internet in order to support internet ownership in districts with low penetration. Moreover, the increased need for internet during the pandemic period tended to result in very low cancellation rates.

The pandemic brought about a significant change in customer behaviour. Türk Telekom focused on "High Speed Internet" in the second half of the year in order to provide a better experience to its customers with the increase in internet usage. The Company updated its new acquisition portfolio in line with its high-speed strategy and adopted this strategy in all its sales channels. As a result of these actions, the share of new acquisitions in high-speed connections, increased from 10% at the beginning of the year to 40%.

During the pandemic, the Company supported the families and students through the Digital Education campaign, which contributes to the development of students so they can continue their education from home, while also considering family budgets. Türk Telekom also launched Üniversitelinin İnternet Kampanyası (Internet of University Students Campaign) for university students, which along with the high-speed internet, was enriched with relevant content to meet the entertainment and learning needs of university students, and which aims to support the distance learning process.

The new normal has also led to a change in working needs and habits of companies and employees, and many companies switched to a working from home model. Türk Telekom addressed the internet needs of the employees working from home and launched its various campaigns for new and existing customers.

As well as enabling Organised Industrial Zones (OIZs), which play the biggest role in the development of industrialisation in Turkey, to save resources with its applications for OIZs, Türk Telekom remains to be Turkey's leader in communication and technology through modern, environmentally friendly, innovative and technological solutions. In 2020, the Company listened to the needs of organisations and received their views by visiting OIZs throughout Turkey. New grounds were identified for the digital transformation of Organised Industrial Zones, and smart city components were parsed in this context and re-adapted in line with the needs of Organised Industrial Zones.

Türk Telekom made a name for itself with its collaborations with the public sector. Türk Telekom provided the Ministry of Agriculture with the opportunity to safely manage its network infrastructure from a single centre with the SD-WAN Smart Network Project, provided to the Ministry in 2020. Within the scope of the E-Exam Hall Equipment and the Machine Technology Area Workshop Equipment projects that it carried out with the Ministry of National Education, the Company also provided an important contribution to digitalisation in education with end-to-end services provided by the network hardware and infrastructure.

Within the framework of the Integration of Smart Technologies to Penal Execution Institutions (e-Visit) Project, Türk Telekom put its new "Turna" product into effect, which it designed to support our country's vision of digitalisation. Convicts had the opportunity to have a video call with their relatives through 20,000 Turna, which will serve in penal institutions across the country. In addition to the projects carried out in 2020, Türk Telekom added new components to its range of solutions. The "Digital Municipality" vision was supported with the Social Media Management Software, which is one of the Next Generation Life components to be added. With the help of this system, which has been rolled out in 18 municipalities since the beginning of 2020, citizens could reach municipalities through each channel and submit their requests, complaints and wishes.

Türk Telekom will continue to enrich the customer experience with environmentally friendly and safe eSIM technology. For its corporate customers, the Company plans to accelerate its work for the eCall service, which it provides especially in the automotive field, and the connected vehicles with the domestic eSIM.

The Türk Telekom Academy, the training platform of Türk Telekom employees, is offered to all Internet at Home customers by expanding the scope of its education portfolio. The platform, which includes thousands of training programs with micro-MBA, foreign language and career packages, is offered to Türk Telekom customers at advantageous prices.

Among the social responsibility projects Türk Telekom conducted in accordance with its motto of “Bir fark yeter, Türkiye’ye Değer” (Even the smallest difference matters, Turkey is Worth All Our Efforts), include “Hedefi Olan Kadına İnternetle Hayat Kolay” (Life is Simple with the Internet for the Woman with Goals), “Telefon Kütüphanesi” (Books on the Phone), “Güneşli” (Sunshine), “Sesli Adımlar” (Loud Steps), “Okulumda Güneşli” (Sunshine at Schools), “Yeni Nesil Gelecek” (The Next Generation Project), “Türk Telekom Okulları” (Türk Telekom Schools) and the “Türk Telekom Amatör Spor Kulüpleri” (Türk Telekom Amateur Sports Clubs). Local social responsibility activities organised by the Türk Telekom Provincial Directorates are also conducted within the scope of “Türkiye’ye Değer”.

The Telefon Kütüphanesi is a service provided free of charge which allows the visually impaired to access audio books and a variety of content via their phone. Turkey’s first Telefon Kütüphanesi, offered in cooperation with the Boğaziçi University Visually Impaired Technology and Education Laboratory (GETEM), has been removing barriers in accessing information for the visually impaired for 9 years.

The library has nearly 2 thousand audiobooks and content in more than 50 categories ranging from poetry, novels and history, to self-development, practice exams and audio described movies. Users have spent a total of 12 million minutes listening to the Telefon Kütüphanesi since its launch in 2011.

In 2020, in line with the needs of the visually impaired, users were provided with voice access to medicine package inserts by scanning medicine barcodes on the phone screen. Thus, the visually impaired were provided with the opportunity to access information about their medicines without the need for someone else’s help.

The “Güneşli” project, rolled out by Türk Telekom for children with low vision, reached 81 provinces with the addition of 19 new provinces. The training sessions for the new term are offered through a digital platform created specifically for the project. Türk Telekom’s social responsibility project “Güneşli” continued remotely within the scope of the Covid-19 measures in the 2019-2020 academic year. Türk Telekom offered education to more than 43 thousand children with low vision and their families during the education process. Within the scope of the Güneşli Project, Türk Telekom’s R&D unit designed the Güneşli Games, the first and only smartphone application developed specifically to support the education of children with low vision. Türk Telekom has achieved the first in Turkey with its EyeSense program, which has been specially developed to bring ease to the lives of the visually impaired. EyeSense program helps users to take photos and identify objects and colours shown in the camera via its audio instruction function.



Adopting a different perspective while developing the EyeSense program, Türk Telekom brought together a number of features such as “Object Recognition”, “Colour Recognition” and “Taking Photos” to bring ease to the lives of the visually impaired.

The “TahtApp” software developed by the Türk Telekom R&D unit is an application which detects content on the classroom board with a camera and transfers it to the tablets provided to the children within the scope of the project, on a real time basis. This transferred content is arranged by visual processing techniques on tablets and transformed to a format through which students can follow-up the lesson. Thanks to TahtApp, the standardisation required for children who have differences in terms of reading and light detection capacity is achieved successfully. This also helps to ensure that the students no longer feel separated from their peers without disabilities. As of 2020, TahtApp installations had been carried out at 25 schools in 9 provinces.

Türk Telekom has extended its support to nearly 6 thousand athletes in 33 branches from 40 clubs in 44 provinces, from basketball and fencing to wushu and badminton.

In addition to the national athletes which the Company has supported so far, it has 63 national athletes who actively play sports in clubs.

## **PRIORITY AREAS- ENVIRONMENT**

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While determining its corporate management strategy, Türk Telekom considers the sustainability, the environmental impacts of activities and the principles in this regard. It complies with all national and international legal regulations and other obligations related to the environment, and controls the important environmental impacts arising from its activities and ensures continuous improvement of environmental performance. Türk Telekom participates in the Zero Waste Project in order to prevent the rapid consumption of natural resources. Being aware of the impact of high energy consumption on society and the environment, Türk Telekom attaches importance to investments and studies in the fields of energy efficiency and renewable energy. It monitors carbon emissions and participates in Carbon Transparency Project. Electromagnetic field measurements are made before and after the installation of the base stations to ensure that they work safely in terms of people and the environment. Türk Telekom provides high efficiency for smart living under the verticals of safety, energy, health, environment and life through products and services developed for new generation cities.

With the Next Generation Environmental solutions, temperature, humidity, noise, smoke, flood, air/water quality monitoring, pressure, gas and waste material measurements are made, and the values obtained are reported and controlled, thus preventing environmental pollution. Türk Telekom invests in smart city technologies to support the construction of sustainable, efficient cities which offer a high quality of life. It leads Turkey’s largest smart cities projects with its solutions in line with the next generation city planning approach. Next generation urban technologies are addressed under the headings of transportation, security, energy, health, the environment and lifestyle. While Türk Telekom is rolling out the concept of smart city technologies in Turkey, it is also developing the ecosystem with its support for domestic and national solution partners.

Türk Telekom operates within the scope of the ISO 14001 Environmental Management System. A risk assessment procedure is in place to determine the dangers and risks. Within the scope of this procedure, location-based risk assessments are made in the whole company and corrective actions are initiated for detected non-conformities. Türk Telekom has not received any environmental fines or sanctions on its behalf in 2020.

Türk Telekom will finance its investments, particularly energy efficiency projects, within the scope of sustainability with USD 100 million loan agreement with a 6-year maturity signed with EBRD.

### WASTE AND RECYCLING

These activities cover the prevention of direct or indirect discharge of all kinds of waste generated as a result of Türk Telekom's activities to the receiving environment in a way that harms human health and the environment in the process from production to disposal, establishing technical and administrative standards in waste management and the delivery of the waste to temporary storage, recycling and disposal facilities.

In Türk Telekom, wastes are collected in temporary storage areas, with the exception of medical wastes. Medical wastes are collected in health units in special medical waste transport containers with medical waste written on them, stored in containers for temporary storage and in accordance with the Medical Waste Process, the staff makes an online transport request via the MOTAT system. Wastes are delivered to the municipality or the company authorised by the municipality. Wastes (hazardous wastes, metal, electronics, etc.) collected by the waste producer are taken to temporary storage areas to be sent to a recycling / disposal facility holding an environmental permit / license and delivered with a "Waste Delivery Form". In temporary storage areas, wastes registered with the "Waste Tracking and Statistics Form" are collected in defined areas in a way that different waste codes do not interfere with each other. The wastes are sent to the recycling / disposal facility with the appropriate environmental permit / license by creating a waste transportation request through the MOTAT system.

The wastes collected in the recycling boxes for paper / cardboard and packaging in the buildings are collected by the cleaning workers and delivered to the municipality or the companies authorised by the municipality. The data of the delivered wastes are entered into the Zero Waste Information System with the receipt issued by the municipality.

In buildings with dining halls, vegetable waste oils from food production are collected by the catering company in containers in accordance with the legislation and delivered to licensed companies.

Non-hazardous wastes are temporarily stored in sealed, safe containers or in impermeable areas, without mixing with each other and separately from hazardous wastes. Wastes can be stored in the facility for not more than one year by taking the

necessary measures until recycling, on condition that the non-hazardous waste statement and waste code will be placed on the containers in which the wastes are stored. In this case, it is necessary to provide ground impermeability in order to prevent pollution that may occur from the contact of wastes with rain or surface waters, and to create grids, interception channels and similar collection systems for water drainage. For all kinds of waste and leftovers, it is prohibited to directly or indirectly discharge into the receiving environment, store, transfer, remove and carry out similar activities in a way that harms the environment and violates the standards and methods specified in the relevant regulations.

In a statement released by Türk Telekom for World Environment Day on June 5, the Company revealed that some of the collected waste was being used in electronic workshop trainings for gifted children, and donations were made to the Turkish Red Crescent with the income gained from the recycling of electronic waste.

Türk Telekom's contribution to the environment thanks to the use of e-invoicing in 2019, corresponds to approximately 66 thousand trees, 16 million kWh of energy and 125 thousand m<sup>3</sup> of water savings. Türk Telekom donated 38,540 saplings on behalf of all its employees as part of the "A Breath for the Future" campaign implemented by the Ministry of Agriculture and Forestry with an aim to leave a greener Turkey to future generations.

With its circular economy approach, Türk Telekom has financed a part of its fibre investments with the transformation of 8,932 tons of copper granules as part of the fibre technological transformation. Similarly, it gains profit from the evaluation of scrapped materials, devices and technical tools.

## ENERGY AND EMISSION

Moving forward unwaveringly with its investments in Turkey, Türk Telekom commissioned a solar energy powered base station in Ağrı. With this practice, Türk Telekom improved the quality of communication in the villages throughout the region, while adding value to the efficient use of Turkey's energy resources and the rollout of renewable energy.

With the aim of raising awareness on energy efficiency and contributing to reduce the dependency on foreign sources of energy, Türk Telekom installed a base station working with Solar Energy System (SES) on an area of pasture land in Güneysöğüt, part of the Taşlıcay District in the province of Ağrı, which is located within the servicing area of the Erzurum Regional Directorate. Thanks to the 50-metre high solar energy powered base station serving 7 villages in the region, the communication quality of the villages in the region has improved.

On the other hand, a 20-hour backup period was secured with SES, which is built on an area of 100 sqm, in order to prevent disruptions in mobile services which could result from the harsh winter conditions in the region.

Türk Telekom also carries out studies aimed at using energy resources efficiently and reducing carbon emissions systematically. In this context, the Company carries out CDP reporting each year. Within the scope of the 2020 CDP reporting carried out by

Türk Telekom, which continues its efforts to reduce greenhouse gas emissions, the emission calculations created as a result of the Company's activities have been verified by Ernst & Young, an independent authorised organisation. The score of the CDP report prepared according to 2019 data reached the B- (Management) level.

Until the next reporting period, Türk Telekom aims to set strategic emission reduction targets for 5 and 10 year periods and further reduce carbon emissions which can be managed at the company scale.

According to the latest report which is based on 2019 data and prepared by the global e-Sustainability Initiative GeSI, which is active in the field of sustainability, the Company has become one of the few operators in the world that has reduced electricity consumption in recent years, despite the increase in customer number and bandwidth.

Within the scope of efforts to reduce electricity consumption, Türk Telekom has implemented a number of savings and efficiency projects since 2013 and succeeded in reducing its electricity consumption by 8% between 2013-2020.

Despite the Covid-19 pandemic which threatened all humanity in 2020, Türk Telekom, pressing ahead unwaveringly with its efficiency projects, increased its installed power to 2.35 MW with its investments in the field of renewable energy. The Company also commissioned 148 low energy consumption free cooling box systems in 117 locations throughout Turkey for the efficient cooling of the system halls.

There was a limited increase in electricity consumption in 2020 compared to 2019 because of the increase in data usage on the back of the strong growth in the subscriber base, the increase in data centre loads, and increased FTTX installations.

## WATER

The wastewater generated as a result of the activities of our company's workplaces is of domestic nature. Domestic wastewater generated in the workplaces is connected to the sewerage network of the affiliated municipality. Therefore, our Company's wastewater discharge does not cause any environmental pollution (groundwater pollution, soil pollution, etc.). New generation city applications have been developed by our Company in order to prevent domestic water and water pollution.

Türk Telekom's most important project in reducing water consumption is the Building Centralisation Project. In this context, the amount of water use has been reduced since 2013 by optimising the use of buildings and reducing the number of buildings in which people work, every year. In buildings where only space optimisation is carried out, wet areas are reviewed, and unnecessary areas are closed, while the amount of utility water and water used in cleaning these areas are reduced.

In addition, in 2012, a more efficient use of water was started by attaching a saving device cap (aerator) to the mixer batteries in all buildings across the country.

Although investment costs are high, photocell mixer batteries are used in new projects to reduce the amount of wasted water. In addition, a Gray Water System is also in use in the Ankara Headquarter "Tower Building in the Aydınlıkevler", which has been

operational for 4 years. With this system, water expenses are reduced by re-using water used from sinks in the toilet reservoirs after the necessary treatment. Waste water is also stored in the Tower Building and used in landscape irrigation. In landscape irrigation areas, unnecessary water usage is prevented with timer-based automated sprinkler systems and irrigation is done at minimum levels according to the need.

As a result of the actions taken, the Türk Telekom Group has recorded a decreasing trend in water consumption. In 2019, water consumption decreased by 31% compared to its level 4 years ago, decreasing to 389 thousand cubic meters. In addition to the general declining trend in 2020, the pandemic and the intensive transition to home office system paved the way for a 35% decrease in usage compared to previous year, to 257 thousand cubic meters per annum.

## **PRIORITY AREAS – GOVERNANCE**

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### **CORPORATE GOVERNANCE**

Türk Telekom pays utmost attention to the implementation of the principles set out in the Corporate Governance Principles issued by the Capital Markets Board, and monitors the interests of all shareholders and stakeholders at equal distance in a transparent and close relationship.

Türk Telekomünikasyon A.Ş. (“Türk Telekom”) pays utmost attention to implementing the Corporate Governance Principles published by the Capital Markets Board of Turkey (“CMB”). The Company updates its annual and interim activity reports and corporate website, and makes them available to its shareholders to meet the said principles. Shareholders have access to comprehensive information through the Türk Telekom investor relations website, which is constantly kept up-to-date, and may also direct their queries to the Investor Relations Department.

On 14 December 2020, the corporate governance rating assessment report of Türk Telekom was prepared by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA A.Ş.), which holds an operating license to perform rating assessment in Turkey in line with the CMB’s Corporate Governance Principles.

The Company received an overall average rating of 9.40 as a result of a corporate governance rating assessment. The Company’s Corporate Governance Rating was determined with the assessment undertaken under four main categories (Shareholders, Public Disclosure and Transparency, Stakeholders, Board of Directors) with weightings assigned within the framework of the CMB’s Corporate Governance principles. The breakdown of corporate governance rating under these major categories was as follows:

Sub Categories	Weight	Rating
Shareholders	25%	87.59
Public Disclosure & Transparency	25%	98.85
Stakeholders	15%	99.51
Board of Directors	35%	92.83
Total	100%	94.03

The rating of 9.40 assigned by SAHA A.Ş based on the Corporate Governance Principles is a clear indicator that the Company is largely compliant with the CMB Corporate Governance Principles and has brought the necessary policies and measures into effect. The Company will maintain its efforts to fully comply with the Principles of Corporate Governance.

Türk Telekom has been included in the BIST Corporate Governance Index since 2009 and is the only telecom company to be listed in the Index.

Moreover, Türk Telekom has been included in the BIST Sustainability Index since 2014, when the index was established. The importance that the Company places on environmental, social and corporate governance policies and its exemplary practices in these areas has played an important role in Türk Telekom's successful performance in the BIST Sustainability Index.

Türk Telekom is also included in the International FTSE4Good index, where the performances of companies with strong and exemplary applications in the field of environmental, social and governance (ESG) practices are evaluated. Thanks to the steps it took upon in 2020 in the areas of environmental, social and governance, and the developments accordingly, Türk Telekom's ESG rating has continuously increased for three years in a row since 2018. Thus, Türk Telekom's ESG rating was realised at a level above the sector average.

Türk Telekom places great care on the implementation of the principles set out in the Corporate Governance Principles published by the Capital Markets Board. In this context, an independent corporate governance compliance assessment is carried out annually. Türk Telekom takes utmost care to ensure that internal processes function in compliance with CMB legislations. Online training programs are carried out within the Company in order to raise awareness regarding compliance with CMB legislation. Approximately 10 thousand employees completed the online training programs prepared within this scope in 2020.

The Company monitors its employees who have access to insider information through the system created for this purpose.

### **Company's Board of Directors and Committees of the Board of Directors**

The Board of Directors of the Company consists of 9 members and there are 3 independent members.

The committees established within the Board of Directors are the Audit Committee, Corporate Governance Committee, Early Identification and Management of Risks Committee, Nomination Committee and Remuneration Committee. The chairmen of all committees consist of Independent Board members and the committees fulfil their duties effectively.

There are no executive members of the Board of Directors in the company. The Chairman of the Board of Directors and the General Manager are not the same person.

To reach the Committees of the Board of Directors and Committee Working Principles;  
<http://www.ttinvestorrelations.com/en-us/corporate-governance/pages/committees.aspx>