

A MESSAGE FROM THE PRESIDENT AND CHAIRMAN OF THE EXECUTIVE COMMITTEE



Dear Stakeholders,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mehmet Tara

President and Chairman of the Executive Committee

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