

ENVIRONMENTAL MANAGEMENT

As part of Reducing Environmental Impact, one of the four principal foundations of its sustainability strategy, ENKA clearly highlights its commitment to protect the environment and reduce environmental impact arising from its activities with its **Environmental Management Approach and Policy**. 2027 ENKA Sustainability Goals include targets that serve for Reducing Environmental Impact. These goals are categorised under the headings carbon emissions and climate change, water efficiency, renewable energy, the present-day environmental problem of using plastic bottles and the continuity of compliance with environmental policies at ENKA Schools. In setting these goals, global trends, conditions and impacts of subsidiaries on the environment and the feasibility and observability of the goals were taken into consideration.

ENKA İnşaat and its subsidiaries run environmental management and its commitments in compliance with international environmental management systems, formulate their own environmental management systems in line with ISO 14001:2015 Environmental Management System Standards, which are then audited by independent organisations.

ENKA SYSTEMATICALLY IDENTIFIES ALL ENVIRONMENTAL IMPACTS THAT MAY RESULT FROM ITS ACTIVITIES DURING THE COURSE OF ACTIVITIES USING ENVIRONMENTAL IMPACT ASSESSMENTS AND TAKES ADEQUATE MEASURES.

Subcontractors and suppliers working with ENKA are expected to act just as sensitively, so various training and audits are carried out to this end. The environmental approach and performance ENKA expects of its suppliers is clearly expressed in ENKA Supplier Code of Conduct and in procedures governing the selection, assessment and auditing of suppliers. Detailed information on this subject may be found in the chapter Responsible Supply Chain Management in this report.

At ENKA, the Director of Quality, HSE and Integrity, who also leads the Sustainability Department, reports to senior management the outputs of the Management Systems, which includes ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 as components. As part of the Management Systems, all processes are audited, audit results are reported to relevant departments which then undertake the necessary corrective or improvement actions. The effectiveness of the actions run by the relevant departments are followed up. The Corporate HSE Manual, which details ENKA's policies, is distributed to all employees in hard and electronic copies and in trainings. Furthermore, relevant subjects are covered at Sustainability Committee meetings and representatives of ENKA and subsidiaries are informed accordingly.

In every region that they are active in ENKA İnşaat and its subsidiaries establish departments that are responsible for managing environmental impacts and employ environmental engineers and experts. Environmental indicators are regularly reported and assessed.

When undertaking the works in countries where national standards are lower than the requirements of the ENKA Environmental Management System, ENKA aims to establish Environmental Management Systems that go beyond the national standards, meet its own target and are exemplary.

WATER MANAGEMENT

Aware that water is the most important natural resource and the most basic need for living beings, ENKA manages water with a careful, responsible, effective and efficient approach. Opportunities for access to water vary over the many ENKA projects in different parts of the world and therefore water management requires different solutions that are suitable for the regional and operational conditions. In order to raise the awareness of employees, regular training sessions are held at all ENKA Group companies and information of water management is provided.

While ENKA İnşaat projects use groundwater and surface water resources, subsidiaries ENKA TC and Çimtaş use municipal water supplies which are drawn from surface water resources. ENKA power plant in İzmir uses groundwater as well as sea water for cooling purposes.

In projects taking place abroad, especially in Africa and the Middle East where access to clean water is limited, work and living areas are supplied with transported drinking water and water for other use from different sources and in some regions drinking water is procured through the use of advanced water treatment techniques such as reverse osmosis. As the transport of water brings extra risks and increases environmental impacts, clean water wells are sometimes dug at suitable locations with the necessary permission from the authorities. Water that is not of sufficient quality goes through suitable treatment processes before use.

To guarantee this output, corporate and project HSE departments continually audit the relevant activities and identified non-compliance issues are alleviated as soon as possible. The environmental, occupational health and safety performance of all activities, including the results of audits, is reported to the senior management for its assessment with semi-annually management review reports.

The impacts managed during ENKA's activities are the following environmental impacts: consumption of natural resources in activities, impact on the soil, impact on water sources, and the greenhouse gas emissions, soil erosion, impact on the flora and the fauna, impact on endangered species, impacts arising from waste, environmental impacts of dust, noise and vibration, and impacts arising from emergencies. ENKA İnşaat's Environmental Management System promises, whenever possible, to eliminate these impacts at the source. In cases when this is not possible, offsetting, isolation or the implementation of a feasible engineering measures are required. ENKA never begins activities without an environmental impact assessment and the provision of suitable measures. Various activities are undertaken such as training for employees and relevant stakeholders on the measurement of the impacts listed above, their prevention and minimisation. In 2018, ENKA İnşaat provided a total of 31,448 person-hours of environmental training.

ENVIRONMENT TRAININGS PROVIDED IN 2018

31,448 person-hours

Necessary actions are taken as a result of the monitoring of ENKA and its subsidiaries' annual environmental targets and whether they are attained. The compliance of ENKA and its subsidiaries with their environmental targets for 2018 is shown in the table at the end of this chapter.

The policy banning the use of plastic bottles throughout ENKA Group has been strictly adhered to and full compliance has been ensured for waste management, paper use and the use of purified drinking water at ENKA Schools to reduce environmental impacts.

In 2018, ENKA faced no monetary fines or other measures due to non-compliance with environmental laws and regulations.