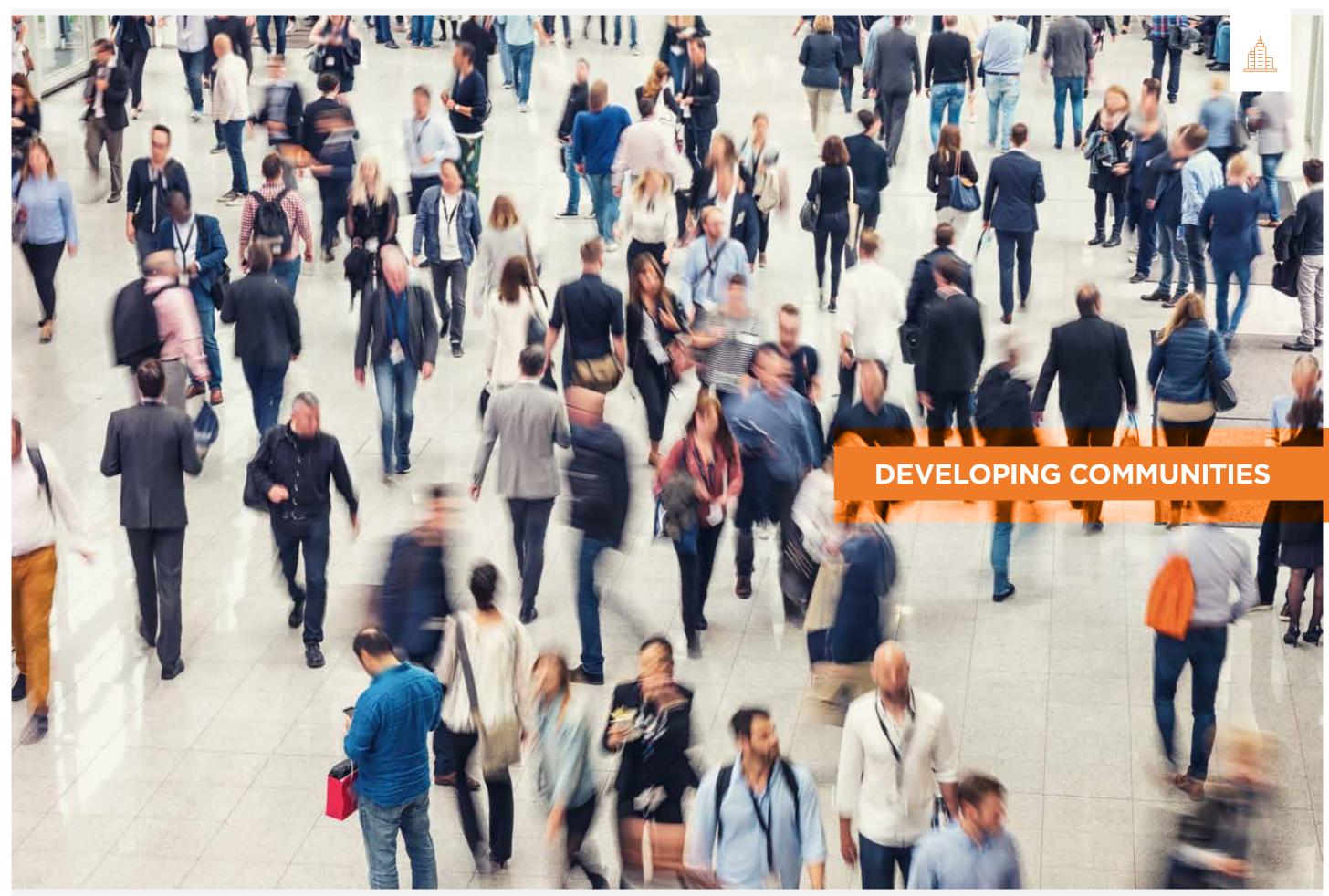
DEVELOPING COMMUNITIE



ENKA mainly employs locally recruited staff on the projects, which it carries out, and works with local subcontractors and business partners. By training local personnel and sharing its knowledge and experience, it contributes to the development of local workforces, sectors and economies.

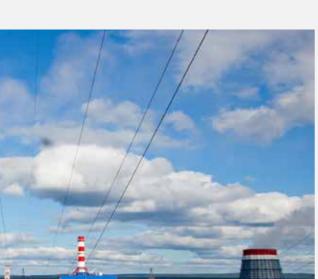
Meeting the Needs of Communities for Infrastructure and Superstructure

ENKA contributes to the development and welfare of the countries in which it conducts operations through its main business activities, which aim to create lasting assets and leave a positive heritage. ENKA has carried out a total of more than 500 oil, gas and petrochemical, power plant, infrastructure and building projects, employing more than 400 thousand people in Turkey and abroad, and accelerating the development of local economies to this date.

Since the 1970s, ENKA has been Turkey's leading firm in the design and construction of power plants. It has engaged in long-term collaborations with global firms active in this field. ENKA's experience with power plants can be summed up as follows:

- Six thermal power plants with a total installed capacity of 4,070MW
- Thirteen natural gas combined cycle power plants with a total installed capacity of 14,296MW
- Eight simple cycle power plants with a total installed capacity of 4,166MW.

A high proportion of these projects have been constructed in developing countries. They have been designed and put into operation in order to overcome the shortages of power, which constitute as one of the greatest challenges faced by developing countries.



Among these projects are the Adapazarı, Gebze and Izmir power plants, which are also operated by ENKA. In total, more than 7,000 persons worked in the construction of these plants at various stages. Having acquired experience of engineering and construction processes on these projects, these workers were later employed on power plants and other energy projects undertaken by ENKA in other countries, and assisted the local people in these countries to acquire experience in the energy sector.

Out of the projects which commenced in 2000, the Adapazarı and Gebze plants were completed in 2002 and the Izmir plant in 2003. With these power plants starting operation, ENKA became Turkey's largest private sector power generator. In 14 years of commercial operation, the ENKA power plants have generated 400 billion kilowatt-hours of electricity. With the capacity to generate 32 billion kilowatt-hours annually, they account for 11% of Turkey's total power output. These figures show the importance of these plants for the Turkish economy.

These plants have been regarded as exemplary investment projects by global standards on account of their performance in terms of production and environmental sensitivity, and in view of their technical infrastructure and the management systems in use.

Following these projects in Turkey, ENKA has also constructed several power plants in Iraq. These plants will contribute to the development of the country and its gradual post-war recovery. They have added more than 4,000MW of power to the Iraqi grid.

ENKA mainly employs locally recruited staff on the projects, which it carries out, and works with local subcontractors and business partners. By training local personnel and sharing its knowledge and experience, it contributes to the development of local workforces, sectors and economies.

In the engineering and construction activities, which ENKA has been carrying out in Tengiz, Kazakhstan, since 2013, the ratio of local (Kazakh) employees has reached 92%, and at no stage of the work has this ratio





Contributing to the Development of the Engineering Profession

Engineering is a profession and applied science which conducts research, prepares plans and projects, and generates products, methods, systems, innovations and technology in accordance with the principles of the basic sciences for the purposes of increasing the benefits which humanity derives from natural resources and phenomena and of providing people and communities with technical solutions to their problems.

ENKA's sustainability priorities include the training of engineers who have ethical values, think scientifically and are sensitive to social and environmental topics, who take the impact of engineering on the development of communities into account and plan for the ways in which their work will interact with other fields. These priorities also help engineers keep track of advances in their profession and teach themselves and turn their knowledge into corporate knowledge, and develop their engineering knowledge and skills in such a way as to contribute to the international community through discoveries and innovations. Furthermore, through the priorities, stakeholders are brought together to contribute to the development of the profession and to create environments in which development is the field, good practices and problems are discussed.

In the reporting period, ENKA carried out the activities detailed below in the context of its efforts to contribute to the development of the engineering profession.

Employment of Intern Engineers

A total of 79 trainee engineers and architects were employed in 2017. Throughout their internships, all of them were provided with applied training on ENKA's engineering projects and activities, and thus had the opportunity to improve themselves in terms of engineering practices and to gain work experience. In addition, ENKA's corporate knowledge, acquired as a result of 60 years of engineering activities, was passed on to the interns.

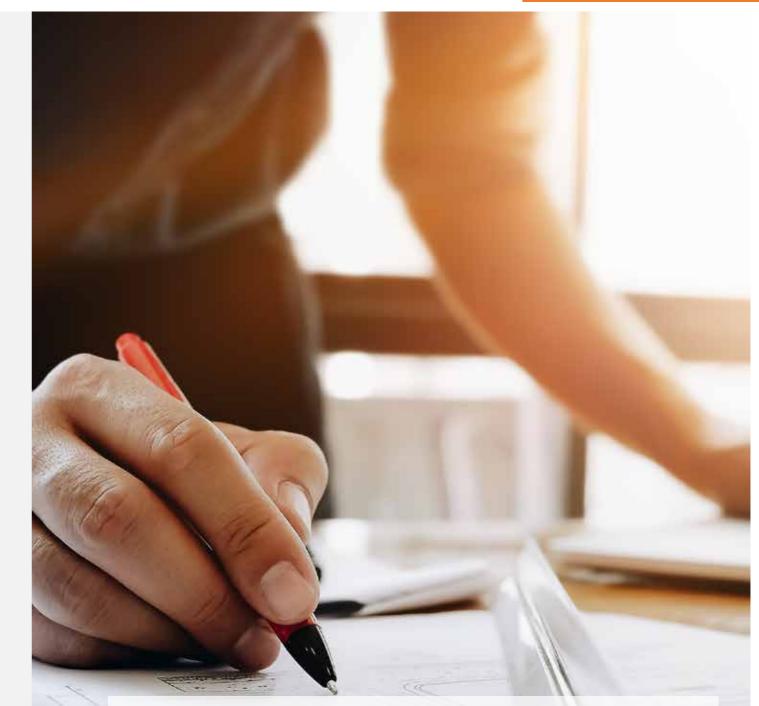
ENKA Academy

With respect to the continuous development of the engineering profession, ENKA Academy aims to develop employees' professional competencies, their technical knowledge and skills, their social skills and their leadership and management abilities. To this end, it organises various training activities, seminars, conferences and workshops. A total of 8,320 person-hours of training was provided in 2017 for the development of the engineering profession.

ENKA Design Centre

ENKA set up its design centre in 2016, which is licensed by the Ministry of Science, Industry and Technology.

With its total staff of 168 including 112 designers, ENKA Design Centre, made valuable contributions to the development of the engineering profession within the reporting



period through research and development, the design of new production technologies, innovation in project design and engineering activities and design innovations for time-cost-performance optimisation.

The Design Centre completed the design and engineering works of 7 projects in 2017, and work continued on the design and engineering works of another 11 projects. A total of approximately TRY30 million was spent on the design and engineering works of these projects.

Corporate Knowledge, Library and Memberships

ENKA has established a body of corporate knowledge for the purposes of conducting existing processes effectively, standardising the quality of its products and services across all locations, institutionalising the experience it has acquired, perpetuating its corporate culture and clarifying its working rules and methods. This knowledge is made available via an electronic library accessible to all employees. In addition, employees can access numerous international libraries and publications by way of this portal.

Local Employment

ENKA creates significant local employment opportunities both in the activities it carries out in Turkey and through the projects it undertakes in various other parts of the world, particularly in regions where employment opportunities are limited. A large proportion of the tasks, which ENKA carries out under its projects, are labour-intensive. Through its policy of recruiting the manpower needed for these tasks locally, ENKA creates considerable economic value in the locations where it carries out its activities.

ENKA plans and implements skill development programmes for its employees in

order to develop the skills required to fulfil the needs and expectations of its projects. These programmes include training in social skills as well as training in vocational skills for the construction profession. ENKA employees therefore enjoy significant opportunities to improve themselves continuously in their fields of expertise and to be considered for different fields of work and different job opportunities at a future date.

The data on local employment in 2017 are as follows:



ENKA Group



11,486

A monthly average of 11,770 local personnel were employed on the ongoing projects.



48,4%

The consolidated local staff ratio for all the projects and subsidiaries was 48.4%



23,000

Training was given to a total of 13,500 local personnel out of a total of 23,000 staff.



1.100.000

The total person-hours spent on Occupational Health and Safety and Environmental Training reached 1,100,000 person-



334

A total of 334 interns were employed.

ENKA İnşaat



35%

The ratio of local white-collar personnel working on the projects was 35%.



12.225

12,225 person-hours of training was given on technical subjects,



515

A monthly average of 515 local personnel were employed at Istanbul Headquarters.

Number of Local Employees employed in the Senior Management throughout ENKA

	Local	Foreign	Percentage
Number of Local Workers employed in the Senior Management	196	15	93%

The table below gives a breakdown of the white-collar personnel working in various positions at ENKA İnşaat. "Local personnel" is defined as the employees hired from the host countries in which the activity is being carried out. The personnel who are citizens of a third country, other than Turkish citizens and citizens of the country where the work takes place, are categorised as "other personnel".

Category of Personnel	Ratio	
Turkish Personnel	50%	
Local Personnel	37 %	
Subcontractor Personnel	2%	
Other Personnel	11%	

Compensation

Under no circumstances are ENKA employees paid less than the minimum wage set by the countries where they are working. The great majority (99.9%) of ENKA's employees receive wages higher than the minimum wage.

	Women	Men
Percentage of employees receiving the minimum wage	0.1%	0.1%
Percentage of employees receiving more than the minimum wage	99.9%	99.9%

Examples of Local Employment from the Projects



Route 6 Motorway Project, Kosovo

This 65-kilometre two-way motorway project links Pristina, the capital of Kosovo, to Hani I Elezit on the border with Macedonia, forming part of the Southeast Europe Motorway Network. During the most intensive period of the project, a total of 2,465 personnel from 11 different countries including Kosovo, Turkey, Albania, Romania, Macedonia and the from the USA were employed. Approximately 80% of the workforce requirements of the project were met by employing citizens of Kosovo. A total of 40,000 person-hours of training was provided on the environment, safety, health, quality and other significant skills during the reporting period.

South Caucasus Pipeline Expansion (SCPx) Project, Georgia

Under the South Caucasus Pipeline Expansion (SCPx) Project, BEJV, a joint venture between Bechtel and ENKA, is responsible for the construction of two compressor stations and a pressure reduction and metering station at a total of three different locations within the borders of Georgia, together with all related earth works. A monthly average of 2,400 personnel were employed on the project, and 68% of the total manpower requirements were met through the employment of Georgian nationals. A total of 265,000 person-hours of training was provided to the local personnel in the scope of this project.

Tengiz Projects, Kazakhstan

Thanks to the local employment policy implemented since 1993, and in line with the recruitment-training-development-sustainability practices in force, the percentage of Kazakh citizens employed on the ongoing projects has reached 90%. Local employment efforts are continuing in order to maintain this success.

In 2017, a monthly average of 2,250 local staff were employed on the projects undertaken in Kazakhstan, and the ratio of local personnel to total project personnel was 85%. In all, 145,000 person-hours of training was provided to the local employees.



Kashirskaya Multi-Functional Trade Centre, Russia

A monthly average of 2,400 local personnel were employed on the Kashirskaya Multi-Functional Trade Centre project, which is due to be completed in 2018. The ratio of local personnel to the total project payroll was 92%. Approximately 280,000 person-hours of training was provided to the local personnel during the reporting period.



Before starting any activity, ENKA carries out environmental and social impact assessment specific to that activity. If the impacts are likely to vary by gender, then a gender impact assessment is also taken into consideration during the assessment

Socio-Economic Impact Assessment

The potential impacts of ENKA projects on the regions where they are to be carried out are comprehensively examined right from the investment stage – or before the work is accepted in the case of contracting activities. This analysis is conducted under the main headings of the ENKA Sustainability Policy, which also constitutes the core of its Sustainability Strategy – namely, "Doing Good Business", "Caring for Employees", "Developing Communities", "Reducing Environmental Impact".

In line with the principle 'Doing Good Business', and regardless of the location or nature of the work, ENKA maintains the same quality in all parts of the world and conducts its business on a basis of sound risk management, a responsible attitude to management, effective leadership, a robust supply chain and keeping its stakeholders informed and involved at every stage.

In order to reduce the environmental impact of any work it is to perform, ENKA first conducts Environmental Impact Assessments held by qualified firms and assesses them. Teams of environmental engineers are formed at the corporate and project levels for their implementation. Engineering work is done at the design stage to increase efficiency, and waste management plans are drawn up during the initial analysis of investments or during the pre-mobilisation stage of construction works.

A detailed analysis is made of the importance of the investment or contracting activity to be carried out both for the communities where the project is located and for ENKA itself. It is well known that the most important way to ensure the success of a project is to ensure

that it is accepted by the communities in the area where it is being built and satisfies these communities through the opportunities it creates. In this context, ENKA aims to achieve success by blending the principle of Caring for Employees, which is never compromised, with the principle of Developing Communities in the regions it works.

Before starting any activity, ENKA carries out environmental and social impact assessment specific to that activity. If the impacts are likely to vary by gender, then a gender impact assessment is also taken into consideration during the assessment. Based on the results of the assessment, environmental and social impact management plans are drawn up and put into effect.

ENKA's first aim is to eliminate any negative impact. Where this is not possible, various other solutions are implemented, such as reducing the negative impact, isolating it or taking engineering precautions. Regular meetings and training activities are held in order to keep stakeholders informed and increase their awareness. Examples of these include occupational health and safety committee meetings, meetings with local school principals, meetings with the administrators of the settlements nearby, and the provision of education for schoolchildren.

To ensure stakeholder participation and maintain the process of continual improvement, a feedback/complaints procedure is established and made available for the stakeholders' use. The feedback and complaints received are dealt with in the manner set forth in the relevant procedure.

In the case of the South Caucasus Project Expansion (SCPx) project in Georgia, the impact assessments identified the main impacts that could create risks for the environment and the communities in the region, given the location of the project and the nature of the work, as the impact on wildlife, the impact on farming and bee-keeping as means of livelihood, the risk of traffic accidents, the environmental impact of dust, noise and vibrations, and the risk of fire. In 2017, five neighbouring villages were closely monitored in the framework of these potential impacts. Due to the systems implemented and the measures taken, no negative impact was observed in 2017 in any of the specific areas mentioned.

For the ongoing Kashirskaya Multi-Functional Trade Centre Project in Russia, the potential risks on surrounding communities were of a different dimension as the project is located in the city centre. The risks identified were an increase in traffic accidents, damage to citizens or public property due to falling objects, environmental dust, noise and vibration, and damage to the surrounding buildings and communities due to the outbreak of fire. As a result of the precautions taken, no situation that could create a negative impact occurred at the Kashirskaya project during 2017.

During all projects and business activities, all kinds of resettlement processes in the locations of the activity are planned and conducted by ENKA in accordance with predetermined principles drawn up in conformity with international legislation. There were no resettlement processes related to ENKA's activities in 2017.

Social Community Engagement Manual

ENKA developed its Social Community Engagement Manual in 2017 with a view to successfully manage all of the positive and negative impacts it has on communities in the places where its projects and its various business operations are located. This manual has been made available for the use of all ENKA units. It explains the main elements of managing interaction with communities and the role of the project management in this process. Examples and reference files that are responsible for projects and other business operations can benefit during the process, which is also included in the manual.

The following three main elements need to be taken into account in activities concerning the community in all the places where ENKA operates:

Avoiding or Eliminating Negative Impacts

Increasing Positive Impacts

Social Investment

While conducting the activities in question, all units pay attention to the ENKA Code of Conduct and to the legal requirements of the country where the activity is to be carried out.

90

ENKA engages in social community investment in all the places where it operates, with the aim of enabling the local communities living in these regions to benefit from industrial development and to develop in social and cultural terms. ENKA carried out approximately TRY54 million (TRY53.87 million) worth of voluntary social investment globally in 2017.

The ENKA Foundation is making a substantial part of these investments. The following units operate under the ENKA Foundation: ENKA Sports Club; Istanbul ENKA Schools, which began operating in 1996; Adapazari ENKA Schools, which started up immediately after the 1999 earthquake and was

established for the purpose of providing education to children affected by the earthquake; the Private ENKA Vocational and Technical Anatolia High School, which opened its doors in Kocaeli in 2008; the Private ENKA Science and Technology High School, also in Kocaeli, which has been operating since 2014, and ENKA Culture & Arts. All these units and all the individuals who belong to them are working to expand the opportunities, which this pool of institutions and experience creates, and to share them with broad sections of society.

Through the ENKA Foundation and its units, ENKA makes social community investments in the five following fields:







Education

Sport

Health





Social Support

Environment

ENKA unit	Description	Investment Value		Community Investment Field				
			Country	Education	Sport	Health	Social Support	Environment
ENKA İnşaat ve Sanayi A.Ş.	Turkish Education Foundation (TEV)	TRY23,690	Turkey					
ENKA İnşaat ve Sanayi A.Ş.	Organization that helps children in need "Children in Crisis"	USD15,000	Iraq			a	<u>2</u> 2 ^a 2	
ENKA İnşaat ve Sanayi A.Ş Route 6 Project	Grants and internships for local university students	EUR76,200	Kosovo					
ENKA İnşaat ve Sanayi A.Ş Route 6 Project	Church donation for river bed regulation	EUR17,613	Kosovo			0	2 2 ^a 2	
ENKA İnşaat ve Sanayi A.Ş Route 6 Project	Tree planting campaign with local schools	EUR1,357	Kosovo					
ENKA İnşaat ve Sanayi A.Ş Route 6 Project	Donations to primary schools	EUR992	Kosovo					
ENKA Foundation	Kocaeli School education expenses	TRY12,807,687	Turkey					
ENKA Foundation	Domestic and overseas study grants for students	TRY6,438,871	Turkey					
ENKA Foundation	Domestic study grants (Adapazarı School)	TRY18,160,133	Turkey					
ENKA Foundation	Assistance to the ENKA Sports Club Association	TRY11,835,000	Turkey		<u> 5</u> ½			
ENKA Foundation	Grants to Athletes	TRY791,240	Turkey		<u> 5</u> 2			
ENKA Foundation	Awards to Successful Athletes	TRY1,489,955	Turkey		<u> 5</u> 2			
ENKA Foundation	Assistance for art and culture	TRY944,672	Turkey				2 2 ⁴ 2	
ENKA Foundation	General donations	TRY893,493	Turkey				<u>2</u> 2 ^a 2	

ENKA Foundation

The ENKA Foundation was established in 1983 with the core idea of maintaining the tradition of foundations in Turkey and advancing the concepts that have been the building blocks of civilisation in today's age. Accordingly, the natural mission of the Foundation is to orient Turkish youth

towards sport and make sport a part of their lives, to identify the sporting potentials of the talented among them using scientific methods and train and raise them to be champions who can achieve international success, and to strengthen education and social infrastructure.

ENKA Sports Club

ENKA Sports Club has 1,250 licensed athletes in training at its own facilities, with the support of 80 specialised coaches. The Club takes part in national and international sporting contests in those branches of sport in which it is active. Under the slogan "The Future belongs to the Young", the Club strives to equip thousands of children with superior mental and physical qualities through the top-quality training system, which is implemented within its teams and sports schools. It has provided Turkish sport with many talented young athletes. The Club draws on a rich source of potential athletes

made up of talented young people from its sports schools first and foremost, from the ENKA Schools and from its extensive social environment. About 700 candidate athletes are being trained within the Young ENKA Family to be the champions of the future. The ENKA Sports Club is one of Turkey's locomotive clubs both in terms of the talented young people whom it has won over for Turkish sport through its training activities and in terms of the successes, which its leading athletes have achieved at the international level.



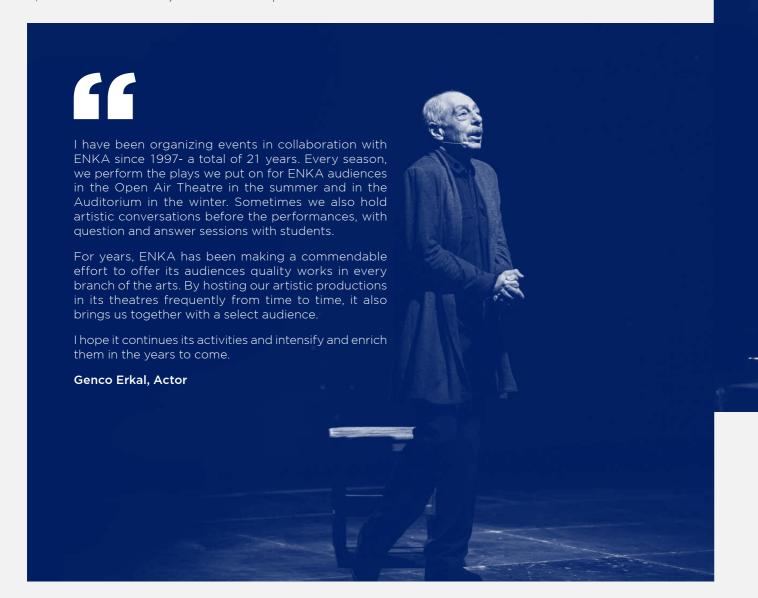
About 700 candidate athletes are being trained within the Young ENKA Family to be the champions of the future.



ENKA Culture & Arts

ENKA Culture & Arts develops projects which contribute to the continuity of culture and art and introduce audiences to the artists of the future. Its programmes, which include examples of all of the arts, take place in the ENKA İbrahim Betil Auditorium, which has a capacity of 600 seats, and in the 1,000-seater ENKA Esref Denizhan Open

Air Theatre. With its professional technical equipment and contemporary stage arrangements, ENKA Culture & Arts has welcomed innumerable artists and groups from national and international circuits, and made it possible for art-lovers to attend many different kinds of event.



I have had a long-term relationship with ENKA ever since I gave the opening concert at the Auditorium in 1999. Every year we organise at least two concerts - one in the open air and the other in the closed auditorium.

ENKA's concerts have a thirty year-old tradition of introducing people to music and art. I think this is very important for Turkey. In the summer, especially, we have organised concerts with ENKA that have reached wide

audiences. Sometimes I have given solo concerts and

sometimes I have taken part in various projects alongside

young artists, actors and musicians. These concerts have

attracted a lot of public interest.

What ENKA has been doing for 30 years is very important for art and especially for Turkish performers. A lot of Turkish performers have been able to find a platform for presenting their art through ENKA. With its summer and winter projects, I believe it makes a great contribution to the cultural and artistic life of Istanbul. These concerts are important occasions for putting interesting projects before the public and for the value placed on performers of the

As the artistic community, we are very grateful to ENKA for everything it has done so far. Our only desire and expectation is for it to keep doing this for many more decades.

Fazıl Say, Musician

Read more...



About ENKA Foundation: http://www.enka.com/sustainability/home/society/enka-foundation/About ENKA Sports Club: http://www.enkaspor.com/en/

About ENKA Sports Club's activities in 2017: http://www.enka.com/investor-relations/annual-reports/ About ENKA Culture and Art: http://www.enkasanat.org/hakkimizda/

ENKA Schools

Adapazarı ENKA Schools, was established immediately after the 1999 Marmara earthquake to provide education and shelter for children who had been victims of the disaster. It continues its educational activities today.

Adapazarı ENKA Schools has 715 students and a staff of 111 permanent teachers and five part-time teachers. Its aim is to provide equality of opportunity in education and to bring up creative individuals who use their critical thinking and communication skills in all disciplines, ask questions, express themselves in different languages, respect difference and are internationally aware.

Istanbul ENKA Schools was founded in 1996. It has a student-centred ethos and an innovative approach to teaching and learning. Its primary, secondary and high school sections are currently providing education to a total of 1,237 pupils and students. In addition to its modern, functional classrooms, the school has three fully-equipped science laboratories, an auditorium, three libraries with a total of 40,000 volumes, a computer laboratory, two design studios and a multi-media room.





In the curriculum, as much importance is attached to clubs, community service, after-school activities and schools teams as to academic studies. These activities are intended to enable the students to develop their sense of responsibility, curiosity and self-esteem as well as to acquire leadership and communication skills.

In order to achieve these aims, the school has 103 clubs and 75 after-school activities. For example, there are International Duke of Edinburgh Awards, Round Square, Young Guru Academy, Model United Nations, European Youth Parliament, ENKA Youth Forum, International Chain of Awareness, School Magazine (Oceanus), Lego Robotics, Cookery, English Theatre, Film Production, Dance, Yoga, Ceramics, Swimming and Istanbul Exploration clubs. Through these clubs and activities, ENKA's students represent ENKA Schools in Turkey and abroad.

Kocaeli ENKA Schools, is divided into the ENKA Technical Schools and the ENKA Science and Technology High School.

The ENKA Vocational and Technical Anatolian High School is the first and only school with the status of an Anatolian Technical High School in which all students are educated with scholarships. It started up in temporary accommodation in 2008 and moved to its permanent campus in 2010. The school currently has 74 teachers and 463 students in the fields of industrial automation, machine technologies and chemistry technologies.

The ENKA Technical Schools aim to provide education in the professions required by the market using state-of-the-art machinery and equipment and up-to-date methods, to meet both the cultural and the social needs of their students and induce in them



a sense of responsibility, professional ethics and moral values and sensitivity, to bring up individuals capable of meeting the needs of the industrial sectors and of institutions of vocational and technical education, and to provide courses to personnel working in industry, young people without professions and graduates of general high schools so as to contribute to Turkish industry and to the solution of a social problem.

The ENKA Science and Technology High School is located in the same building as the ENKA Vocational and Technical Anatolian High School in the Specialised Organised Industrial Zone for Machinery in the province of Kocaeli and houses 250 students. All of the students being educated at the school are studying on full and unconditional grants with the support of the ENKA Foundation.

In addition to the Science High School curriculum, students in grades 10 and above are able to take part in additional educational activities in line with their goals and preferences. Genetics classes are organised in the genetics laboratory for students wishing to go on to study medicine, while workshops are held in mechatronics and computer programming languages for students interested in studying engineering.

To support the practical education of their students, both of the schools in Kocaeli have physics, chemistry and biology laboratories equipped with the latest technology. There is also a LEGO robot workshop, a model plane/drone workshop, a science centre, a visual arts workshop and an orchestra practice room. The school has signed a protocol of cooperation with Gebze Technical University with a view to developing these





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Each of the ENKA Schools have developed its own strategy and identified its own sub-targets, taking into account of the sustainability priorities within the school and its local environment, in such a way as to serve the goals of the ENKA Sustainable Campus Programme, and has begun its activities under the leadership of the students.

resources further. As a result, the students are able to benefit not only from the university's physical resources, such as its laboratories and social facilities, but also from the support of its academic staff for education and advice. In addition, technical and scientific projects are also being carried out in conjunction with the university.

ENKA Schools Sustainable Campus Programme

In September 2017, the Sustainable Campus Programme was inaugurated at the ENKA Schools with a view for supporting the development of responsible individuals and citizens of the World, for reducing environmental impact, and for contributing to social development. Under this programme, a joint

Sustainability Committee has been established for Istanbul ENKA Schools, Adapazarı ENKA Schools and ENKA Technical Schools Kocaeli. Sub-committees have also been set up within each of the three schools, with the committee members made up of volunteers drawn from among the members of the Students Association, the Clubs, Administrative Affairs and the Parent-Teacher Association. Each of the ENKA Schools has developed its own strategy and identified its own sub-targets, taking account of the sustainability priorities within the school and its local environment, in such a way as to serve the goals of the ENKA Sustainable Campus Programme, and has begun its activities under the leadership of the students.

