

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

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

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

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



## PRODUCT AND SERVICE QUALITY

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

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

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

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

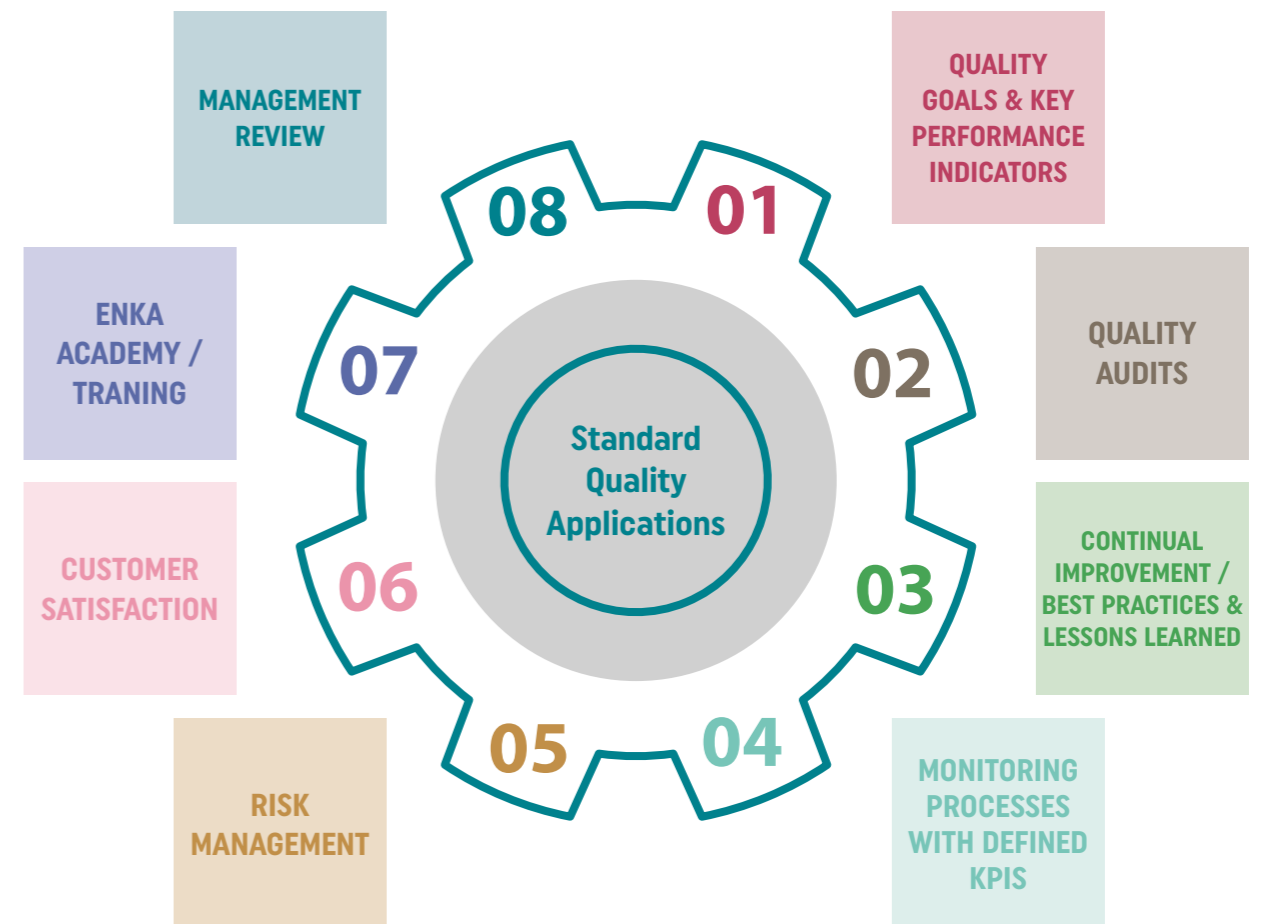
The quality management system established at projects acts as an effective tool for ensuring that the products and services supplied by ENKA are compliant with the requirements of the prime contract, as well as focusing on identifying and preventing potential problems.



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



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



**HEALTH AND SAFETY EFFECTS OF PRODUCTS AND SERVICES**

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

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

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

For ENKA Quality Policy, please visit:  
[http://www.enka.com/allfiles/media/posters/QUALITY\\_POLICY\\_ENG.pdf](http://www.enka.com/allfiles/media/posters/QUALITY_POLICY_ENG.pdf)

**INTEGRATED BUSINESS MANAGEMENT TOOLS**

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



**QUALITY MANAGEMENT AT ÇİMTAŞ STEEL**

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



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

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

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



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

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

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

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

### QUALITY MANAGEMENT AT ENKA POWER

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

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

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

## CUSTOMER SATISFACTION

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

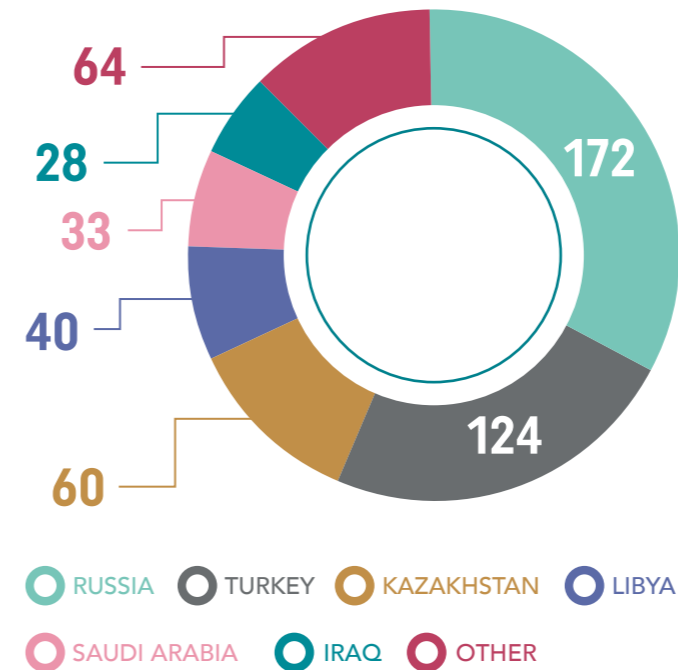
**ENKA PROVIDES REGULAR FLOW OF INFORMATION TO ITS CUSTOMERS ON QUALITY PERFORMANCE THROUGHOUT THE PROCESS AND INTENDS FOR THERE TO BE NOT THE SLIGHTEST DOUBT REGARDING THE QUALITY OF THE GOODS DELIVERED.**

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

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

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

## DISTRIBUTION OF ENKA İNŞAAT PROJECTS BY COUNTRY



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

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

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

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

## ÇİMTAŞ

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

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

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

## ENKA SYSTEMS

ENKA Systems implements a policy of "Unconditional Customer Satisfaction". In full awareness that the software sector is also a service sector, it has structured itself in such a way as to provide a seamless service to its customers to enable them to derive the maximum benefit from its products. In this context, the company supports its customers and gathers feedback from them throughout the lifetimes of its products.

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

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

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