

**TÜRK TELEKOM**  
**UN GLOBAL COMPACT PROGRESS REPORT**  
**2021**

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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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As the builder and developer of Turkey's communication infrastructure, we unwaveringly continue our investments that will add value to our country and to build the infrastructure that will support 5G and the next generation technologies, while leading the digital transformation of Turkey with our human-centred approach on the path we set out to make everyone "Feel Valuable".

With our sense of social responsibility and duty, we consider serving our country as the essential element of our existence and we work in an effort to transforming technology to the benefit of people, society and nature. We are aware that a sustainable world and the environment and efficient use of resources are vital for our planet. We are pleased to see the noticeable progress we make in this field every year through our projects aimed at increasing energy efficiency, expanding the use of renewable energy sources and systematically reducing carbon emissions.

Despite significant increases in our total number of customers and bandwidth, we are among the few telecom operators in the world that have reduced electricity consumption in recent years. We use green energy in our data centres. Furthermore, by providing the highest level of resource savings through expanding the use of next-generation communication technologies and next-generation smart city applications across the country, we serve the sustainable society.

We aim to disclose Türk Telekom's environmental, social and governance performance in our first Sustainability Report, which was published in accordance with the internationally accepted GRI standards, as the first concrete output of the "Türk Telekom Sustainability Management System and Structure". In this report, our vision and highlight the values we have adopted for a better future is revealed. In this context, we have set important goals for us. In an effort to systematically reduce our carbon footprint, we aim to lower our emissions by 35% and increase our solar energy utilisation capacity by 60% by 2023.

Türk Telekom continued to improve its position in national and international indices in 2021 with the Sustainability Management System and Sustainability Structure studies it started in 2020 and the initiatives it participated in. In addition to achieving a strong financial performance, Türk Telekom considers generating value for its stakeholder as one of the main elements of sustainability. While we support the development of our employees with our focus on value for human, we also take advantage of the insights we gain from employee experiences. Our 'Employee-Specific Working Model', which is implemented in 2021 with a focus on efficiency and sustainability, is the best example of this.

In line with our focus on contribution to society, we maintain our presence as a driving force with our corporate social responsibility projects as well as services we deliver to every corner of the country. By supporting disadvantaged groups in society, we are taking firm steps towards providing equal opportunities in accessing information and communication technologies, in encouraging women's participation in working life, and we solidify these steps.

In the upcoming period, we will continue to transform our country into an information society by offering information technologies, which play a leveraging role in sustainable development, to the service of all segments of the society, and we will continue to increase our contribution to sustainable society with our sensitive approach that values the environment and society.

Ümit Önal

CEO - General Manager

## THE TEN PRINCIPLES OF UNITED NATIONS GLOBAL COMPACT

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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 revitalise the global partnership for sustainable development

## GENERAL OVERVIEW

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Turkey's leading integrated telecommunication operator, Türk Telekom closely monitors the fundamental changes in the world. Aware of the changing priorities and expectations regarding sustainability and social issues, Türk Telekom develops strategies and solutions to meet the needs shaped by the change. Türk Telekom responds to the demand for creative solutions and more flexibility expected by customers. At the same time, Türk Telekom takes the needs of future generations into account, works to integrate the universal principles of sustainability into business models and strategies, seeing the growing value of being agile, respectful to the environment and people. Türk Telekom takes firm steps forward on the roadmap formed in line with the United Nations Sustainable Development Goals (SDGs) for the sustainability and improvement of the lives of future generations, by deepening its sustainability-focused strategy development and implementation efforts every year. While continuing their activities in 81 provinces of Turkey, Türk Telekom's more than 35 thousand employees work for the technology to provide welfare and benefit to people, society and nature.

Assuming a pioneering role in telecommunication and technology sector, Türk Telekom has created value in numerous areas by providing qualified education to everyone, presenting 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 more than 180 years of history, is the first integrated telecommunications operator in Turkey. 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 TTNET 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 16.9 million fixed access lines, 14.3 million broadband, 2.9 million TV and 24.0 million mobile subscribers as of December 31, 2021. Türk Telekom Group Companies provide services in all 81 cities of Turkey with 35,868 employees with the vision of introducing new technologies to Turkey and accelerating Turkey’s transformation into an information society.

Türk Telekom continues its activities with its more than 180 years of experience and knowledge as a stakeholder and witness of all milestones in the communication and technology history. Türk Telekom works relentlessly to offer the latest and most up to date communication technologies to its subscribers all over Turkey. Türk Telekom with its 52 million subscriber base and high performance results marked the year 2021 as a year of records, achieving an outstanding success in product and service quality despite the effects of the pandemic. Turkey’s leading telecom operator is expanding its widespread fibre network of 366 thousand kilometres surrounding the country each passing day. Türk Telekom reinforces the power of its unrivalled infrastructure as the “Readiest operator for 5G” and resolutely continues to provide uninterrupted and secure communication with the most advanced technologies. Türk Telekom plays an exemplary role in digital transformation, worthy of Türk Telekom brand, for a Turkey that will lead the world. Türk Telekom proceeds towards tomorrow with the determination to add its strength to the country’s power in the construction of a Turkey that is technologically and economically self-sufficient and exports technology to the world.

### GROUP COMPANIES

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

**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, SMS and mobile roaming services.

**TT Ventures**, a corporate venture capital company.

**TT Ödeme**, a payment services and electronic money company.

### VISION AND VALUES

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 the 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.

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 all of 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 develops 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.

In 2021, Türk Telekom continued its sustainability efforts aimed at improving the efforts in the priority focus areas (materiality) and increasing ownership among stakeholders by taking concrete steps towards sustainability. The corporate infrastructure which is based on sound foundations with the sustainability strategy and policy is supported by the Sustainability Committee and complementary committees. The Sustainability Working Groups, which are formed on the Company's priority issues and play a complementary role, ensure the inclusivity of sustainability studies. The General Manager / CEO of Türk Telekom is authorised to determine and amend the working principles and duties of the committees.

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.

The details of Türk Telekom Sustainability Management Structure will be shared with the Sustainability Policy that is planned to be published. Türk Telekom Group Companies and their stakeholders are also expected to comply with the Sustainability Policy and complementary policies and to encourage their employees in this regard.

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](#)
- [Code of Business Ethics](#)
- [Information Security Policy](#)
- [Human Resources Policy](#)
- [Women as Board Members Policy](#)

Türk Telekom transforms 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.

Türk Telekom conducts its activities with the principle of “Accessible communication for all” with an inclusive approach towards Environmental, Social and Governance-ESG focus areas and principles. Honouring its commitment to act in accordance with the 10 basic universal principles of the United Nations Global Compact, it takes the Sustainable Development Goals as its guide in its business conduct. Türk Telekom is aware that institutions must take responsibility in the field of sustainability. In order to manage the environmental and social impacts that may intensify, especially with the growth



and rapid transformation, the company has adopted the principle to progress in two axes by reducing the areas of negative impact and supporting studies that will create positive results for the society.

Aware of its responsibilities towards its stakeholders while continuing its activities, Türk Telekom puts its signature under vital efforts to ensure social equality in access to information by making communication “accessible to all” with the service it provides all over Turkey. It continues its investments to create a greener and more digital market with the innovative and sustainable technologies we have developed. In the face of increases in data amounts and infrastructure investments due to the strong subscriber base growth in 2021, Türk Telekom successfully reduced its electricity consumption per subscriber compared to last year.

Türk Telekom attaches importance to entrepreneurship, which is the rising value of the new world, in line with its vision of transforming technology into benefit, and carefully embraces entrepreneurship. In order to move Turkey forward in the technology race, the Company commits itself to lead the rise of domestic technology start-ups, to strengthen and expand the entrepreneurial ecosystem. The 9th term of PİLOT, which was launched by Türk Telekom to this end, was completed in 2021. Türk Telekom's start-up acceleration program, PİLOT has provided approximately TL 10 million in cash support to 91 start-ups to date. The total amount of investments received by PİLOT graduates, many of whom operate worldwide, has exceeded USD 16 million.

Taking the first concrete steps in smart city applications in Turkey, Türk Telekom embraces the smart cities vision and leads the way in the rollout of this vision. Türk Telekom supports the construction of sustainable and efficient cities with high quality of life by carrying Turkey to a future where vehicles, homes, schools, companies and cities become smart with innovative technology applications.

In addition to the products and services it develops, Türk Telekom considers it a corporate responsibility to contribute to the access to information of all segments of the society who cannot participate equally in social life due to economic, social or physical reasons, and carries out its activities. It leads the participation of disadvantaged groups in life through various projects.

In line with the sustainability goals of Türk Telekom Group, Renewable Energy Certificate (REC) ( ) was obtained from The International REC Standard for data centres\*. With this certificate, it has been documented that green energy is used in data centres. In this sense, the added value is increased by making green energy available not only to Türk Telekom but also to customers using data centres.

*\* The certificate was obtained for three data centres of Türk Telekom: Gayrettepe, Ümitköy and Esenyurt.*

## OUR STAKEHOLDERS

<b>Employees and their Families</b>	Employees, their families, unions, potential employees (new graduates, young talents, outstanding performers)
<b>Local Community and Public Opinion</b>	The people living in the regions and the centre, non-profit organisations, environmental organisations, cultural associations and organisations, active users of social media
<b>Public &amp; Local Authorities, Regulatory &amp; Supervisory Agencies</b>	Government and Ministries, local authorities and institutions, EU institutions, national and local institutes
<b>Suppliers</b>	Sub-contractors, supplier companies, business partners, technology firms
<b>NGOs and Professional Associations</b>	NGOs, unions, foundations, associations, research organisations, professional organisations, international organisations, think tanks
<b>Group Companies</b>	TT Mobil Communications, TTNET and all affiliated companies
<b>Customers</b>	Consumer, corporate (SMEs, Large Company & Institutions), public institutions, other institutions & organisations, business partners, social media organisations
<b>Main Shareholders</b>	Türkiye Wealth Fund, the Republic of Turkey Ministry of Treasury and Finance
<b>Potential Employees</b>	New graduates, young talents and people with outstanding performance
<b>Media</b>	Written, audio-visual, local and international media organisations, social media platforms, opinion leaders
<b>Competitors</b>	Local and foreign telecommunications & infrastructure companies
<b>Financial Institutions</b>	Banks Equity and Bond Investors, Analysts, Credit Rating Agencies, Insurance and Leasing Companies
<b>Academic Institutions</b>	Secondary and higher education institutions, other academic institutions

## 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 2021.

### 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 (Mobile Waste Tracking) 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 2017-2019, more than 18 tons of electronic waste was collected and recycled through "Electronic Waste Collection Campaigns" carried out among Türk Telekom personnel both in the general directorate and regional directorates, in cooperation with TÜBİSAD (Informatics Industry Association). In 2021 Türk Telekom continued its efforts in the management of electronic waste in cooperation with TÜBİSAD with a view to fulfil its obligations as required by the regulation. The income received from the collected waste contributed to the qualified education of 55 children, and some electronic waste was used in the electronic workshop trainings of gifted children. Türk Telekom gave bicycles to the employees who collected the most waste during the electronic waste collection process in order to support a healthy life.

Türk Telekom's contribution to the environment thanks to the use of e-invoicing in 2021, corresponds to approximately 62,885 trees, 15,166,462 kWh of energy and 118,372 thousand m3 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.

## ENERGY AND EMISSION

### **Türk Telekom continues its efforts to maximise energy efficiency at its base stations**

The activities conducted for energy efficiency at base stations and the solutions developed are given below:

- a. Türk Telekom replaced the high energy consuming base station equipment in use with lower energy consuming models in line with its goal of increasing energy savings. The Company switched to more efficient equipment with lower energy consumption at more than 3 thousand base stations in İzmir and Bursa regions. With this project completed in 2021, Türk Telekom achieved 27 million kWh energy savings annually, and prevented 12,750 tons of carbon emissions.
- b. Türk Telekom implements efficient and eco-friendly solutions in the energy and cooling infrastructure in its base stations. With 700 free cooling devices commissioned in 2021, the Company achieved savings in cooling energy as well as spare parts and maintenance costs.
- c. Türk Telekom uses eco-friendly air conditioning gas to reduce greenhouse gas emissions at its base stations. The Company switched to 336 next generation efficient air conditioners in 2021.
- d. Türk Telekom replaced the direct current energy sources, which lead to high energy loss, with high efficiency models.

- e. Türk Telekom ensures the safe operation of base stations for people and the environment by making electromagnetic field measurements before and after the installation.
- f. Türk Telekom takes utmost care to minimise human and environmental interference at its base stations during the planning, design, installation and operation stages and takes all necessary precautions.
- g. For human health and environmental safety, which is considered a top priority, Türk Telekom uses and updates all necessary security equipment so that its base stations are not affected by natural disasters, and the environment and public health are not endangered. In 2019, the Company examined 750 base station towers in detail and updated them in line with the needs and made plans for the tower controls of the base stations to be conducted in 2022.
- h. Türk Telekom monitors the base stations for 24 hours and provides the highest level of operational efficiency by responding to the field in the event of emergencies and natural disasters as quickly as possible.

### **Türk Telekom attaches importance to investments in energy efficiency and renewable energy**

Aware of the impact of high energy consumption on society and the environment, Türk Telekom appreciates investments and activities in the fields of energy efficiency and renewable energy. The activities conducted in this context and the achievements are summarised below:

#### ***The total power of Türk Telekom's eco-friendly green power switches increased to 2.5MW***

Systematically reducing its carbon emissions and continuing its investments and optimisation activities in energy efficiency unceasingly, Türk Telekom commissioned another 200kW solar energy system last year. With these investments, the total installed power of renewable energy systems increased to 2.5MW, a level that can meet the energy needs of more than 3 thousand residences. This also means that approximately 2,150 tons of carbon emissions were prevented annually.

#### ***Cooling Systems Conversion Projects***

Türk Telekom continues its projects to replace the air conditioners used in fixed and mobile networks with next generation efficient devices, and to commission the free cooling box devices with the aim of ensuring direct cooling of mobile base stations and telecom system halls with outside air at lower costs. These conversions in cooling systems, saved 9 million kWh of energy per year and prevented 4,250 tons of carbon emissions.

#### ***Smart Energy Management System Project***

Türk Telekom has launched the user friendly smart energy management system project, which provides faster access to all energy equipment (generator, DC system, UPS, air conditioner, digital thermostat, meter, etc.) in its fixed and mobile networks, receiving the data created with the information obtained from the devices securely and presenting and reporting this data effectively to the end user by achieving operational quality and high efficiency as a result of artificial intelligence supported analysis.

In the first phase of the project, the integration of meter, generator and DC energy systems was completed. With studies such as field-based electricity consumption analysis, instant detection of faults affecting consumption, control of air conditioner temperature set values, control of operating redundancy of devices, change in electricity consumption of telecommunication devices, the potential for energy efficiency will be determined and necessary optimisations will be carried out promptly. Analyses to be made with the alarm, fault and maintenance data of the equipment will provide improvement in device replacement processes, faults and spare parts usage.

By transferring services provided through old generation systems that have completed their technological lifespan to new generation systems, Türk Telekom achieves ease of maintenance and operation, energy savings and increases its service quality.

With building/system hall optimisation projects in Türk Telekom offices, space saving was made, and accordingly, a reduction in energy consumption in cooling was achieved.

In addition, the use of energy saving light bulbs, thermal insulation and sheathing, building automation, environmentally-friendly vehicle fleet, paper recycling, electronic document and documentation system (EDİTT), central printing systems, e-learning, telepresence and video conferencing, contributed to recycling, savings and carbon emissions reduction.

### **Electricity use and management at Türk Telekom**

Türk Telekom mobile and fixed network reduced its total electricity consumption by 3% in the last 5 years as a result of the projects aimed at technological transformation, savings and efficiency.

According to the report published in 2019 by the global e-sustainability initiative GeSI operating in sustainability, the Company has become one of the few operators in the world that has reduced its electricity consumption in recent years, despite the increase in the number of its customers and bandwidth.

In the face of increases in data amount and infrastructure investments due to the strong subscriber base growth in 2021, Türk Telekom managed to reduce its electricity consumption per subscriber compared to last year.

Türk Telekom also carries out studies for the efficient use of energy resources and the systematic reduction of carbon emissions. In this context, Türk Telekom reports to CDP every year. Türk Telekom, which completed its first reporting to the CDP in 2011, was the first Turkish telecommunications company to participate in this global initiative.

Within the scope of the 2021 CDP reporting carried out by Türk Telekom, which continues its efforts to reduce greenhouse gas emissions, the emission calculations resulted from the Company's activities were verified by PwC, an independent authorised organisation. The CDP report prepared according to 2020 data scored the C level.

Aware of the need to reduce greenhouse gas emissions, one of the most important causes of climate change, Türk Telekom continues its projects to reduce greenhouse gas emissions arising from its corporate activities.

The Company, which involves greenhouse gas management and combating climate change in its overall strategy, aims to set an example for the sector in combating climate change and support companies in other sectors at this stage.

### **WATER**

Waste water generated as a result of the activities of Türk Telekom workplaces is of domestic nature. Domestic waste water generated in workplaces is connected to the sewerage network of the municipality to which they are affiliated. Therefore, the Company's waste water discharge does not cause any environmental pollution (underground water pollution, soil pollution, etc.). In order to prevent the use of water and water pollution, next-generation city applications have been developed by the Company. Caring for the use of water as a part of its sustainability approach, Türk Telekom carries out activities to reduce water consumption and monitors consumption closely.

Türk Telekom's most important project in reducing water consumption is the Building Centralisation project. In this context, the Company has been reducing the amount of water used every year since 2013 by optimising building utilisation and reducing the number of buildings with employees. In buildings, where only area optimisation is carried out, wet areas are reviewed, and unnecessary ones are closed, while the amount of utility water and water used in cleaning these areas are reduced.



In addition, in 2012, the Company started to use water more efficiently by attaching a saving device cap (aerator cap) to the faucets in the personnel intensive buildings across the country. In this context, similar shortcomings in worn-out or renewed areas are controlled and eliminated every year.

Türk Telekom contributes to water savings by using photocell batteries in its new projects, despite the high investment cost. In addition, a gray water system is also in use in the Ankara headquarter tower building in Aydınlikevler, which has been operational for 5 years. With this system, water expenses and usage are reduced by reusing water used in sinks in the toilet reservoirs after the necessary treatment. Rainwater is also stored in the tower building and used in landscape irrigation. In landscape irrigation areas, water waste is prevented with timer-based automated sprinkler systems and irrigation is done at minimum levels according to the need.

The increase in water use associated with the need for cleaning due to global pandemic and decline in precipitation in recent years shows that access to water will become more difficult in the upcoming years. Türk Telekom shared many visual and written content and carried out local and general savings activities in 2021 in order to raise awareness among its personnel in this context.

Türk Telekom has been tracking and reporting its water usage for years. As a result of the actions taken, the downward trend continues in the amount of Türk Telekom Group's water consumption. In 2019, water consumption decreased by 31% compared to its level 4 years ago and declined to 653 thousand cubic meters. In 2020, in addition to the downward trend, the pandemic and the intense transition to home office system decreased the consumption by 35% year-on-year, to 433 thousand cubic meters per annum.

In 2021, the home-office working model continued until November, and in November, a new working model was put into practice at Türk Telekom. Thanks to the working model applied in 4 different ways as office, hybrid, mobile and remote, the annual water consumption in Türk Telekom offices and buildings remained close to the previous year and totalled to 438 thousand cubic meters annually. With the new working model, annual water consumption remained much lower than it would have been if the full-time office model had been implemented. It is anticipated that the change in this area will be observed more clearly in the upcoming years.

#### Annual Water Consumption in Türk Telekom \*

Year	The Amount of Consumption (m <sup>3</sup> )
2021	438 thousand
2020	433 Thousand
2019	653 thousand
2018	749 thousand
2017	898 thousand
2016	940 thousand

*\* As of 2021, usage values are reported with net usage values obtained directly from the field, not with the approach of averaging the unit prices. The retrospective data has been updated in this context. The data includes the water consumption amount of Türk Telekom, TT Mobil and TNET companies.*

## IMPROVEMENTS TO BUILDINGS AND CERTIFICATES

As Türk Telekom, we prefer products with high energy efficiency and efficient consumption in our projects. All lighting equipment are selected from led products, and approximately 2,200 led luminaries were converted in the projects implemented in 2021. In heating systems, we use additional systems such as automatic control and external weather compensation, which enable more efficient use of energy. We choose devices such as fans, pumps and compressors with frequency inverters/converters.

By establishing automated systems, we optimise both workforce and energy use. In this context, automation system installation/maintenance-repairs were conducted in 5 different locations in the Ankara Headquarters' area of responsibility in 2021, enabling the buildings to be monitored centrally and audited remotely. With the automated systems, all mechanical devices (boiler, pump, HVAC, etc.) can operate at appropriate reference values according to the outside air temperature with a certain timer-based program, and accordingly, significant savings are achieved in energy costs.

Space optimisations are performed in our system halls and buildings with intense personnel use, and 12,941 m<sup>2</sup> of area was closed to use in 2021. In addition, heat losses were prevented by paying attention to the insulation in all these areas, and it was aimed to reduce consumption by providing cooling with lower capacity systems.

Türk Telekom pays attention to energy use and works to reduce it by monitoring energy costs. In this context, we report information on solid, liquid and gaseous fuels used for heating purposes every year to form the basis of the CDP report. In addition, we ensure that natural gas conversion is carried out as soon as possible in regions with new access to natural gas. In this scope, natural gas conversion was completed in 10 locations across Turkey in 2021.

Within the scope of maintenance, repair and improvement (paint, roof, facade, settlement, ETL, etc.) works of the buildings within the borders of the Headquarters and Regional Directorate, 141 different comprehensive improvement projects were implemented in 2021. In addition, 25 seismic retrofitting projects were completed in 2021.

Our Ankara Headquarters Tower Service Building has the Gold level of LEED certificates which is one of the most widely used green building rating systems in the world.



## 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 as of the end of 2019 and made available to the general public via the Company's Investor Relations website.

In 2021, efforts have been initiated to update the Policy in line with the needs, and it is planned that the updated document will be submitted to the approval of the Board of Directors in 2022.

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 to encourage their employees to do so.

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.

In 2021, there were no complaints from employees that they were exposed to discrimination based on age, language, religion and gender.

"Human Rights Policy E-Training" has been prepared and assigned to all company employees, and the completion rate has increased to 65.2% in 2021.

## **BRIBERY, 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" is assigned to all company employees. The training, which has reached a total of 1,762 training hours and a completion rate of 66%, will continue in 2022.

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 and Industrial Relations unit and the Internal Audit Department from inside and outside of the company.

A provision regarding the obligation to act in accordance with Türk Telekom Human Rights Policy has been added to all draft framework agreements by the Legal Affairs (Procurement) Department. The contracted companies were informed about the anti-corruption and human rights policies.

There are 10 operations that are subject to human rights reviews or impact assessments.

In case of leakage, theft or loss of customer information, we have both a responsibility under the Personal Data Protection Law (KVKK) and an obligation to notify the ICTA. It has been reported that 3 Investigations conducted by Internal Audit in 2021 fall within the scope of Corruption. So far, there has been no case that requires a violation notification in Türk Telekom Group Companies.

## 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.

In this context, Türk Telekom's Human Resources approach is shaped by its focus on making everyone it touches 'Feel Valuable'. Our company transfers its steps taken with the vision of carrying Turkey to the future, to all business processes, especially human resources management, with a focus on investing in human resources, digitalisation and agility.

With its applications conducted with the Employee Experience approach from candidate to graduate, Türk Telekom has implemented the 'Employee Specific Working Model', taking into account the rapidly changing priorities and expectations in line with the 'Future of Work', and adapting the universal principles of sustainability to its business model, both in the processes of the development of existing internal talents and bringing the potential new external talents to the company. This model, which is compatible with the company's sustainability strategy, employee roles, expectations and needs, was divided into four different categories as "Mobile", "Office", "Hybrid" and "Remote" and was implemented in 2021.

Türk Telekom exerts efforts to provide vertical or horizontal in-house mobility opportunities, as well as training and development opportunities for the development of talents, with a focus on improving employee experience. The In-House Career Mobility Program has been designed to provide and develop different career opportunities for employees' in-house career journeys.

Türk Telekom Human Rights Policy covers the following main topics and provides clear and concise information on how the process will be handled and what sanctions will be applied in case of violation:

- RESPECT FOR HUMAN RIGHTS
- DISCRIMINATION AND HARASSMENT
- ACCEPTING DIFFERENCES
- FREEDOM OF EXPRESSION AND ASSOCIATION
- FORCED LABOR AND CHILD LABOR
- WOMEN'S EMPLOYMENT AND MATERNITY
- WAGES AND WORKING HOURS
- PROTECTION OF PERSONAL DATA AND COMPLIANCE WITH THE LAW
- 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, the only unionised telecom operator in Turkey, adopts the principle of ensuring and developing social dialogue with the labour union and labour peace in the workplaces within the scope of unionised organisation and collective bargaining agreement. The Collective Bargaining Agreement is signed with the Turkish Haber-İş Labour Union every two years. The demands and expectations of

union member employees are assessed and managed within the scope of this agreement. In 2021, Türk Telekom and Türkiye Haber-İş Labour Union shook hands for the collective bargaining agreement of approximately 10 thousand unionised employees. The process resulted in a compromise that protects the interests of all stakeholders, as in previous periods.

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.

Regular meetings are held between the Turkish Haber-İş Labour Union and Türk Telekom, where the expectations and problems faced by the 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 that will affect the employees are reported to the labour union representatives and the labour union.

### **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. In addition, Türk Telekom, which has expanded the principle of "Digital human resources" in 2021, carries out in-depth improvement studies in the recruitment, interview, evaluation, training and development processes that it automated in 2021, and makes effective use of digitalisation processes to attract qualified young and professional talents.

### **Performance management process**

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

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.

### Gender equality – Supporting women's employment

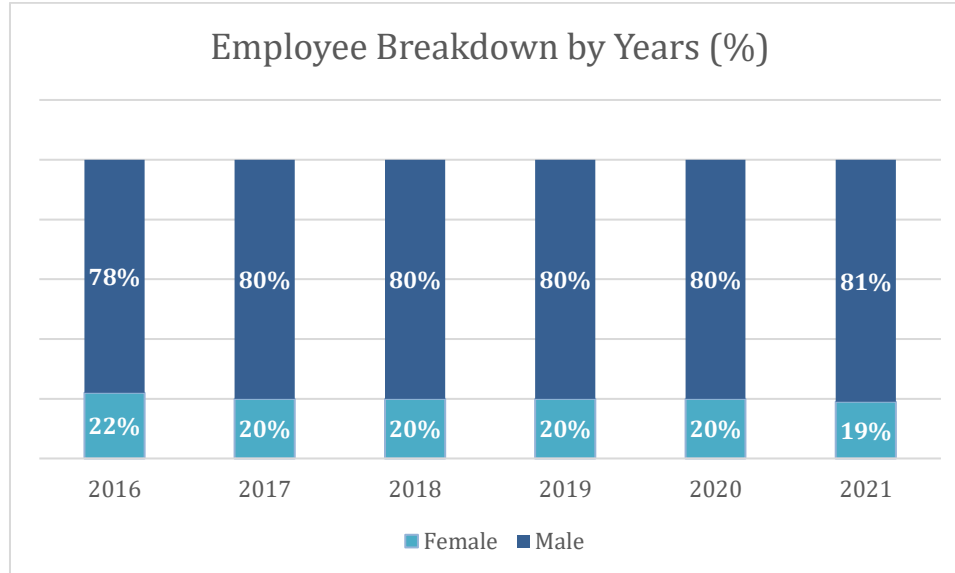
Türk Telekom aims to encourage women's participation in working life and supports the efforts to increase women's employment.

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 decision making 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. 19% of the employees are female, with 81% being male. In Türk Telekom subsidiaries, 56% of the employees are female and 44% are male.

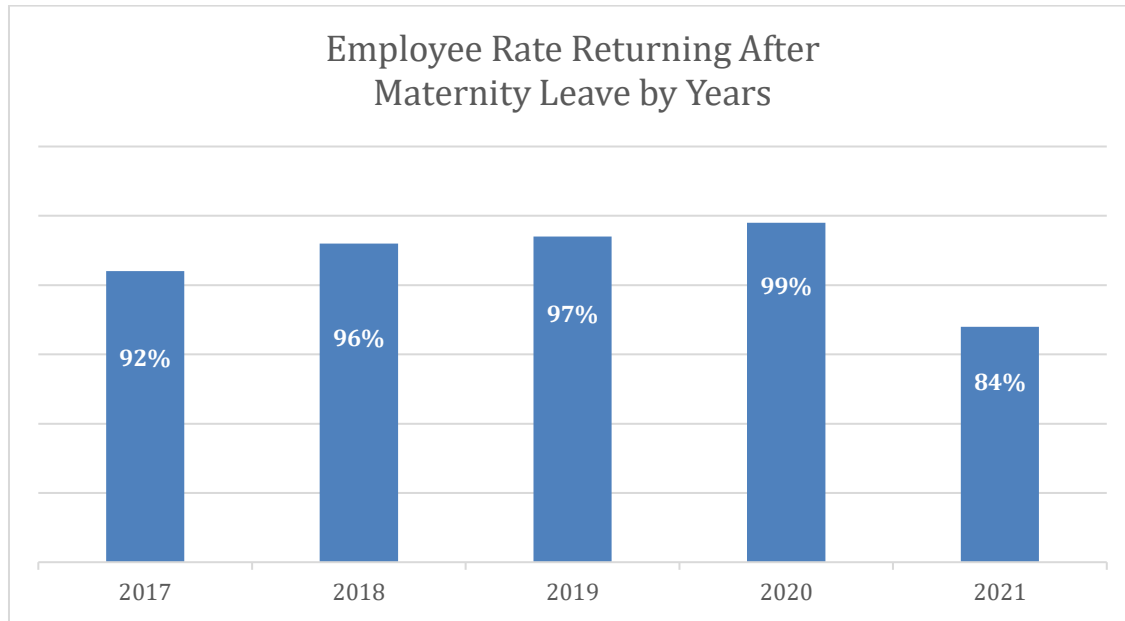


In order to provide a high-quality and uninterrupted service throughout Turkey, Türk Telekom ensures that the number of field employees is particularly high. When the field teams are excluded, the rate of female employees within the headquarter stands at 37%.

With its new human resources approach, Türk Telekom succeeded in reducing the employee turnover rate among its female employees in 2021 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 2021, 32% of the hired employees and 46% 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 reached 5 thousand women with the "Life is Simple with the Internet for the Woman with Goals" project, which was made available to all women during the pandemic. The project will continue in 2022 under the title of "Life is Simple in Digital", with the aim of reaching 10 thousand women. In addition, a design-oriented thinking workshop was held with 500 women and one-on-one mentoring support was provided to 100 women.



## Skill development

Türk Telekom focuses on investing in the development of human resources in terms of sustainability and providing new knowledge and skills in all aspects. In this context, the main approach adopted in leadership development and talent management is based on the idea that each of our employees has different talents in a changing and technologically developing world. From this point of view, the talent management system is called "Orkestra". Orkestra focuses on providing a versatile development experience where every individual in the organisation creates a harmony with different sounds, that is, adds value to the organisation with their different abilities and skills, where the human resources are correctly positioned in the business processes and the organisation with an effective leadership, and where they improve through development programs. Orkestra, which is an Integrated Talent Management Process, consists of 3 stages: "360° Competency Assessment", "Potential Evaluation" and "Development Planning". In 2021, 6,648 employees were involved in the integrated talent management process. A total of 54 Talent Management Committee Meetings were held on the basis of business units, where all evaluation results and development needs of employees were reviewed. In addition, backup plans are prepared, and Critical Position Backups are made for executive positions above a certain level with a view to ensure organisational continuity. At the senior executive level, the "Leadership Climate Assessments Project" was implemented in 2021, which will enable Türk Telekom Leaders to be evaluated within the framework of the "climate they have created" rather than just the measurement of their competence and to receive multi-dimensional feedback, thus strengthening the Leadership Culture. Within the scope of this project, it is aimed to strengthen the leadership culture with "Türk Telekom Leadership Principles", which are formed according to the results of the interviews with senior managers, 6 workshops attended by 141 people and the Climate Principles Questionnaire completed by 1,500 people.

The company's corporate academy Türk Telekom Academy provides training and development solutions to employees with state-of-the-art training technologies. Designed specifically for functions to support professional depth and specialisation, Business Schools operate in the fields of Technology, Marketing, Corporate Sales, Consumer Sales, Customer Service, Human Resources, Finance, Strategy and Digital, Procurement, Logistics, Data Analytics. Leadership and talent development are fortified with the vision and compass programs of the School of Leaders, Online Coaching, Internal Mentoring Program, START Development Program, Personal Leadership in the VUCA World talent development programs, which are designed to strengthen the leadership culture that will carry Türk Telekom forward. In addition to Business Schools, hundreds of trainings are planned throughout the year within the scope of Professional Development Training Catalogues prepared specifically for business units to support professional and technical development, and Personal Development Catalogue prepared to support professional behaviour and personal development. The gamified Digital Orientation Program, which is a first in Turkey, is implemented to facilitate the adaptation of newly recruited employees to the job and the company. The Competency Development Calendar, which is published monthly and the Manager's HR Window Program, a specially designed leadership development program, were awarded globally by Brandon Hall in 2021. A corporate collaboration was established with LinkedIn Learning with a view to provide up-to-date and alternative solutions to corporate training-development needs with digital training content. In addition to all these programs, the OHS (Occupational Health and Safety) School for legal and compulsory trainings and the Internal Trainers School, which is an internal trainer development program, are among the programs held during the year. The Internal Trainer School, in particular, focuses on ensuring sustainability through the institutionalisation and dissemination of the knowledge and skills at Türk Telekom.

Türk Telekom Academy, which has a total of 264 training classes and 311 active internal trainers in 81 provinces of Turkey in 2021, provided 691 in-class and 2,559 virtual classroom trainings. The average training time per employee was 41.1 hours and 696 thousand hours of distance training was provided.

## 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. Thanks to the Company’s high-tech system support, working conditions were organised in the most effective way, ensuring no loss of performance during the pandemic. Thanks to the ability to carry out tenders through the online procurement system, the tender processes were successfully completed.

Supplier Performance Evaluation can be evaluated without manual intervention needed in the process. 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. In 2021, suppliers covering approximately 80% of the Company’s total procurement volume were evaluated within the commercial and periodic framework of project-based SLA criteria.

Procurement Portal was created and put into service for the purpose of receiving Candidate Supplier applications and to supplier communication.

With the continuous development perspective, the following projects are planned to be completed in 2022:

- Improvement of supplier performance and action management system,
- Creation of Supplier Portfolio Management System.

### **Türk Telekom Sustainable 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:

- i. Transparency,
- j. Fair and equal distance,
- k. Communication on the basis of respect and honesty,
- l. Protection of 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 under 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;

- m. 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,
- n. 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,
- o. 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

The company has adopted the primary objectives of creating a healthier and safer working environment for its employees, in order to minimise the harm that can be inflicted on the environment as a result of its activities, and the application of environmentally friendly technologies.

In line with this goal, employees are expected to;

- act in accordance with the legal legislation, practices and accepted standards in their workplaces,
- comply with the measures taken as a result of all identified hazards and risk assessments, in line with the preventive approach,
- implement systems that will minimise losses in any potential event, accident or emergency,
- participate in trainings organised to develop safety culture, risk perception and environmental awareness,
- demonstrate an objective and transparent attitude in audits related to occupational health and safety and the environment,
- notify and report any behaviour, situation and accidents that may endanger occupational safety,
- act in harmony with the responsible Occupational Health and Safety expert.

Türk Telekom operates within the scope of ISO 45001 Occupational Health and Safety Management System. In order to determine the dangers and risks, a risk assessment procedure is available. Within the scope of this procedure, location-based risk assessments are conducted in the entire company and corrective actions are taken for any nonconformities. There is also an incident investigation procedure for the reporting and investigation of occupational accidents and near-misses. Employees report near-misses via the near-miss notification system, and these notifications are conveyed to occupational health and safety experts. OHS specialists can act on these notifications and direct them to the relevant department so that corrective actions can be taken. Occupational safety experts are trained and certified persons as required by law, and they are responsible to legal authorities regarding their work and actions.

Adopting a proactive and productive Occupational Health and Safety and Environmental Management, Türk Telekom works to prevent occupational accidents, create environmental awareness, and spread occupational health and safety and environmental culture among employees by improving its management systems.

Türk Telekom systematically defines the methods and principles regarding the identification of potential hazards and related risks arising from its activities, products and services, the assessment of its environmental impact and dimensions, and thus the control of potential hazards. In line with these definitions, the company prepares and reports risk and environmental impact assessment charts in order to mitigate occupational accidents, occupational diseases and environmental impacts.

The aim of the study is to determine the risks that may lead to occupational accidents and occupational diseases before they occur and, to take the relevant precautions. In order to protect the employees from the hazards specific to their work, personal protective equipment is provided where collective protection is not possible.

“Occupational Health and Safety Boards” have been established in the Company's workplaces.

The following are performed in the boards that meet periodically;

- to guide employees on occupational health and safety issues,

- to evaluate the hazards and precautions related to occupational health and safety at workplaces, to determine the precautions, to notify the employer or the employer's representative,
- to conduct the necessary research and examination in case of every occupational accident that occurs in the workplace and the events that have the potential to damage the workplace or work equipment, which occur in the workplace but are not considered as occupational accidents, or in case of an occupational disease or a danger related to occupational health and safety, to determine the measures to be taken with a report and to submit this report to the employer or employer's representative,
- to plan occupational health and safety trainings in the workplace, to prepare programs on this subject and rules, to submit them to the approval of the employer or employer's representative, to monitor the implementation of these programs and to provide feedback in case of deficiencies,
- to plan the necessary safety measures to be taken in the maintenance and repair works to be conducted at the workplace and to check the implementation of these measures,
- to monitor the adequacy of the measures taken for fire, natural disaster, sabotage and similar hazards in the workplace and the work of the relevant teams.

Employee representatives also participate in these committees as members, and all feedbacks from the employees on the occupational health and safety measures is taken into consideration. Representatives of employees serve on these boards, which are required to be established by law, and employees are informed of the decisions taken on the board related to them through these representatives. These committees convene at specified times depending on workplace hazard classes, as required by law (Monthly, bimonthly or quarterly meetings). Decisions are taken unanimously.

Türk Telekom recognises and reports any health deterioration (due to the employee or 3rd parties) experienced in the workplace as an occupational accident in accordance with the phrase "while the insured is at the workplace" in the definition of occupational accident in the Law No. 5510. The number of occupational accidents in Türk Telekom has been on a downward trend in the last four years. There have been no fatal accidents since 2018. There are also no occupational diseases detected to date throughout Türk Telekom.

In 2021, there was one fatal accident due to a heart attack that was not caused by work, however reported as an occupational accident as it occurred during working hours.

The OHS policy is integrated into the human rights policy, which is issued by the Human Resources Department. There are also OHS instructions specific to the work done by field employees.

Since December 2011, Türk Telekom has been providing online trainings to all of its employees, covering subjects such as climate change, risks regarding the climate change and simple habits which can be changed in daily life to mitigate these risks. The Company also provides in-class and remote trainings on waste management, water savings, energy efficiency and occupational health and safety legislation, as well as hygiene.

In 2021, 1,884 employees were assigned in-class occupational health and safety training, while 18,000 them received it via virtual classrooms and e-learning.

The Company organised activities in the fields of environment and occupational health and safety on June 5, World Environment Day and May 4-10, Occupational Health and Safety Week.

## Protection of Personal Data

### Processing of Personal Data and Protection of Privacy in the Electronic Communications Sector

The relevant regulation issued by the ICTA (Information and Communication Technologies Authority) at the end of 2020 imposes vital obligations on the sector on the Protection of Personal Data, and important projects have been initiated in 2021 in order to comply with this regulation. The provisions introduced on explicit consent and clarification, in particular, have necessitated updating the relevant texts of the Company. In addition, in line with the obligations imposed on technical issues, current situation was assessed and projects were initiated. Again, in accordance with the same regulation, a reminder SMS on the latest provisions regarding explicit consent and clarification was sent to our customers, who gave their explicit consent to the processing of their personal data in the third quarter of 2021.

### Workshop with KVKK (Personal Data Protection) Officials

In the workshop attended by Türk Telekom Legal & Regulation Assistant General Manager, senior executives of other mobile operators and the President of the KVKK (Personal Data Protection Authority), key issues related to the sector were discussed and critical issues such as law amendments were consulted with the officials of the Authority. The problems experienced in the sector regarding the protection of personal data were conveyed to the KVKK officials, and work was initiated to create a sector-specific application guide upon the request of the Authority.

### Responsibility of the Company management for the protection of personal data

In accordance with the KVKK (Law on Protection of Personal Data), the legal entity is responsible for all obligations arising from this law and related legislation. As for Türk Telekom, the Board of Directors / Executive Committee of Türk Telekom is directly responsible for Personal Data Privacy and Security as the governing body of the data controller company. In this context, the Board of Directors has decided to form supreme and subcommittees composed of assistant general managers and directors to monitor and manage Türk Telekom's compliance process. With the decision of the Board of Directors, KVKK Supreme and Subcommittees have been established.

In this context, the first meeting of the KVKK Supreme Committee was held in 2021, and at this meeting, general information about Türk Telekom's KVKK compliance was shared with the senior executives of the Company, the status of requests/complaints and investigations were conveyed, and necessary issues were resolved.

### Other Material Actions and Developments

- 14 KVKK trainings have been conducted throughout the company
- Nearly 400 complaints from data subjects have been answered
- By working on cookie policies, in particular, the deficiencies in clarification text and cookie text have been eliminated
- In line with the "privacy by design" concept, all candidate project requests filed throughout the Company have been evaluated
- All contracts between Türk Telekom and 3rd parties have been evaluated within the scope of KVKK and revised when necessary.

## CORPORATE SOCIAL RESPONSIBILITY

Türk Telekom supports sustainable development with its corporate social responsibility projects offering equal opportunities for all segments of the society to access information. In addition to the products and services it develops, Türk Telekom considers it a corporate responsibility to contribute to the access to information of all segments of the society who cannot participate equally in social life due to economic, social or physical reasons.



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) are “Güneşli” (Sunshine), “Telefon Kütüphanesi” (Books on the Phone), “Hedefi Olan Kadına İnternetle Hayat Kolay” (Life is Simple with Internet for the Woman with Goals), “Tablolar Konuşuyor” (Talking Paintings), “Sesli Adımlar” (Loud Steps), “Okulumda Güneşli” (Sunshine at Schools), “Yeni Nesil Gelecek” (The Next Generation Project) “Türk Telekom Okulları” (Türk Telekom Schools), “Türk Telekom Amatör Spor Kulüpleri” (Türk Telekom Amateur Sports Clubs). Local social responsibility activities organised by Türk Telekom Provincial Directorates are also taking place under the umbrella of “Turkey is Worth All Our Efforts”.

Supporting children with low vision to receive ‘early intervention education’ with the Güneşli (Sunshine) project, Türk Telekom has enabled 1000 children with low vision from 81 provinces to participate in life as independent individuals and continue their education in the same schools with their peers without disabilities. With the Güneşli project, implemented in cooperation with the Association for Living Without Obstacles (Ey-Der), general trainings are provided to children and their families about the current vision styles of children and how to use and develop this vision. Continuing these trainings online during the pandemic, Türk Telekom also held online art workshops and events for children in this period in cooperation with the Istanbul Museum of Modern Art. The scope of the project was expanded in its new phase by including individuals with low vision over the age of 18, such as veterans, the elderly, and educators. In the new period, it is aimed to reach 5 thousand people with weekly training programs organised online within the scope of the project.

The Telefon Kütüphanesi (Books on the Phone) application becomes the voice of books reaching the visually impaired. “Telefon Kütüphanesi” which is Turkey's first audio-book service over the phone, and was launched on the International Day of Persons with Disabilities on 3 December 2011 in cooperation with Türk Telekom and Boğaziçi University GETEM (Technology and Education Laboratory for Individuals with Visual Disabilities), has been providing visually impaired users with free-of-charge and audio access to books for more than 10 years. Offering audiobooks and content over the phone, the Telefon Kütüphanesi offers over two thousand audiobooks and content for the visually impaired in more than 50 categories such as poetry, novels, history, personal development, practice exams, and descriptive films. The visually impaired can also follow the national and world agenda with instant news feeds.

With the Telefon Kütüphanesi application, services other than audio books are also provided for the visually impaired. The Currency Recognition feature was added to the application as a first in Turkey in 2017, allowing visually impaired people to make their payments safely whenever they need, without the need for an internet connection and other people's support.

Thanks to the Tablolar Konuşuyor (Talking Paintings) content, which was included in the application the same year, users can access world-famous paintings with audio descriptions. Another innovation of the application was in the field of health. With the medicine barcode reading feature in the Telefon Kütüphanesi, implemented in collaboration with RxMediaPharma Interactive Drug Information Source, another first was achieved in 2020. With this feature, instructions for the use of more than 6 thousand drugs were made available with voice access.

With the free-of-charge Kitaplara Ses (Voice to the Books) application developed by Türk Telekom, anyone who wishes can voluntarily voice books for the visually impaired.

With the "Life is Simple with the Internet" project conducted between 2014 and 2019, free trainings were provided to those who did not know how to use the Internet or had little knowledge about it, and 50 thousand people were made internet literate.

Between 2019-2021, the name of the project was changed to "Life is Simple with the Internet for the Woman with Goals" and the target audience was determined as women with entrepreneurial potential in the axis of women's empowerment. With the Digital Marketing trainings, 5,000 women were reached.

Within the scope of the project, which will be conducted under the name of "Life is Simple in Digital", it is aimed to develop the digital competencies of 10 thousand women by providing digital literacy and digital marketing trainings.

Türk Telekom contributes to about 6 thousand athletes who play sports in 44 provinces, 40 clubs, 33 branches from basketball to fencing. In addition to the national athletes trained by the Company for our country so far, it has 63 national athletes who actively play sports in clubs.

**Türk Telekom's civil defence movement: TTAKE**

Türk Telekom Search and Rescue Team (TTAKE) operates within the Company as a voluntary civil defence movement composed entirely of Türk Telekom employees. Established in 2010, TTAKE aims to reach the spot as quickly as possible to help those in distress within the scope of its authority and possibilities, in all kinds of natural disasters, natural accidents that may occur in Turkey and in the world and other adverse conditions that require search and rescue activities. In 2021, the number of its members increased from 150 to 200. TTAKE members, who received a total of 11 trainings during the year, also took an active part in the Antalya Manavgat fire. The AFAD accreditation process of the TTAKE team has come to its final stage.



## PRIORITY AREAS – GOVERNANCE

### CORPORATE GOVERNANCE

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 within the framework of 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 2021, the corporate governance rating assessment report of Türk Telekom was prepared by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA), which holds an operating license to perform rating assessment in Turkey in line with the CMB 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 carried out 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:

Subcategories	Weight	Rating
Shareholders	25%	87.59
Public Disclosure and 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 continued to be among the companies with the highest scores in the categories of Public Disclosure and Transparency and Stakeholders. The Company will maintain its efforts to fully comply with the Principles of Corporate Governance.

Türk Telekom is the only telecommunication Company which has been included in the BIST Corporate Governance Index since 2009. Türk Telekom has also been included in the BIST Sustainability Index since its inception in 2014. Türk Telekom’s exemplary practices in environmental, social and governance fields play a key role in its successful performance in the BIST Sustainability Index. The Company continues to improve its score since the year of its inclusion in the BIST Sustainability Index.

Türk Telekom, which is also a part of the international FTSE4Good index, achieved a rating above the sector average, particularly in the environmental and governance fields, thanks to the steps it took and improvements it made in the environmental, social and governance areas in 2021.

In the evaluation conducted by Sustainalytics in 2021, Türk Telekom lowered its risk scale by increasing its environmental management system and environmental management certificate scores.

Türk Telekom increased its overall rating from BBB to A in the assessment conducted by the MSCI Sustainability Index, recording a significant grade increase, especially in the category of privacy and data security.

Türk Telekom conducts its relations with its employees, customers, suppliers, business partners and all stakeholders within the framework of the policies published with the approval of the Board of Directors. The policies prepared with a corporate governance and sustainability perspective are reviewed and regularly followed every year.

Türk Telekom pays absolute attention to the implementation of the Corporate Governance Principles published by the Capital Markets Board. Accordingly, the Company obtains an independent Corporate Governance Compliance Rating on an annual basis.

Türk Telekom gives great consideration to compliance of the internal processes with the CMB legislation. The Company updated the CMB Legislation Compliance Training in 2021, which is held mandatory for its employees, in order to comply with the current CMB legislation and to increase employee awareness. Thanks to this training, awareness among Türk Telekom employees about the responsibilities of working in a publicly traded company has been established. The Company created a database that is updated periodically so that employees who have access to insider information can be systematically tracked through a platform.

#### **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.

The Chairman of the Board of Directors and the General Manager are not the same person.

The Committees of the Board of Directors and the Working Principles of the Committee can be found on the Investor Relations website.

You may access our SDGs associated activities, projects and Company targets via [2021 Annual Report](#) and [2020 Sustainability Report](#).