

## IMPORTANT DEVELOPMENTS IN 2018

### ENKA İNŞAAT

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

### Environmental and Social Developments

- ENKA İnşaat ve Sanayi A.Ş. took the first steps towards offsetting its carbon emissions by supporting the Solar Forests project conducted by Aegean Forest Foundation, the first non-governmental organisation developed project in Turkey to be certified by Gold Standard VER in the field of solar energy. Gold Standard, an organisation that calculates and verifies reductions in carbon emissions as a result of voluntary carbon emission reduction projects in the world, confirmed that ENKA İnşaat ve Sanayi A.Ş. had offset 611 tonnes of carbon dioxide equivalent emissions with its support to the project<sup>4</sup>.
- An agreement was reached with the Aegean Forest Foundation for a joint project to contribute to the ecosystem in line with ENKA's sustainability policy to undertake the formation, planting and maintenance works for a forest in memory of the late Şarık Tara, founder and honorary president of ENKA İnşaat and esteemed businessperson. The Şarık Tara Memorial Forest of 5,000 saplings has been planted at the Naldöken afforestation field in Bornova, İzmir.
- As part of its work on sustainability, ENKA has become a member of the Ethics and Reputation Society (TEİD) which works towards making business ethics a cornerstone of the written culture of all companies active in Turkey and ensuring the adaptation of ethics in all business processes.
- ENKA İnşaat became a member of the Business Council for Sustainable Development Turkey, the regional network and business partner of the World Business Council for Sustainable Development (WBCSD).
- Voluntary ENKA runners from ENKA and its subsidiaries participated in the 40<sup>th</sup> İstanbul Marathon for TEMA Foundation and raised TRY 45,000 in donations for the Tree Fellowship project of the foundation.

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

### ENKA GROUP COMPANIES

- In a first of its kind in the world implementation, Cimtas Pipe has installed 3D measuring devices for the quality control of pipes at LSAW Pipe Facilities. Its Mechanics and Metallographic Laboratory was ranked among the most prestigious laboratories in Europe. Cimtas Pipe became a partner of the PIANISM Project which is financed by the European Union for Industry 4.0 and was also ranked among the top 500 companies in Turkey in 2018.
- Çimtaş Steel has completed the "Nuclear Component Certification Program" audits held by ASME with no nonconformities and received the "N-Type certificate". Çimtaş Steel became the first and only company in Turkey to be approved by the AISC (American Institute of Steel Construction) as a "Bridge Manufacturer".
- Çimtaş Steel signed a contract for steel bridge floor manufacturing and transportation for the 1915 Çanakkale Bridge Project, for which it will manufacture and transport all steel components with a total weight of 90,000 tonnes. It also received the world's longest and largest tonnage projects, 1915 Çanakkale Tower Section and Çanakkale Tower Section Deck and its first nuclear project at Orano and its first off-shore (Stinger) project.
- Çimtaş Steel has produced 92 wind turbine towers, consisting of 300 sections in total for Nordex (Germany) and Enercon (Germany) companies.
- Çimtaş Steel successfully delivered the main process columns for Tengizchevroil's Future Growth Project, including the 85 m tall Crude Stabilizer, which is the tallest column at Tengiz and among the tallest in the world.
- The construction of ENKA TC's Kashirskaya Plaza Multi-Functional Trade Centre with 70,000 m<sup>2</sup> of leasable area and 57,680 m<sup>2</sup> of carpark and a total area of 196,750 m<sup>2</sup> was completed and the centre began operating.
- ENKA Systems has developed EGIM (Investment Management System) and EHSE (HSE Management System) in cooperation with ENKA İnşaat. ENKA Systems has developed and continues to improve on ESMS (School Management System) software together with ENKA Schools. ENKA Systems' products, such as EDMS (Document Management System), EGPS (Global Procurement System) and EGVN (Global Vendor Network) were purchased by customers around the world and steps were taken towards cooperation with public institutions.

- Construction of Cimtas Ningbo's new facilities, on over 55,000 m<sup>2</sup> of land in China's Ningbo Free Zone has started. The facility is to become operational in 2019. This new investment will greatly diversify materials, diameters and varieties available for Cimtas Ningbo's plant piping, modularisation and skid products used in energy, oil, gas and processing industry as well as the pharmaceutical and aviation industries.
- Cimtas Ningbo was selected to be the regional Member Activity Base for the American Society for Quality (ASQ). In the field of engineering Cimtas Ningbo implemented 3D modelling projects for various jigs and pipes in 2018, thereby earning the right to obtain Canadian registration by the Pressure Equipment Safety Authority for Canada (ABSA).
- Cimtas Ningbo successfully delivered its first skid project which was produced for the US market and became certified to sell products to the pharmaceutical industry.
- Cimtas Ningbo, expanded its EN norms and Standards by obtaining the ISO3834 and EN1090 certificates in order to expand its technical capacity for resources.
- KASKTAŞ started excavation works for the reinforced concrete anchor block structure, which has a volume of 68,000 m<sup>3</sup>, on the European side of 1915 Çanakkale Bridge project.
- KASKTAŞ, after completing excavation and support works for the 1915 Çanakkale Bridge European Anchor Block, started excavation, support works and sub-base barrette pile production for the Asian Anchor Block.
- In 2018 Çimtaş Precision Machining acquired a high-tech manufacturing facility where it can manufacture rotating hardware for aero engine production.
- Çimtaş Module and Shipyard has successfully manufactured pipe racks for the West Qurna I - Initial Oil Train Project and started the production of the North Marmara Underground Gas StorageExpansion Project's platforms.

### Environmental and Social Developments

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

