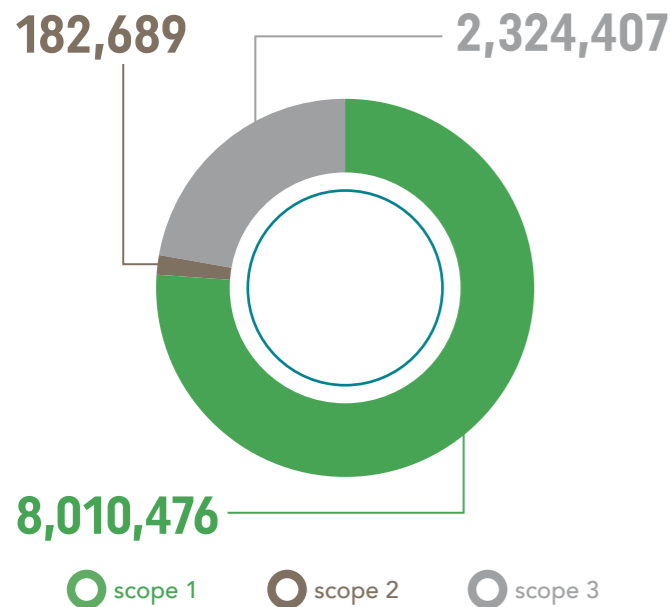


Scope 3 emissions in 2018 were at 2,324,407 tCO₂e. The Scope 1, Scope 2 and Scope 3 greenhouse gas emissions arising from ENKA operations for the 2018 reporting period are shown in the graph below:



Due to the differences among operations, greenhouse gas emissions intensity resulting from ENKA activities are calculated by area used (m²) and number of employees.

Emission Intensity (Scopes 1+2) by Area Used (m²)

COMPANY	INTENSITY	UNITS
ENKA Pazarlama	0.06	tonnes CO ₂ e/m ² /year
ENKA Power (Adapazarı, Gebze, İzmir plants)	13.98	tonnes CO ₂ e/m ² /year
Çimtaş Steel	0.14	tonnes CO ₂ e/m ² /year
Cimtas Pipe	0.14	tonnes CO ₂ e/m ² /year
ENKA TC	0.17	tonnes CO ₂ e/m ² /year
CCI	0.26	tonnes CO ₂ e/m ² /year
ENKA Schools Kocaeli	0.02	tonnes CO ₂ e/m ² /year

Emissions Intensity (Scopes 1+2) by Number of Employees)

COMPANY	INTENSITY (TCO ₂ E/EMPLOYEE)
ENKA Power	21,260.06
Cimtas Pipe	9.59
City Center Investment BV	337.35
Çimtaş Steel	8.67
ENKA Headquarters	0.09
ENKA Pazarlama	9.19
ENKA TC	282.82
ENKA Foundation İstinye Campus	20.25
ENKA Schools Kocaeli	2.80
Moskva Krasnye Holmy	142.57
Hotel Moskva Krasnye Holmy	27.41

AIR EMISSIONS

Air emissions resulting from ENKA Power natural gas cycle power plants are monitored using the Continuous Emissions Monitoring Systems (CEMS) in keeping with parameters established by legislation.

TYPE OF EMISSIONS*	2018
CO (tonnes/year)	261
NOx (tonnes/year)	4,501

*SO₂ and PM emissions are not subject to continuous measurement under the Directives on Industry Based Air Pollution Control.



WASTE MANAGEMENT

One of the important activities ENKA runs to minimise its environmental impact is the Waste Management System. At ENKA, waste is managed according to Waste Management Plans developed using the ISO 14001:2015 framework, employing the steps of the waste hierarchy and in accordance with local legislation.

The primary aim of waste management at ENKA is to eliminate waste at its source and where this is not possible, to prevent or reduce waste to the extent possible. For waste that forms despite these initiatives, recycling and reuse options are considered to minimise the impact.

At the TAIF Business Centre in Kazan, Tatarstan (RF), the use of plastic cups is no longer allowed and flasks are used instead to reduce waste. As of August, 150 kilograms of plastic waste was eliminated.

As part of ENKA's target of minimising the impact of waste on the environment, regular monitoring and measurement activities take place in order to ensure that all waste is separated and disposed by type and only licensed disposal firms are employed. Waste is disposed of using the default method of contracting disposal firms, in keeping with relevant legislation. In locations where the steps described above cannot be implemented due to the circumstances of the country of activity, waste is separated by type, amounts are recorded and disposal is carried out by certified and authorised organisations.

ENKA puts in maximum effort towards preventing leaks and spills and takes measures to prevent potential leaks from interacting with the soil and water.

Thanks to environmental training given to employees, the measures taken, environmental emergency and intervention plans, no Tier III leaks or spills occurred during the reporting year.

	TIER-I	TIER-II	TIER-III
Leak and Spill Amount	Less than 2 litres	Between 2 litres and 20 m ³	More than 20 m ³

TOTAL WASTE MASS BY TYPE AND METHOD OF DISPOSAL

The amount of waste that formed at ENKA Group companies and projects during 2018 is shown in the table below.

The data shown in the table below cover ENKA Headquarters, ENKA Power Adapazarı, Gebze and İzmir plants, Çimtaş Steel, Cimtas Pipe, ENKA Pazarlama, ENKA Foundation, ENKA Schools Kocaeli, ENKA Sports Club, ENKA TC, CCI, MKH and OMKH real estate businesses in Russia, ENKA İnşaat's TAIF Business Centre Project underway in Kazan, Russia and the SCPX Pipeline Project in Georgia.

TYPE OF WASTE	MASS IN KG	METHOD OF DISPOSAL
Metals	4,343,481	Recycling or reuse
Plastics	174,904	
Waste electrical or electronic materials	309	
Domestic Waste	493,783	
Paper	95,380	
Glass	21,480	
Diverse Construction Materials	12,917,000	
Batteries and accumulators	6,040	
Wood	1,951,910	
Hazardous waste	146,012	

Cimtas Pipe has lowered its waste paper amount by 60% between 2017 and 2018. This reduction was a result of both behavioural assessments and improvement activities. For behavioural assessments, approximately 2.5 hours/person/year of training on the main theme of Environment, Energy, Efficiency and Savings were delivered, 120 blue-green card practices were implemented, employees provided 700 items of feedback/suggestions on the environment and energy and action was taken, control was established and scoring was carried out through the monthly Environment-Energy Audits.

As part of improvement work, the IT department began informing departments of the amount of printing they carried out to raise awareness to prevent unnecessary printing, the use of double-side printing was increased, in automatic printing the use of entire sheets of paper was ensured and some paperless practices were implemented.



STAKEHOLDER
ASPECT

"OUR WORK ON ENVIRONMENTALLY-FRIENDLY BUILDINGS WILL CONTINUE AS PART OF OUR SUSTAINABILITY STRATEGY."

I've been working at ENKA for 14 years. From the beginning, ENKA has been a leader in the real estate sector in Russian Federation. It provides services for its customers and society with its innovative designs furnished with the latest technology. It goes beyond energy efficiency and environmental expectations with its investments and the equipment and automation systems it uses.

The concept of sustainability has allowed us to better realise the economic, social and environmental aspects we need to develop and improve at ENKA's real estate companies. Employees, who learned about the concept of sustainability for the first time at training delivered at ENKA's subsidiaries, have since then followed developments in this field and the novel experiences they had in working life with excitement, high expectations and motivation and have internalised the concept by taking an active part in the work. I think that in the long run, the concept of sustainability will take its place as a philosophy throughout the strategies and corporate management systems of subsidiaries covering all of their activities.

While sustainability and green building standards are implemented throughout the world, Russian Federation is at the beginning of this process. ENKA was awarded the Russian Green Building Certificate (Green Standard) and the International Real Estate Award for its latest investments, Kuntsevo Plaza (2014) and Kashirskaya Plaza (2018). Our work on environmentally-friendly buildings will continue as part of our sustainability strategy.

ENKA TC's Rainwater Recycling Project was realised at the Kapitoly Outlet Shopping Centre in St. Petersburg in June 2018. Within the scope of the project, rainwater collected from a surface area of 1400 m² on the shopping centre's roof was stored and pumped to visitor toilets as a water source. Thanks to this project, 17% of the six-month water consumption was provided from rainwater and saving the natural water resources. In addition, cardboard boxes and other packaging waste used by stores in the shopping centres are sent to recycling, which amounts to recycling 500 tonnes of cardboard packaging a year.

With the increase in the number of electric cars in recent years, free charging stations were placed in the car parks of ENKA TC's shopping centres in Moscow. As part of social responsibility activities, the Children's Social Home and the Vereya Care Hospital are regularly visited and donations are made. Every new project contributes to employees' adoption of the concept of sustainability and developing interactions between individuals and society.

Leonid Gorbunov

*Internal Audit and Performance
Director*